SOCAR Türkiye Integrated Report 2023



We continue our commitment to leaving a more livable world for future generations. As we grow stronger, we continue to take determined steps to build a sustainable future.

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SOCAR TÜRKİYE 2023 Integrated Report

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SOCAR

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About the Report

SOCAR Turkey Enerji A.Ş. (As SOCAR Türkiye) we implement our strategy which we have adopted in line with the aim of creating value in economic, environmental, social and governance areas, in line with the corporate governance rules based on the principles of transparency, accountability, responsibility and fairness. In this context, we regularly report our performance to our stakeholders and strengthen our company's sustainability vision. For the first time this year, unlike previous years, we, as SOCAR Türkiye, are presenting our sustainability report to our esteemed stakeholders in an integrated report format.

Our Integrated Report was prepared in accordance with GRI Universal Standards 2021 along with GRI's Oil and Gas Industry Standards published by the Global Reporting Initiative (GRI) taking into consideration the IFRS S1 and S2 framework published by the International Accounting Standards Board (IASB) which constitutes the basis of the Turkish Sustainability Reporting Standards (TSRS). The principles of the United Nations Global Compact (UNGC), to which we have been a signatory since 2021, were also taken into account in the report content.

For the purpose of this Report, our company's financial and operational performance is discussed from an integrated perspective within the scope of 6 capital elements. The created value and future targets have been clearly, transparently, reliably and consistently presented to all our stakeholders in a manner comparable to the previous reporting period. Our report was prepared to cover the performance of SOCAR Türkiye and its subsidiaries for the 12-month period between 1 January 2023 and 31 December 2023.

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Dear Stakeholders,

The year 2023 was an important year for both Türkiye and Azerbaijan along with SOCAR Türkiye, the symbol of the economic cooperation of the two countries. It was meaningful for us that 2023 stands for as the 100th anniversary of the constitution of the Republic of Türkiye as well as the 100th anniversary of the birth of Azerbaijan's National Leader Heydar Aliyev. Celebrating these significant milestones in the history of both countries doubled our enthusiasm and joy. In 2023, we further celebrated the 15th anniversary of the beginning of the operations of SOCAR Türkiye in Türkiye.

However, the earthquake disaster we experienced at the beginning of last year deeply wounded us. Following the disaster that left us all in pain, we mobilized, both within our company and our employees, with all our heart and soul to heal the wounds of our country. As SOCAR Türkiye, we have taken action to identify and supply the most urgent needs of the earthquake zone since the first day. We provided fuel for free to the region for to support the search and rescue activities in the earthquake zone. We created a donation fund to meet the needs of our citizens affected by the earthquake. In order to alleviate the impact of the disaster, we have been maintaining our support for earthquake regions. On this occasion, I would like to once again convey our condolences and get well soon wishes to our nation.

get well soon wishes to our nation.While maintaining our leadership in the energy industry, we keep
assuming a leading role in using our natural resources more efficiently
and reducing our carbon footprint. As a concrete indicator of our efforts
in this arena, we were granted the "Green Check Certificate" at
the Gold level. We consider this prestigious certificate as a significant
achievement that indicates our company's commitment to environmental
awareness and sustainability standards.

We shaped this strategic plan, which we developed based on the 2035 strategy created in line with the vision put forward by our parent company, Azerbaijan State Oil Company SOCAR, in the light of the initiatives put forward at the Strategy Summit held with the participation of our leaders in September.

We have implemented our umbrella communication strategy entitled "SOCAR Bir" in order to ensure the company-wide acceptance, internalization and dissemination of our strategic priorities, goals and the supporting building blocks that will facilitate achieving these goals. As SOCAR Türkiye, we have underlined that our vision, mission and main purpose, values, working principles and strategy are "One".

In 2023, we have further determined the **Quarterly Focus Areas** by making some improvements regarding continuously monitoring and evaluating corporate KPIs and implemented various practices that have yielded concrete values. We will keep working on this issue by further maturing our efforts in 2024.

We have been supporting sustainable growth in all industries in which we have been operating since the date of our incorporation and we have been implementing the most advanced methods and practices possible to ensure sustainability as a whole.

We carry forward our efforts to create value for people, society and the environment with our sustainability strategy that we developed in line with the United Nations Sustainable Development Goals.

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We have established the **Strategy and Sustainability Directorate** in line with our new procedure to strengthen our efforts in this field, to strengthen the governance implemented in the field of sustainability in 2023 and to improve transparency.

The effects of climate change experienced on a global scale last year revealed that there is a strong need to act in line with the targets set forth in the Paris Agreement. We are well aware that the energy industry should lead the innovation to reduce its emissions and accelerate the transition to low-carbon energy systems. In this regard, we focus on investing in the systematic change required towards the goal of becoming net zero, while reducing emissions from our own operations to ensure a fair and inclusive change. As SOCAR Türkiye, we have implemented more than 90 projects in line with our decarbonisation targets over the past two years. Owing to these projects, we have saved 110 thousand tons of CO₂ in Petkim, 332.6 thousand tons in STAR, and 430.5 thousand tons in Bursagaz and Kayserigaz between 2021 and 2023. We will further pursue our decarbonisation targets by accelerating our energy efficiency projects in the coming years.

We participated in the COP28 Summit held in Dubai this year and explained our sustainability vision. Within the framework of the panel that we organized at the Turkish pavilion, we talked about the initiatives that SOCAR Türkiye has recently implemented over the years with a focus on sustainability, the significance of performance indicators and transparent communication, and our global sustainability-focused R&D-specific strategies. We further touched upon the impact of the energy transformation on the refinery and petrochemical industry and emphasized the significance of joint steps that industry players will take for this transformation. We are also excited that Baku, the capital of Azerbaijan, will host the COP29 Summit in 2024. We believe that this important event, which brings together global leaders to discuss the fight against climate change, will support steps towards a sustainable future.

We believe that this important event, which brings together global leaders in the fight against climate change, will support steps taken towards a sustainable future. As SOCAR Türkiye, we shape our R&D and Innovation projects in accordance with the developments in the energy industry and future scenarios on issues such as reducing the emissions, energy efficiency improvements and orientation towards low-carbon technologies set forth as a result of climate research and we pioneer new products and technologies in this regard. Over the last five years, we have stood out with our technology awards, enabled cloud functions and resilient IT systems. As SOCAR Türkiye, we participated in the World Economic Forum's "Global Lighthouse Network" with our advanced digitalization projects at Petkim and STAR Rafineri and we were nominated among the facilities that best use Industry **4.0 technologies in production.** These achievements reinforce our leadership in technology and digitalization along with our goal of becoming one of the leading companies of Türkiye.



About SOCAR Global & SOCAR Türkiye

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We further attach utmost importance to collaborations in line with global efforts and our company's strategic goals. This approach brings with it many successful practices and initiatives in the fields of Environment, Social, Governance (ESG). These collaborations, which we have actualized on a global scale, based on industrial strategies and sustainability priorities, play a key role in achieving our company's short, medium and long-term goals.

As such, SOCAR Türkiye Ar-Ge and İnovasyon Center, which started its operations in cooperation with Sabancı University in November 2022, does research on hydrogen (H2)-based technologies, which are of great importance for renewable energy, and carries out projects in this field. Thanks to this collaboration we have developed, we contribute to the EU's goals of eliminating net greenhouse gas emissions and minimizing its carbon footprint by 2050.

This year, we have broken new ground in the energy industry and we have achieved a highly secure mobile communication network by establishing cell towers for SOCAR Türkiye's information technologies infrastructure with the largest open-air Private LTE project of Türkiye, developed specifically for the Aliağa Peninsula, where our refinerypetrochemicals-logistics investments are located. This region, where SOCAR Türkiye operates in, not only holds the title of the first "Special Industrial Zone (SIZ)" of Türkiye but also has served as a model for digital transformation in the energy industry.

Besides our innovative developments and successful collaborations in the field of R&D and innovation, we- as SOCAR Türkiye- have undertaken significant initiatives in the field of education in 2023.

We graduated our first students this year within the scope of the SOCAR Energy School certificate program, which we launched in 2023 in cooperation with Sabancı University Executive Development Unit, and thereafter we started the second SOCAR Energy School certificate program in line with the positive feedbacks we received about the program. We further offer internship opportunities in the production facilities to female students studying in the Chemistry Department of Ege University's Aliağa Vocational School so that they can consolidate the knowledge they have acquired during their associate degree education in the field and grow up as gualified and expert individuals in their fields.

As SOCAR Türkiye, we constantly improve our works in the field of training and development and we now execute the Women Energy program, which we initiated with the aim of contributing to the equal representation of young women in business and management roles, together with a training program that will continue for a year.

We were further granted many awards in different fields in 2023. We consider these awards as an indicator of the impact and success of our work.

We were ranked as the "Company of the Year" in the field of Governance with our "Agile Business Model" within the scope of the 20th International Stevie Business Awards and we were granted the Silver Stevie Award in the "Energy" industry and were rewarded in the "Corporate Governance" category within the scope of the World Finance 2023 Awards.

On the other hand, we have crowned the significance that we attach to R&D and innovation by receiving 6 awards from the Communicator Awards with our SOCAR Türkiye and SOCAR Energy School websites, which stand out with their user-friendly, simple and modern design. We received 3 awards in the visual design, user experience and B2B categories with our SOCAR Türkiye website and 3 more awards in the fields of training, visual design and user experience with our SOCAR Energy School website.

Bursagaz, one of SOCAR Türkiye subsidiaries, was granted an award in the Corporate Tax category at the "Adding Value to the Economy" Awards Ceremony organized by Bursa Chamber of Commerce and Industry (BTSO).

Besides adding new standards to our Management Systems every year, we have moved to the position of "designing, not following" in the field of management systems standards in 2023. We have undertaken an active role in the development of the Innovation Management Standard. which ISO started to constitute for the first time in the world. We keep designing new standards by going beyond the already established standards in the field of business processes and quality management systems. SOCAR Türkiye Ar-Ge ve İnovasyon Anonim Şirketi became the first company in the industry to receive the ISO 56002 Innovation Management System Certification in the world.

As SOCAR Türkiye, we were further entitled to receive the "Equality for Woman at Work Certificate" with the practices we implemented for equality of opportunity, inclusion and women's employment.

Since 2020, we have been presenting our environmental, social and governance performance transparently to all our stakeholders through our sustainability reporting. The Materiality Analysis of our Sustainability Report, which we published last year, was presented as an example of appropriate reporting prepared in accordance with the standards in a course on reporting in accordance with GRI Standards organized by GRI (Global Reporting Initiative). As SOCAR Türkiye, we have attached utmost significance to this success, which further strengthens our understanding of sustainability.

This year, we are taking our reporting journey one step further by adopting the integrated thinking system and we are proud to break a new ground and share our 2023 performance, progress and future goals with you in our Integrated Report.

Our achievements and the challenges we faced in 2023 once again reveal the significance of the steps we undertake for a sustainable future. We will closely follow the future developments in the industry, produce innovative and sustainable solutions and continue to create social value. I would like to express my gratitude to all our stakeholders, particularly to our employees who have been walking by our side on this path, for their support and cooperation. Together, we will strive to build a more resilient, ethical and sustainable world.

Regards,

Elchin Ibadov CEO | SOCAR Türkiye









Highlights of 2023 at SOCAR Türkiye

About SOCAR Global & SOCAR Türkiye

SOCAR Global

Founded in 1992, SOCAR, the Petroleum Company of the Azerbaijani State, has a significant position in the energy industry and makes available the resources of Azerbaijan, one of the richest countries in the world in terms of oil and natural gas, for global development and benefit. The company contributes to the exploration of oil and natural gas resources, the production and processing of oil and natural gas as well as the distribution of oil, natural gas and natural gas condensates and the successful promotion of crude oil and petrochemical products in national and international markets. The company also operates in the field of natural gas supply in Azerbaijan.

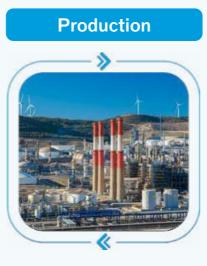
Operating on a global scale, SOCAR has representative agencies in 13 different countries, as well as international trading companies in Switzerland, Nigeria, Singapore and Vietnam and asset investments in various countries like Georgia, Switzerland, Romania, Türkiye, Ukraine and Greece. The most significant one of the strategic projects executed by the Company on a global scale is in located in Türkiye. Accordingly, the projects implemented in Türkiye in line with the 18.5 billion USD worth investment plan reflect SOCAR's international achievements and strong economic contributions.

Petrochemicals



Fields of Activity





Refining and Gas Processing



Transfer



SOCAR Türkiye

As the leading energy company of Türkiye, we work with the motto "Stronger. Together."

As the largest-scale integrated industrial group of Türkiye, we maintain our leading position in the industry. We assume an active role in many fields, operating in a wide range of areas such as petrochemicals, refinery, natural gas, trade, energy transmission and distribution, logistics, consultancy, telecommunications, insurance and maritime services.

As a subsidiary of Azerbaijan's state-owned oil and gas company SOCAR, SOCAR Turkey Enerji A.Ş. (As SOCAR Türkiye) We are one of the largest oil and natural gas companies of Türkiye. As the strongest representative of the economic cooperation between Azerbaijan and Türkiye, we assume a key role in strengthening the trade and investment relations between these two brotherly countries. The Company was incorporated in 2008, following the privatization of Petkim, upon purchasing 51% shares thereof from the Directorate of Privatization Administration ("DPA"). For 15 years, we have been fulfilling our social responsibility not only economically but also through our contributions to employment and production.

We are an organization that has the distinction of being Türkiye's largest foreign investor and largest industrial group. Our land in Aliağa, which houses the majority of our investments, is the first company in Türkiye awarded with the title of "Special Economic Zone (SEZ)". Owing to the projects that we have executed, our total investments in Türkiye have reached approximately 18.3 billion US Dollars over 15 years.

In this context, we stand out not only with our leadership in the industry but also as a significant player representing Türkiye's economic power in the international arena. Integrated activities of our Group, compatible with the sustainable development and economic growth goals of Türkiye, offer a promising approach to the future of our country.



About SOCAR Global & SOCAR Türkiye Highlights of 2023 at SOCAR Türkiye Corporate Governance at SOCAR Türkiye

Corporate Profile, Vision, Mission and Corporate Values

Message

from the CEO

Corporate Profile

As the largest-scale integrated industrial group of Türkiye, we combine our "Stronger, Together" motto with our mission of leading the industry.

As the largest-scale integrated industrial group of Türkiye, we operate in diversified industries such as petrochemicals, refinery, natural gas, trade, energy transmission and distribution, logistics, consultancy, telecommunications, insurance and maritime services and thereby make use of the most advanced technologies to provide social, economic and environmental benefits for sustainable living.

By integrating sustainability principles and values into our way of doing business, we aim to assume a leading role in the search for solutions to global problems. For the purpose of complying with global changes and leaving a more livable world to future generations, we consider our core values and business model in line with sustainability principles and we aim to create an impact in various areas.

Vision



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

Mission



To operate and develop our entire value chain fron source to end user in an efficient and sustainable manner with our qualified, knowledgeable, and dedicated human resources at all levels.

Corporate Values



We gain trust with our honesty and ethical business practices. Working with standards based on integrity and high business ethics is the essence of our work.

• Agility

(6)

We anticipate our clients' changing needs, competitive market trends, and opportunities. We embrace change, move forward with resilience, and maintain our business focus even in rapidly changing conditions.

• Inclusion

We pursue different perspectives and encourage everyone to cooperate and contribute to achieving common goals.



We are committed to our work with our hearts and mind. We work with strong emotions that add meaning to our daily work.

Productivity

We find the most effective and efficient processes for getting things done by focusing on continuous improvement and using our time and resources in the best way possible.

• Obligation

We feel responsible against our shareholders, clients, colleagues and society; we lead the way in creating a safe, reliable and sustainable environment wherever we operate.

Working Principles

'Human-First' Approach: We put "human" at the heart of all our decisions and adopt human-oriented strategies to ensure excellence

Strategic Game Plans: We value having a game plan. We always have a plan B ready to flexibly and agilely take action in the face of challenges.

High Performance Culture: We foster a high-performance culture that supports continuous professional development.

We Derive Our Energy from 'One Team, One Spirit': We dedicate our energy to ambitious collaborations. We seize the opportunities to simplify our business and adopt a constructive one-team approach.



| SOCAR TÜRKİYE 2023 | |
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Highlights of 2023 at SOCAR Türkiye

Corporate Governance at SOCAR Türkiye

SOCAR Türkiye at a Glance

As the largest-scale integrated industrial group of Türkiye, we maintain our innovative and pioneering position in the market with each of our business units comprised of by incorporating leading companies in different industries. Following a successful integration process that gathers our companies operating in different business lines, we have been carrying out our business processes in a coordinated and operationally efficient manner. Our integrated structure not only improves our industrial diversity but also strengthens our competitive advantage and bolsters our sustainable growth.

Message





Corporate Center







Other Fields of Operations

Message from the CEO About SOCAR Global & SOCAR Türkiye Highlights of 2023 at SOCAR Türkiye Corporate Governance at SOCAR Türkiye



Refining and Petrochemical Business Unit

Petkim

Petkim provides inputs to plastics, chemicals, packaging, pipes, paint, construction, agriculture, automotive, electricity, electronics, textiles, detergents, cosmetics and many other industries with the high value-added raw materials it produces, primarily ethylene, benzene, orthoxylene, paraxylene, polyvinyl chloride (PVC), plastic surgery products (PSP), polypropylene (PP) and plastic colorants (masterbatch) and gives life to countless sub-industries.

STAR Rafineri

STAR Rafineri, the largest-scale refinery project in the Europe, Middle East and Africa (EMEA) region, operates as the only refinery company in Türkiye with refinery-petrochemical integration. As the first company with a Strategic Investment Incentive Certificate in Türkiye, STAR Rafineri meets approximately 20% of our country's processed crude oil product needs on its own. STAR Rafineri not only provides a savings of approximately 1.5 billion USD annually in petroleum product imports but also significantly reduces our country's petroleum product imports.

SOCAR Depolama

Representing the storage and operations link of our energy chain, SOCAR Depolama has been carrying out activities such as the storage of petroleum products and liquefied petroleum gas (LPG) in tanks, filling operations to land and sea tankers, and evacuation operations from sea tankers to tanks throughout Türkiye starting from the Aegean Region since its date of incorporation in 2016.

SOCAR Petrol Ticaret

SOCAR Petrol Ticaret mainly operates in the fields of wholesale and retail oil, aviation and marine fuel sales but also undertakes operations in the fuel distribution industry with SOCAR (Azoil) brand, in the marine fuels market with SOCAR Maritime brand and in the aviation fuels market with SOCAR Aviation brand. Established to carry out operations in the energy distribution industry, SOCAR Petrol Ticaret continues to evaluate high market share opportunities in this field.

SOCAR Ar-Ge ve İnovasyon

Founded by Petkim in 1969, SOCAR Ar-Ge ve İnovasyon has been developing innovative, sustainable, environmentally friendly and marketoriented products and digital technologies under the umbrella of SOCAR Türkiye since December 2019. Owing to the R&D Center Certificate granted by the Ministry of Industry and Technology on 12 June 2020 and with over 55 years of experience, the company offers R&D services to SOCAR Türkiye and its subsidiaries.

SCR Müşavirlik

SCR Müşavirlik undertakes the construction and control of the design, comprehensive renovation and construction processes of all companies within the scope of SOCAR Türkiye's administrative structure.





SOCAR Enerji Ticaret

SOCAR Enerji Ticaret, which possesses one of the largest private sector natural gas and electricity portfolios in Türkiye, has been operating under the umbrella of SOCAR Türkiye since 2019. As the only private sector player supplying gas to Türkiye from an alternative source, SOCAR Enerji Ticaret strives to contribute to our country's supply security.

Bursagaz

Established by BOTAŞ in 1992 to provide natural gas distribution services, Bursagaz has been providing services under the umbrella of SOCAR Türkiye since 2019. The company provides services to approximately 1.2 million subscribers with a network length reaching 7,562 km by the end of 2023 and implements exemplary practices in Türkiye with its environmentally friendly headquarters with LEED Platinum Certificate and technology-oriented management approach.



Port Operations (SOCAR Terminal and PETLİM)

SOCAR Terminal, which has been serving under the umbrella of SOCARSOCAR Gemi Acenteliği, which was established in 2019 and receivedTürkiye since 2018 and whose investment finance cost has reached 420a shipping agency license in the same year, has specialized in providingmillion USD, undertakes operations as a strategic base in the logisticsmaritime services for ships entering or leaving ports, facilitated withthe participation of sub-agencies. The company offers shipping agencyservices not only within the ports owned by SOCAR Türkiye but also in allaccessible ports of Türkiye.accessible ports of Türkiye.

Millenicom

Millenicom, a telecommunications services provider founded in 2004, has been pioneering the alternative telecom industry under the umbrella of SOCAR Türkiye since June 2019. The company provides affordable, uninterrupted and high-quality internet services to all over Türkiye and connects its users to the world with its dynamic network infrastructure.

SOCAR Fiber

SOCAR Fiber, which undertakes fiber optic line investments for electronic communications, has been operating since 2013 to meet the needs for fiber optic communication infrastructure in the face of rapidly increasing IP traffic and fast communication demands.

SOCAR Broker

Founded in 2022 and being an in-house insurance broker operating in Türkiye, SOCAR Broker provides services in insurance, reinsurance and damage consultancy. SOCAR Broker has concluded agreements with 23 insurance companies and more than 50 international reinsurance companies in Türkiye.

Kayserigaz

Awarded in 2003 with the first natural gas distribution tender by the Energy Market Regulatory Authority (EMRA), Kayserigaz, which distributes natural gas throughout Kayseri, is one of the most important players in the Turkish energy industry. Serving under the umbrella of SOCAR Türkiye since 2019, the Company offers services to more than 650 thousand subscribers with its network length reaching 6,639 kilometers by the end of 2023.

SOCAR Türkiye Doğal Gaz Yatırım

Established in 2019, SOCAR Turkey Doğal Gaz Yatırım A.Ş. operates in the gas and electricity imports, wholesale and gas distribution markets. SOCAR Türkiye Doğal Gaz Yatırım, headquartered in Istanbul and with operational directorates in Bursa and Kayseri, merged with Enervis (an operational services provider) as of November 2023.

SOCAR Gemi Acenteliği

TANAP*

Trans-Anatolian Natural Gas Pipeline Project (TANAP), which carries Azerbaijani natural gas to Europe via Türkiye and is one of the most significant indicators of the successful cooperation in the field of energy between two brother countries, namely Türkiye and Azerbaijan, constitutes the most important link of the 3,500-kilometer Southern Gas Corridor extending from Azerbaijan to Europe. Since June 2018, it has been transporting the natural gas produced in Azerbaijan's Shah Deniz field initially to Türkiye and onwards to Europe. TANAP pursues its activities in accordance with international quality, occupational health and safety, social and environmental standards.

* Shareholding Structure of TANAP: SGC 51%, SOCAR Turkey Enerji A.Ş. 7%, BOTAŞ 30% and BP Pipelines Limited 12%



Summarized operational information of our subsidiaries within SOCAR Türkiye for 2023 is available through the "Overview of Group Companies" section.

Message from the CEO About SOCAR Global & SOCAR Türk

Highlights of 2023 at SOCAR Türkiye

Corporate Governance at SOCAR Türkiye

15 Years in Türkiye

2008

 SOCAR acquired PETKIM in 2008 and started its operations in Turkey with the goal of making PETKIM one of the largest production centers in Europe.

2011

- Groundbreaking for the construction of the STAR Rafineri.
- Production capacity of AYPE-T Plant was improved by 20%. An agreement was signed for the capacity increase of the ethylene plant.

2012

• On June 23rd, Azerbaijani President Ilham Aliyev and Turkish Prime Minister Recep Tayyip Erdoğan signed the Trans Anatolian Natural Gas Pipeline Project (TANAP) agreement in Istanbul.

2015

- Groundbreaking for the construction of the TANAP.
- 13% of SOCAR Turkey's total capital was acquired by Goldman Sachs under a share purchase agreement with put option.
- The foundation of the Trans Anatolian Natural Gas Pipeline Project (TANAP) was laid with the participation of the Presidents of Turkey, Azerbaijan and Georgia.
- STAR Rafineri was recognized as the "Best Refinery Finance Deal of the Year" by Project Finance International and Infrastructure Journal.
- STAR Rafineri was voted the best refinery of 2015 by the readers of Hydrocarbon Processing magazine.

2016

• The first phase of SOCAR Terminal was completed and started operations.

2018

- The section of TANAP starting from the Turkish-Georgian border to Eskişehir was inaugurated in Eskişehir under the auspices of the President of the Republic of Turkey Recep Tayyip Erdoğan and with the participation of the President of Azerbaijan Ilham Aliyev.
- SOCAR Turkey's land in Aliağa was declared a Special Industrial Zone.
- STAR Rafineri was inaugurated with an international ceremony and became operational in the last guarter of 2018.
- The second phase of SOCAR Terminal was completed and started operations.

2019

- TANAP was completed by July 2019 and became capable of transporting Azerbaijani gas to Europe.
- · Bursagaz, Kayserigaz, Enerji Ticaret, Enervis and Millenicom were acquired.
- Refinery Petrochemical Integration completed.
- STAR Rafineri started production at full capacity.
- SOCAR Ar-Ge ve İnovasyon Center was established.
- The first naphtha produced by STAR Rafineri was delivered to Petkim.

2020

· Petkim was the only company from Türkiye to be selected for the World Economic Forum's (WEF) "Global Lighthouse Network" in 2020, which recognizes the facilities that best use Industry 4.0 technologies in production.

2021

- · Natural Gas Business Unit Integration was completed.
- STAR Rafineri was the only company from Turkey to be selected for the World Economic Forum (WEF) "Global Lighthouse Network" in 2021, which recognizes the facilities that best use Industry 4.0 technologies in production. STAR Rafineri is also the only refinery in the world to be included in this league.
- In 2021, STAR Rafineri's capacity utilization rate was 100.8%.
- With 6,241,644 thousand TRY, Petkim broke the EBITDA record.
- Petkim ranked 8th among 206 companies in the "ESG Rating", in which the world's leading corporations are evaluated by an independent auditing organization under the headings of "Environment, Social and Governance" with the work carried out in line with their sustainability goals.

2022

- SOCAR Broker and Reasürans Brokerliği Anonim Şirketi was established
- In 2022, ISCC International Sustainability Carbon Certification was obtained for the first time, a certificate that demonstrates the transparent traceability of sustainable raw materials and products made with these raw materials throughout the supply chain, assuring our stakeholders that the products meet sustainability requirements.
- The project suggestions submitted by our colleagues and have been actualized within the scope of Petkim's "Değer Benim" Program, which has carried its success to its 6th year, amounted to 96.5 million US dollars by 2022.
- With a sales volume reaching out to 700 thousand tons by 2022, SOCAR MARINE has become the largest and most important player in the international marine fuels industry. The company currently supplies more than a guarter of international marine fuels with a market share of nearly 28%.
- As of December 31, 2022, the total amount of gas transported by TANAP:
- Total commercial gas transported for Türkiye: 19.59 billion cubic meters
- Total commercial gas transported for Europe: 19.49 billion cubic meters
- As of 2022, mean capacity utilization rate of STAR Rafineri was 113.1%
- Petkim maintained its sales and profitability performance in 2022 and broke the profit record of its history with a net profit of 6.5 billion TRY while achieving a sales volume of 48.9 billion TRY.*

2023

- SOCAR Türkiye was awarded the Silver Stevie in the "Energy" category at the Stevie Awards due to its achievements in 'Agile Transformation'. SOCAR Türkiye was further entitled to receive the "Equal Women at Work Certificate" with the practices implemented in terms of equality, inclusion and encouragement of female employees in the workplace.
- Petkim became the first petrochemical company to be listed in the BIST Sustainability 25 Index.
- Petkim became an indirect shareholder of 12% of STAR Rafineri which is the second largest industrial enterprise of Türkive.
- Petkim became the "Exports Champion" once again, as in 2022, by ranking at the forefront of the "Stars of Export" list of the Aegean Exporters' Associations.
- STAR Rafineri, Petkim, Bursagaz and Kayserigaz were listed within "Capital 500- Largest 500 Private Companies of Türkiye Survey".
- SOCAR Türkiye received a silver award in the "Best Customer Services" category with the "Renewing Customer Services Program" developed for its subsidiaries Bursagaz and Kayserigaz within the scope of Customer Experience Awards of Türkiye-2023, one of the most prestigious awards in the field of Customer Experience.
- Total amount of gas transported via TANAP as of 31 December 2023: • Total commercial gas transported for Türkiye: 25.20 billion cubic meters
- Total commercial gas transported for Europe: 31.00 billion cubic meters

* TAS 29- Financial Reporting in Hyperinflationary Economies standards have not been applied for the figures presented.

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Message from the CEO About SOCAR Global & SOCAR Türkiye



Corporate Governance at SOCAR Türkiye

Highlights of 2023 at SOCAR Türkiye





Environmental

- We executed 60 projects within the scope of the Değer Benim Program.
 - We prevented the release of 197 thousand tons of CO₂ emissions in 2023.
 - We saved more than 50 thousand tons of water in 2023.
- We reduced our water consumption by 19% and our wastewater amount by 11%, compared to 2022.
- Our waste amount **decreased by 59%** compared to 2022.
- We made a total **environmental investment of 19.1 million USD** in 2023.
- In 2023, we invested a total of **1.1 million US Dollars in environmental R&D projects.**
- As of 2023, we provided a total of **4,936 hours of** environmental training to our **4,532 employees**.
- We have registered **6 patents** in 2023 and we have **20 more patent applications pending registration**.
- 38 researchers have been working on their research projects in our R&D Center.
- Spending 4.5 million US Dollars within the scope of our R&D and innovation investments, we have increased our investment expenditures by 12.5% compared to 2022.



• In 2023, we increased the number of female employees in our staff by 19%.

- As of 2023, we provided a total of 232,654 hours of personnel training to employees.
- We provided 171,871 hours of HSE training in 2023.

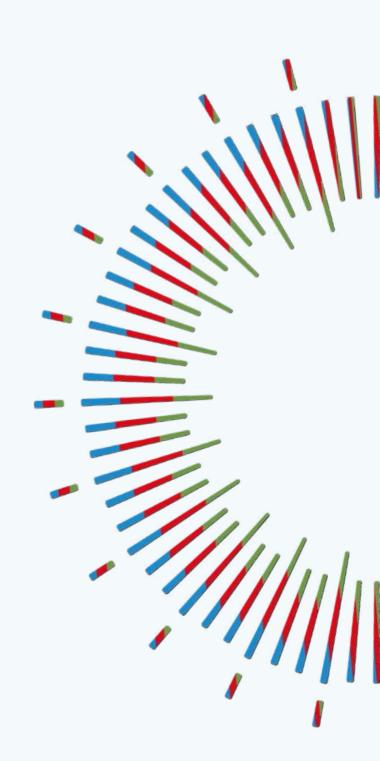
Social

- We made a total OHS investment of 5.7 million USD in 2023.
- 49% of our total employees are covered by a collective bargaining agreement.
- 89% of our 2023 supplier portfolio and 75% of our purchasing budget have been allocated to local suppliers.
- Our Corporate Center was awarded the Equality for Women at Work Certificate in 2023.
- We became the third company in Türkiye and the first company in istanbul to receive the "Nutrition-Friendly and Physical Activity Supporting Workplace" certificate issued by the Ministry of Health.
- We supported the needs of our citizens affected by the earthquake with our donation fund worth 5,087,448 USD in total. SOCAR Türkiye Volunteers donated approximately 2.4 million TRY to aid organizations within the scope of the earthquake aid campaign.





- As SOCAR Türkiye, we are proud of becoming an international energy company rather than a regional player over the last 15 years.
- We embarked working on to determine the 5-year strategy of SOCAR Türkiye.
- We have reviewed and updated our sustainability priorities in 2023.
- We increased our EBITDA by 153% in the last two years.
- Petkim became the first petrochemical company to be listed in the BIST Sustainability 25 Index.
- Petkim became the "Exports Champion" once again, as in 2022, by ranking at the forefront of the "Stars of Export" list of the Aegean Exporters' Associations.
- STAR Rafineri, Petkim, Bursagaz and Kayserigaz were listed within "Capital 500- Largest 500 Private Companies of Türkiye Survey".
- We provided digital video training addressing all our employees covering all ethics and compliance issues including anti-corruption.
- We started working on the Board of Directors' Diversity Policy.
- We created a value of USD 77 million under the umbrella of the "Değer Benim Program" within the scope of the 2023 Digital Transformation Program.



About SOCAR Global & SOCAR Türkiye



Corporate Governance at SOCAR Türkiye

Highlights of 2023

In line with our "Stronger. Together." approach, we are pleased to detail the significant developments and achievements we have realized throughout 2023 and disclose them to our stakeholders.



First Step Taken for Biofuel Production

As the largest integrated industrial group of Türkiye, we took the first step towards biofuel production and implemented a pioneering project to produce jet fuel from micro-algae using an innovative technology.



New Appointment from SOCAR Türkiye to SOCAR Corporate Center

Zaur Gahramanov, who left his position as the CEO of SOCAR Türkiye, has been working as the Advisor to the SOCAR President at SOCAR's Corporate Center in Baku.



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28. International Caspian Oil and Natural Gas Fair

We attended in the 28th International Caspian Oil and Natural Gas Fair held in Baku. We shared our success story spanning 15 years in Türkiye and conveyed our activities and achievements to senior government officials and visitors attending the fair.

Collaboration with Honeywell within the Scope of Sustainability

We undersigned a collaboration protocol with Honeywell, a global technology company that serves with the aim of making products and industries safer, smarter, and more sustainable. in order to develop sustainability projects.



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"Epic of the Century" Dance Show

We celebrated the 100th Anniversary of the Republic of Türkiye and the 100th Birth Anniversary of Azerbaijan's National Leader Haydar Aliyev with a magnificent dance show held at the Ataturk Cultural Center. Throughout the program we organized, we conveyed the struggle, friendship, and brotherhood of the two countries with the show entitled "Epic of the Century".

Elchin Ibadov, CEO of SOCAR Türkiye, Elected as the New Vice President of International Investors' Association (YASED)

At the 42nd Ordinary General Assembly Meeting of the International Investors' Association (YASED) held on 16 March 2023, Elchin Ibadov, as the CEO of SOCAR Türkiye, was elected as the Vice Chairman of the Board of Directors of YASED.

Energy Sponsor of Galatasaray and Jersey **Sponsor of European Cups**

We became the Energy sponsor of Galatasaray and the jersey sponsor of the Men's Football Team's European Cup matches. Galatasaray will wear the jerseys with SOCAR logo in European matches, within the scope of a 3-year sponsorship agreement.

SOCAR Türkiye Talked About Its Sustainability Journey at COP28

We participated in the United Nations' Climate Change Conference (COP28) held in Dubai. We made significant contributions to the COP28 agenda with the activities we have undertaken in line with an understanding of responsibility towards people, society, and the environment. We shared our R&D and innovation solutions and conveyed our assessments regarding the 2030 and 2050 targets. We further introduced the Plastics Documentary entitled 'YOU BETTER NOTICE', produced and directed by Engin Altan Düzyatan, which we backed as the main sponsor.





Anar Mammadov, Chairman of Petkim's **Board of Directors**

Anar Mammadov, who was appointed as the SOCAR Vice President, has also been qualified as the Board Member of SOCAR Turkey Enerji A.Ş. and the Chairman of the Board of Directors of Petkim Petrokimya Holding A.Ş. which is a SOCAR Türkiye subsidiary.





SOCAR Türkiye 2023 Analyst & Investor Day

We hosted corporate investors, the representatives of the banks and analysts at the "SOCAR Türkiye 2023 Analyst & Investor Day" event. We made a presentation introducing STAR Rafineri and then answered the questions of the audience at the event where more than 60 representatives participated.

| SOCAR TÜRKİYE 2023 |
|--------------------|
| Integrated Report |

Message from the CEO About SOCAR Global & SOCAR Türkiye



Corporate Governance at SOCAR Türkiye

Highlights of 2023









Petkim and STAR Rafineri Partnership

Petkim became a 12% shareholder of STAR Rafineri.



UNGC Membership of Petkim

Petkim has successfully completed the membership process to the United Nations Global Compact (UNGC).



Cross-Border Electricity Trade Activities of SOCAR Energi Ticaret

As of 2023, SOCAR Energi Ticaret, one of our subsidiaries, started cross-border electricity trade activities with Bulgaria and Georgia. SOCAR Energi Ticaret further received the necessary license to export natural gas to Bulgaria.





Petkim's Shareholding in Petlim's Shareholding Structure

Our subsidiary Petkim, increased its shareholding in Petlim to 93.47%.



New Appointment for SOCAR Türkiye Refinery and Petrochemical Business Unit President and Petkim General Manager Position

Kanan Mirzayev, Chief Strategy Officer of SOCAR Türkiye, has been appointed as Acting Head of SOCAR Türkiye Refinery and Petrochemical Business Unit and Acting General Manager of Petkim.



"Nutrition-Friendly Workplace" Certificate from the Ministry of Health to Bursagaz

Bursagaz became the first company in Bursa to receive the "Nutrition-Friendly and Physical Activity-Supporting Workplace" certificate within the scope of the Ministry of Health's program that aims to encourage and popularize healthy living.

About SOCAR Global & SOCAR Türkive



Corporate Governance at SOCAR Türkive

Achievements and Awards of 2023

BIST Sustainability 25 Index

Petkim stood out as the first petrochemical company to be listed in the BIST Sustainability 25 Index

2023 MENA Stevie Awards

A total of three awards: Golden Award in the "Award for Innovation in Internal Events" category, Bronze Award in the "Award for Innovation in Entertainment Events" category and Bronze Award in the "Award for Innovation in Human Resources Management, Planning & Practice" category

Brandon Hall - 2023 HCM Excellence Awards

GEN-D program is awarded in the "Best Advance in Competencies and Skill Development" category within the scope of Digital Transformation

Capital 500 List

STAR Rafineri was ranked 4th, Petkim was ranked 32nd, Bursagaz was ranked 304th, and Kayserigaz was ranked 440th within "Capital 500 - Largest 500 Private Companies of Türkiye Survey"

IDC CIO Awards

Hakan Irgit, Chief Digital Transformation and Information Technologies Officer at SOCAR Türkiye was awarded Best CIO of the Year

"Adding Value to the Economy" Awards - Bursa **Chamber of Commerce and Industry**

Bursagaz awarded in the "Corporate Tax" category

Global Eventex Awards

Bronze Award in the "Employee Engagement Event" category

Linkedin Talent Awards

Best Talent Acquisition Team award in the field of Human Resources

Stevie International Business Awards

In the Stevie International Business Awards Ceremony

- A Silver Stevie as the "Company of the Year" in the energy industry,
- A Bronze Stevie in the "Achievement in Product Innovation" category,
- A Bronze Stevie in the "Artificial Intelligence/ Machine Learning Solution" category,
- A Golden Stevie to Petkim in the "Energy" category,
- A Bronze Stevie in the "Corporate Overview" category,
- A Bronze Stevie in the "Achievement in Corporate Social Responsibility" category

Internal Audit Awareness Award by the Institute of Internal Auditors of Türkiye (TIDE)

"Corporate Awareness/Promotional Professional Activities" Award

White Flag Award

White Flag Award in the "Digital Transformation & Information Technologies" category

Brandverse Awards

- Silver Award in the "Data Analytics Awards/Energy" Companies" category
- 2 Bronze Awards in the "Corporate Identity" and "Commercial Jingle" categories

CFO Summit - Data Expert & BMI Business School

SOCAR Türkiye Chief Financial Officer Teymur Abasguliyev is on the 50 Most Effective CFOs of Türkiye List

Communicator Awards

- SOCAR Türkiye website received 3 awards in the "Visual Design", "User Experience" and "B2B" categories
- SOCAR Energy School website received 3 awards in the "Training", "Visual Design" and "User Experience" categories

GC Powerlist - Legal 500 Powerlist

Celal Savaş, Esra Niğde Şahiner, Melisa Köksel, Seda Deniz Kasar are on the Legal 500 Türkiye 2023 List Buğra Bekdemir, Damlanur İpek are listed on Rising Star List

Top 100 Largest Industrial Enterprises - Aegean Region Chamber of Industry (EBSO)

STAR Rafineri was granted the first prize, Petkim was granted the third prize

Stevie Awards for Great Employers

With regard to internal communication activities,

- A Bronze Award in the "Achievement in Internal Communications" category
- A Bronze Award in the "Achievement in Employee Engagement" category

Awards for Organizations that Add Value to Sustainable Development Goals

A Bronze Award in the "Employee Engagement" category

Technology Leaders Summit - Data Expert & BMI Business School

Hakan Irgit, Chief Digital Transformation and Information Technologies Officer at SOCAR Türkiye, listed within the 50 Most Influential Technology Leaders of Türkiye

World Finance Magazine

"Corporate Governance" Award at the World Finance Corporate Governance Awards

Türkiye's Top 500 Industrial Enterprises List (ISO 500)

STAR Rafineri was ranked 2nd and Petkim was ranked 25th Within Top 500 Industrial Enterprises of Türkiye List

International Finance Awards

"Best Financially Managed Company - Oil and Gas" and "Best Energy Utility Company" Awards

Future Makers Project Management Summit

3rd prize in the "Best Project Management Office" category to SOCAR Ar-Ge ve İnovasyon

Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards

"Best Financing Transaction of the Year in the Natural Resources Industry" Award at the Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards with the USD 300 million financing facility received from JPMorgan

ETIKA Turkey Ethics Awards

ETİKA award, which is given to corporations for sensitivity and success to integrate business ethics principles in corporate processes, presented by EDMER | Etik Değerler Merkezi Derneği (Ethical Values Associaton)



International Public Relations Association (IPRA)

"Event Management-Inhouse" Award for our internal communication activities

Green Transformation and Innovation Summit - Bursa Chamber of Commerce and Industry, Quality Union Association (KALBİR) and Turkish Standards Institution

Awarded for the ISO 56002 Innovation Management System Certification, which was carried out for the first time in the industry

w3 Awards

Gold award for Petkim's Corporate Website in the "General Websites - Corporate Communications" category

Institutional Investor 2023 Europe and Emerging EMEA Equity Awards

"Best Investor Relations Team" award to Petkim among smallmedium sized "basic materials" companies in the EMEA region

Türkiye Customer Experience Awards 2023

Silver Award in the "Best Customer Services" category

Green Check Certificate

A Golden "Green Check Certificate" for our activities within the scope of our sustainability and environmental responsibilities

Message from the CEO About SOCAR Global & SOCAR Türkiye Highlights of 2023 at SOCAR Türkiye Corporate Governance at SOCAR Türkive

Corporate Governance at **SOCAR Türkiye**

Corporate Governance Structure

In line with the **"Stronger, Together"** understanding, we- as SOCAR Türkiye- carry out our operations with the awareness that corporate success is possible with a management approach that makes the company's activities sustainable, aims to leave a suitable legacy for future generations, ensures preparedness for risks and evaluates the opportunities in this regard and focuses on establishing strong and longterm relationships with its stakeholders.

Accordingly we make collaborations that will provide strategic investment opportunities in critical and strategic areas such as risk management, talent management and initiatives to increase corporate value by integrating the administrative operations of our subsidiaries under the umbrella of SOCAR Türkiye within the integration process of petrochemical, refinery, natural gas, trade, transmission and distribution, logistics, consultancy, telecommunications, insurance and maritime services.

As SOCAR Türkiye and its subsidiaries, we are listed in different sustainability indices. Thereby we comply with constantly evolving criteria on ESG issues and position ourselves on important platforms with our high assessment results. We stand out with our success in this field in the relevant indices where our corporate sustainability performance is also evaluated.



The results of the assessments carried out by ESG Rating Agencies are available in the "Together for Strong Economic Performance" section of our report.

Board of Directors and Senior Management

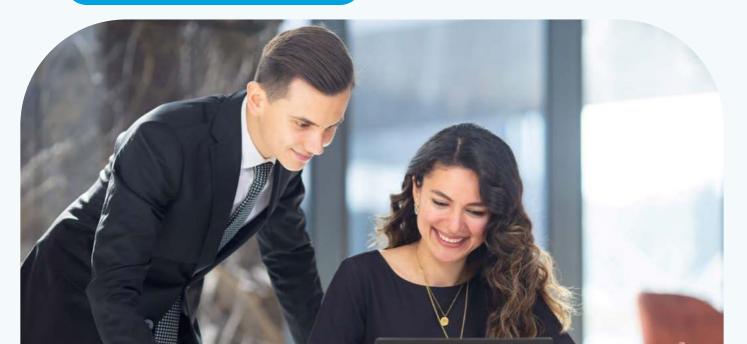
The Board of Directors, the top management body of SOCAR Turkey Enerji A.Ş., consists of 7 members in total, including the Chairman and 6 members. The CEO (General Manager) is not a member to the Board of Directors.

Members of the Board of Directors are appointed to serve for three years in accordance with the relevant legislation. However, the General Assembly reserves the right to replace the members of the Board of Directors.

All outstanding shares of the Company are entitled to one share and one vote.

The nomination and election process of members of the Board of Directors and Board committees is explained in the "Corporate Governance and Sustainability Committee Terms of Reference" document submitted by the Board of Directors and approved by the resolution of the Board of Directors.

Board meetings are scheduled to be held at least once a year and extraordinary board meetings are held to discuss the development, approval and updating of the organization's purpose, value and mission statements, strategies, policies and targets regarding economic, environmental and social issues, when necessary.



Annual General Assembly Meetings

| | Notification Date | Date of the Meeting |
|-------------------------------|-------------------|---------------------|
| SOCAR TÜRKİYE KURUMSAL MERKEZ | 01.12.2023 | 15.12.2023 |
| РЕТКІМ | 13.05.2023 | 07.06.2023 |
| STAR RAFINERI | 13.12.2023 | 22.12.2023 |
| SOCAR DEPOLAMA | 24.11.2023 | 28.11.2023 |
| SOCAR AR-GE VE INOVASYON | 18.12.2023 | 22.12.2023 |
| SCR MÜŞAVİRLİK | 08.01.2024 | 09.01.2024 |
| SOCAR PETROL TICARET | 03.08.2023 | 14.08.2023 |
| BURSAGAZ | 24.04.2023 | 26.04.2023 |
| KAYSERİGAZ | 24.04.2023 | 26.04.2023 |
| SOCAR ENERJİ TİCARET | 13.04.2023 | 25.04.2023 |
| SOCAR FIBER | 04.12.2023 | 13.12.2023 |
| MILLENICOM | 26.04.2023 | 26.04.2023 |
| SOCAR TERMÍNAL | 28.07.2023 | 29.08.2023 |
| SOCAR BROKER | 14.08.2023 | 29.08.2023 |

Senior Management Remuneration Policy

As SOCAR Türkiye, we attach importance to determine the Senior Management remuneration policy in full compliance with the company's total profit procedure. We refer to global assessment methods scaled according to business size with market data provided by global data providers as a benchmark when determining wages to be paid to Senior Management. Accordingly, we follow a fair, competitive and performance-based remuneration policy, taking into account national and international market conditions.

The rewarding provided to senior managers comprises of two main components: "Fixed (Base) Wage" and "Variable Wages". Fixed wages to be paid to senior managers are determined in accordance with international standards and legal obligations taking into account the remuneration policies applicable in the market, the size of the Company, long-term goals and individual's positions. An annual "Performance Bonus" is paid in addition to the fixed wage. The Remuneration Committee, a sub-committee of the Board of Directors, decides on the performance bonus budget and the distribution of the bonus, taking into account the company performance. For the purpose of assessing the performance of senior managers, compliance with the principles of long-term sustainable improvement as well as Environment, Social and Governance (ESG) policies are also taken into consideration in addition to financial targets.

The Talent Committee meets once a year for the succession planning of the Senior Management. The committee executes an assessment process for all candidates on the succession list and decides unanimously on the short-, medium- and long-term succession plans.

Shareholders reserve the right to vote on the remuneration of Board Members. This right is regulated in the Turkish Commercial Code (TCC) and the Company's Articles of Association.

Message from the CEO About SOCAR Global & SOCAR Türkiye

at SOCAR Türkive

Committees

Numerous committees have been constituted at various levels to ensure effective coordination between the Board of Directors and the operational and support functions of SOCAR Türkiye's senior management.

The Audit Committee, the Early Detection of Risk Committee, the Corporate Governance and Sustainability Committee and the **Remuneration Committee** consist of at least two board members and report directly to the Board of Directors. Main duty of these four Committees is to observe, examine, monitor the relevant issues and matters, carry out improvement studies and make suggestions to the Board of Directors.

In case the committee consists of two members, then both members will be board members. In case the committee consists of more than two members, then majority of the members will be board members.

In addition to SOCAR Türkiye Board of Directors' Committees, our company has an effective and strong Senior Management Committee structure that focuses on key issues, topics and actions.

Apart from the Extended Executive Board, which meets monthly, five Group Executive Committees have been constituted under the Executive Board, reporting directly to the CEO, to ensure effective oversight and coordination and to help the Senior Management focus on important issues. These committees are Group Risk Management Committee, Group Ethics and CSR (Corporate Social Responsibility) Committee, Group Talents Committee, Group Sustainability **Committee, Crisis Management Committee.**

All our committees meet regularly in accordance with their job descriptions and constantly strive to identify potential improvement areas (weaknesses) and to improve the coordination between committees. Owing to this solid structure, we work at the Board of Directors and Senior Management levels on audit, risk, sustainability, remuneration, talent, ethics and corporate social responsibility issues; we emphasize our commitment to ensuring transparency by openly discussing important issues and related actions and providing necessary reporting and we confirm to all our stakeholders our commitment to making correct, feasible and ethical decisions.

Weekly and bi-weekly Senior Management meetings are held meticulously with Business Unit and Directors of the relevant Functions, chaired by the CEO, within the corporate governance structure of SOCAR Türkiye in addition to the Board of Directors and Board Committee meetings, Executive Board and Executive Board Committee meetings in order to improve the knowledge level of the CEO and, where necessary, the Board of Directors on current economic, environmental and social issues.

In addition to these meetings, a detailed 'monthly activity report' covering the issues such as macroeconomic overview, operational and financial highlights, updates on business units and HSE incident rates is periodically prepared and shared with the Board of Directors and managers every month. Furthermore, a digital dashboard containing daily, weekly and monthly operational and business information can be easily accessed by management.

The chairman and all six members attended the Board of Directors Meeting held in 2023. All of the chairman and members attended the Audit Committee, Early Detection of Risk Committee and Corporate Governance and Sustainability Committee meetings, which were scheduled at the beginning of the year to be held quarterly in 2023.

| Participation in Board Meetings | | | | | |
|---------------------------------|---------------------------------|----------------------------|--|--|--|
| Board Member | Number of Meetings Scheduled | Number of Meetings Held | | | |
| Rovshan Najaf | 1 | 1 | | | |
| Zaur Gurbanov | 1 | 1 | | | |
| Süleyman Gasimov* | 1 | 1 | | | |
| Elshad Nasirov | 1 | 1 | | | |
| Kanan Najafov | 1 | 1 | | | |
| Farruh Gasimov | 1 | 1 | | | |
| Anvar Gasimov | 1 | 1 | | | |

* On 09.10.2023, Anar Mammadov was appointed as a Member of the Board of Directors, replacing Sülevman Gasimo





Message from the CEO About SOCAR Global & SOCAR Türkiye

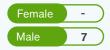
Highlights of 2023 at SOCAR Türkiye

Corporate Governance at SOCAR Türkiye

The Corporate Governance and Sustainability Committee (SOCAR Türkiye Board of Directors Committee) and the Group Sustainability Committee (Executive Committee) fulfill the company's commitments by providing its members with the most up-to-date information on sustainability and ESG issues. SOCAR Türkiye CEO and Board of Directors are responsible for sustainability efforts and performance.

| Seniority and Term of Office of the Board of Directors (Years) | | | | | | | |
|----------------------------------------------------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|
| | Rovshan Najaf | Anar Mammadov | Elshad Nasirov | Kanan Najafov | Zaur Gurbanov | Farruh Gasimov | Anvar Gasimov |
| Seniority and Term of Office of the Board of Directors | >20 | >20 | >20 | >20 | >15 | >20 | >20 |
| Term of Office of the Board of Directors | 1.7 | 0.2 | 2.5 | 2.4 | 2.4 | 2.5 | 2.3 |

Senior Management Gender Breakdown







Message from the CEO About SOCAR Global & SOCAR Türkiye Highlights of 2023 at SOCAR Türkiye

Corporate Governance at SOCAR Türkive

Business Ethics and Integrity

We are well aware that company values are the fundamental principles that constitute the way a company does business and its corporate culture. We form the basis of our Code of Ethics and way of doing business in line with this approach.

"SOCAR Türkiye Code of Ethics" published on our website is binding on a wide range of people at all levels within the company including managers, employees, employees of our subsidiaries and all business partners of SOCAR Türkiye and its subsidiaries.

SOCAR Türkiye Code of Ethics, constituted based on core values such as trust, agility, inclusion, efficiency, passion and obligation guides our company's employees, business partners, suppliers and contractors to make the right and ethical choices. These rules, which are an important part of our corporate culture, help our company become a reliable, responsible and sustainable organization.

Compliance with the Code of Ethics and SOCAR Türkiye's internal policies and procedures is the responsibility of all employees, suppliers and all third parties acting on behalf of SOCAR Türkiye. We emphasize that anyone who thinks or suspects that these rules are not being followed or has questions about the rules should raise these concerns openly. Those who wish to raise a concern in this context should notify the SOCAR Türkiye Ethics Line. Notifications can be made anonymously, if desired. We do not tolerate any form of retaliation or discrimination against the person raising a concern. We take such negative attempts seriously and subject them to disciplinary action. We manage this process meticulously to ensure that our employees, suppliers and other stakeholders can safely report ethical issues in a transparent communication environment.

Aiming to support compliance with ethical standards in a transparent and effective manner, we handle the notifications submitted to SOCAR Türkiye Ethics Line by informing the Ethics & Corporate Social Responsibility Committee and the Audit Board at regular intervals. Ethics & Corporate Social Responsibility Committee, which meets regularly under the chairmanship of SOCAR Türkiye CEO, provides an effective framework for reporting ethical concerns, violations and suspicious matters.

Compliance with laws and rules is one of the cornerstones of SOCAR Türkiye's commercial activities. Accordingly we ensure full compliance with all applicable laws and legislation. In case there is a difference/ conflict between the legal regulations and our Code of Ethics, we apply the stricter rule. In this regard, we act with utmost commitment to the principles of integrity and honesty and adopt a zero tolerance policy against all kinds of activities contrary to high business ethics and corruption. In line with the awareness of our responsibilities towards stakeholders and investors, we implement strict controls in our commercial activities and financial processes, prioritizing reliability and transparency. We refer to technologies that comply with international standards in information security and we prioritize the protection of personal data. We act in full compliance with all obligations on the protection of personal data, which is one of the fundamental human rights under the Constitution of the Republic of Türkiye.

As SOCAR Türkiye, we carry out our activities under a strict commitment to business ethics. We attach importance to the adoption of our business ethics standards by the parties with whom we have commercial relations. In this context, we conduct a Due Diligence assessment and meticulously carry out the necessary checks and regulations to ensure full compliance with our Code of Ethics.

We execute our Compliance Plan prepared for 2023, in a coordinated manner across SOCAR Türkiye subsidiaries, under the leadership of the Risk and Compliance Directorate affiliated to the Legal, Compliance and Corporate Governance Directorate.

Acting with the awareness of our responsibility towards the environment and society, we adopt the best practices in occupational health, safety and environment. While we transparently support democratic rights by allowing all employees of SOCAR Türkiye to participate in democratic political activities, we refrain from making any reference to SOCAR Türkiye. With this approach, we maintain our impartiality by avoiding the use of our company's name in political contexts.

Our Policies and Procedures¹

- Information Security Policy
- HSE Policy
- Organizational Risk Management Policy
- Business Continuity Policy
- Diversity, Equity and Inclusion Policy
- Human Rights Policy
- Anti-Bribery and Anti-Corruption Policy
- Trade Controls Policy
- Legislative and Regulatory Amendments Management Procedure
- Procedure For Permit, Authorization And License Processes
- Procedure For Relations With Government Institutions And Non-
- Governmental OrganizationsSOCAR Türkiye Quality Policy
- SOCAR Special Economic Zone (SEZ)² Permit Process Procedure
- Strategic and Operational Planning Procedure
- Public Relations Policy
- Sustainability Governance Procedure

¹ are published and updated on a platform called QDMS Entegre, to which all employees within SOCAR Türkiye have access.

² The region on the Aliaga Peninsula, where significant subsidiaries of SOCAR Türkiye such as STAR Rafineri and Petkim are located, is known as the first "Special Economic Zone (SEZ)" of Türkiye.

As SOCAR Türkiye, we follow certain steps to effectively implement our policy commitments. We first allocate responsibilities to units at different levels in order to effectively fulfill our implementation responsibilities. We further seamlessly integrate commitments into organizational strategies, policies and procedures to achieve strategic integration. Thanks to this integration, we strengthen our sustainable business practices that are aligned with business strategies and supported by operational policies and procedures. We effectively manage and expand external business relationships in order to consistently implement our company's commitments within the scope of external operations. Finally, we guide our employees in understanding and implementing commitments by organizing comprehensive training programs to encourage and support responsible behavior throughout the organization.



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Anti-Bribery and Anti-Corruption

Adopting the principle of zero tolerance on bribery and corruption, we execute an approval process to prevent conflicts of interest in our registration processes associated with commercial parties, representation and hosting and to ensure that sponsored travel applications comply with our policies and procedures as part of our efforts in the field of anti-corruption. We publish and regularly update documents such as our policies, which are among our anti-corruption tools, Anti-Bribery and Corruption Policy, Trade Controls Policy, Entertainment and Hospitality Procedure, and Conflict of Interests Procedure on the QDMS Entegre platform, which is accessible to all our employees. Governments, international organizations and financial institutions around the world apply various rules and restrictions such as anti-corruption rules, import and export control rules, economic sanctions regulations and embargoes. As SOCAR Türkiye, we comply with the rules and restrictions imposed by Azerbaijan, Türkiye, the United States, the United Kingdom, the United Nations and the European Union to the extent applicable to the our work and we maintain all necessary trade controls to ensure that our business operations are carried out in accordance with these rules and restrictions under our "Zero Tolerance for Corruption" policy. We further follow a transparent process by referring to the Code of Ethics and adding articles addressing compliance issues from the very beginning of our commercial relations.

Within the scope of risk assessment, SOCAR Türkiye Compliance Department conducts a commercial party ethical due diligence process to ensure as much as possible that none of the potential third parties engage in any bribery and corruption-related activities. Throughout this process, we evaluate the risk of being exposed to adverse litigation that may expose our managers and employees to direct legal or criminal liability or may have significant financial or non-financial impacts on SOCAR Türkiye subsidiaries. We further evaluate significant risks such as legal or criminal sanctions that may be imposed as a result of corruption detected due to violation of applicable local and international laws/regulations, important risks such as being banned/restricted from participating in public tenders, administrative audits, investigations and loss of reputation.

Approximate number of our commercial party ethical due diligence processes conducted regarding corruption risk:

We provide anti-corruption trainings both within the framework of Ethics and KVKK orientation trainings and on a departmental basis throughout the year.

The Compliance Department provides newly recruited employees Code of Ethics and Personal Data Protection Orientation Trainings, KVKK & Compliance Trainings and trainings specially prepared for focus groups. We actively monitor business ethics and corruption risks.

We annually review compliance statements received from all employees. Based on these statements, we communicate and determine the necessary actions. We increase the knowledge and awareness of our employees by regularly organizing trainings on business ethics rules, anti-corruption and human rights policies. In 2023, we completed digital video trainings covering ethics, compliance and anti-corruption issues, addressing all our employees.

We are aware that notifications submitted to the Ethics Line play an important role in detecting ethical violations such as bribery and corruption. In this context, we carefully examine all notifications submitted to the Ethics Line. We follow up the relevant notifications by sharing them with the responsible departments. In this context, there are no notifications or confirmed cases of corruption reported to the Ethics Line in 2023.

As SOCAR Türkiye, we execute the processes regarding the management of personal data in accordance with national and international data protection standards. We have successfully completed the compliance with the Personal Data Protection Law and secondary legislation in 2023. In this context we have updated our inventories, policies, procedures, privacy notices and Data Controllers' Registry Information System (VERBIS). We have performed various awareness activities regarding the protection of personal data within the company.

Along with our Personal Data Management Digital Platform, which we aim to integrate by 2024, we plan to digitalize and improve the personal data processing processes of all departments within SOCAR Türkiye and its subsidiaries, especially departments such as the Human Resources Department which processes high volumes of personal data and sensitive personal data within the scope of their business processes. This digital system will ensure compliance with the regulations stipulated by the European Union General Data Protection Regulation which is an example of best practices.

| | 2021 2022 2023 | | | | | |
|-------------------------------------------------|----------------|--------|--------|--------|--------|--------|
| Operations evaluated against corruption risk | % rate | number | % rate | number | % rate | number |
| | 100 | 2559 | 100 | 3230 | 100 | 1834 |

Compliance with Human Rights Principles

In this regard, we further prioritize equal opportunities in recruitment As SOCAR Türkiye, we always prioritize the fundamental rights and welfare of our stakeholders with our people-oriented business approach. processes. We do not tolerate any behavior contrary to ethical values In this regard, we are committed to creating an inclusive and fair business and rules, any pressure, intimidation and discrimination among our environment that respects human rights. We act in accordance with all stakeholders. We strictly pay attention to the prevention of forced or national and international laws and norms including the United Nations involuntary labor and child labor, both within SOCAR and throughput Universal Declaration of Human Rights and ILO conventions, in particular its supply chain, in line with the principles of the International Labour the Constitution of the Republic of Türkive, and we work to ensure the Organization (ILO), Turkish Labour Law No. 4857 and all other relevant effective implementation and dissemination of these laws throughout legislation. We share these internal and external rules with all our the value chain. We thereby meticulously implement the Human Rights stakeholders in writing through our Code of Ethics manual. We further Policy that we have constituted in this direction at every level of our organize regular trainings to ensure that these principles are valid throughout the value chain. company.

We transparently disclose our policy and related responsibilities with all our stakeholders on our website.

We aim to create a business environment that is multi-vocal, open to development, participatory and respectful of human rights by attaching utmost importance to the principles of diversity, equality and inclusion in business processes. Accordingly we aim to disseminate an inclusive and fair approach that protects and develops human rights within the institution, production processes, supply chains and among all other stakeholders with the Human Rights Policy and Guiding Principles developed within the scope of the "Our Energy is Diversity" project.

We treat our employees equally, without discrimination on the basis of language, religion, race, gender, sexual orientation or any other inherent characteristic of the individual.



As SOCAR Türkiye, we greatly respect freedom of association and cooperate with legal unions representing employees. When determining the steps to be taken regarding employee relations, we make plans by taking into account the negotiations with the unions.

We attach importance to the integration of the human rights approach within the institution and to all stakeholders. In this context, we organize trainings exclusively addressing focus groups and seminars covering all employees in collaboration with mechanisms such as the Ethics and Corporate Social Responsibility Committee and the Sexual Harassment and Violence Prevention Board.

We develop specific checklists that are used in various units and supplier assessments in order to evaluate the work done. We use these lists to monitor compliance with human rights, identify potential adverse impacts and take necessary corrective measures. Together with the expert institutions we cooperate with, we analyze the negative effects and take preventive actions.

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Corporate Risks, Business Continuity and Crisis Management at SOCAR Türkiye Corporate Risk Management

At SOCAR Türkiye, we have adopted a transparent, accountable, fair and responsible risk management process that is compatible with variable business and environmental conditions and pro-actively addresses risks and opportunities that may affect our operations and our stakeholders. As SOCAR Türkiye, we follow a comprehensive corporate risk management model in order to manage the risks we may be exposed to and the opportunities that may arise, to track the changes of these risks and opportunities over time, and to successfully achieve our sustainability goals. We further evaluate the risks that may affect our operations and future performance in the short, medium and long term in addition to our current risks and take the necessary precautions and actions accordingly.

Our risk management function takes place at the core of our company's decision-making mechanisms.

We place "risk acceptance, risk mitigation, risk transfer, risk maintenance and risk avoidance" attitudes at the heart of our Corporate Risk Management activities.

SOCAR Türkiye Risk Management Unit is positioned under the Board of Directors in a centralized manner within the organization in order to provide support to all subsidiaries on senior management and unit basis in accordance with international standards, particularly ISO 31000 Risk Management. We refer to the "Risk Appetite Declaration" approved by the Board of Directors in 2020 and examples of best practices around the world while pro-actively addressing our risks and opportunities which we monitor at regular intervals. We have developed the Risk Appetite Tolerance Limit Policy, which determines the approach to determining, monitoring and reporting the approved Risk Appetite Statement, in order to support the implementation of the risk appetite concept. This document provides a methodological guidance across the organization to define the implementation of required activities. New metrics were introduced and necessary updates were made in the process of reviewing the 2023 Key Risk Indicators (KRIs) and Exposure Metrics regarding tracking and monitoring efforts to comply with next year's strategic operational goals and planning. Thus, the efficiency, objectivity and independence of the process has been guaranteed.

Our risk management processes are audited by the Early Detection of Risk Committee, on behalf of the Board of Directors, in accordance with the risk profile of our company. Relevant processes are executed by our experts in business units, within the framework of the resolutions adopted by the Group Risk Committee, which operates under the CEO at the senior management level. Early Detection of Risk Committee provides consultancy and suggestions to the Board of Directors about the early detection and assessment of all kinds of risks that may affect our company, calculating the impact and probabilities thereof, management and reporting these risks in accordance with the company's corporate risk taking profile, implementation of the necessary actions regarding the identified risks and taking them into consideration in decision-making mechanisms and establishing effective internal control systems accordingly.

In this context, target-based risk assessments are made for the purpose of ensuring the necessary actions to be taken in a timely manner to achieve the targets through potential impact analyzes and probability calculations and allowing the relevant resources to be used based on these criteria.

Besides monitoring our risks and opportunities at regular intervals, we further support our decision-making processes from a risk perspective by making situation-specific risk assessments at strategic investment demands that we may encounter in business processes, critical stages of projects and decision moments that may significantly affect operations. The Early Detection of Risk Committee held 2 meetings in 2023 where the performance and risk management activities of the committee were evaluated and presented the necessary reports to the Board of Directors.

Within the scope of our Corporate Risk Management approach, we discuss our risks under six main headings.

You can review our main risk headings and related processes under the heading "Corporate Risk Management Practices" in the Appendix section of our report.

In addition to the traditional risk registry list that SOCAR Türkiye has prepared during the reporting period, we further created our ESG (Environmental, Social and Governance) risk registry list, including our climate-related risks, in which sustainability risks are fully integrated into the process. We then re-evaluated the risk items in our risk registry, which was developed as the end of a comprehensive workshop held with the attendance of relevant individuals from all business units, taking into account the global sustainability agenda, mega trends and current reporting standards such as the Paris Climate Agreement. European Green Deal and Net Zero Carbon. We grouped them under environmental, social and governance headings. The list was developed taking into account the requirements of the ISO 31000 Risk Management System Standard as well as the IFRS S1 and S2 Standards. Our assessment includes possible priority issues regarding the short, medium and long-term consequences of the risks, their connections with the climate (physical, transition), maturity, severity, probability of occurrence, measures and actions we take to manage the risk in the short, medium and long term, emerging opportunities, relevant capital element and risk-related factors.

You can review our detailed ESG-focused risk and opportunity analysis on the SOCRAR Türkiye website.



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Business Continuity and Crisis Management

We follow business continuity and crisis management issues, which are among our priority issues, within the framework of the Business Continuity Management System. At SOCAR Türkiye, we effectively identify, measure and manage risks that may arise by evaluating the effects of events that may endanger the continuity of products and services, in accordance with our risk management processes.

Ensuring the continuity and quality of the services provided during emergencies and crisis periods, managing the risks related to the supply chain and maintaining the continuity of our operations are among our main responsibilities. The Crisis Management Committee of SOCAR Türkiye ensures responsible coordination of business continuity and crisis management at the governance level.

At the end of the special internal audits, external audits and management reviews carried out for Bursagaz, Kayserigaz, STAR Rafineri, SOCAR Depolama and Petkim, within the scope of management system activities, it was decided to maintain the ISO 22301 Business Continuity Management System documents. We further organized trainings and events to raise awareness throughout the organization about business continuity and crisis management. We have finalized the infrastructure and maintenance works for the main and backup data centers based on the uninterrupted continuity of processes.



Digital Platform for Risk Management and Business Continuity

In 2023, we further completed the installation of and commissioned digital tools aiming to digitalize Risk Management, Business Continuity and Legislative Compliance Management processes and to monitor them from a single platform. The benefits derived as a consequence of the projects executed and the digitalization of the processes are as follows:

- Focusing more on the strategic level by optimizing the human interaction and creating functionality that supports business planning;
- Creating instant reports by enabling real-time monitoring of organizational data, processes and activities;
- Ensuring real-time and proactive risk management by reducing time-consuming manual reporting for lastminute tasks;
- Building corporate memory and raising awareness of compliance with legislation;
- Ensuring Internal Audit, Insurance, Capital Expenditures Team, Internal Control, Strategy, IT Continuity and other functions to interact over a single platform;
- Identifying and managing interdepartmental risks and controls, including evaluating controls to assist the Internal Control and Internal Audit teams;
- Capturing opportunities and ensuring the evaluation of potential events in addition to risks;
- Determining the obligations to which SOCAR Türkiye and its subsidiaries are subject on a departmental basis and to prevent in advance the sanctions that may arise if these obligations are not fulfilled;
- Helping to ensure data security;
- Providing third-party access to transparent information about risks and other data, resulting in enhanced accountability.

Master Earthquake Program

In 2023, we developed a comprehensive earthquake program based on organizational resilience covering Bursagaz, Kayserigaz, STAR Rafineri, SOCAR Depolama, Petkim and SOCAR Türkiye Corporate Center. The program that we have commissioned allowed us to improve the crisis communication capabilities, local and geographical succession of key employees, strengthening and renovation of buildings and structures, continuity of services provided from critical suppliers and uninterrupted IT/OT services. Within the scope of these projects, current maturity leve was determined and development projects were put forward to reach the targeted levels.

We have developed earthquake response plans for the locations where we operate and our critical operations. Following the internal audit, external audit and management reviews, we carried out company specific integrated earthquake and cyber attack drills within the framework of comprehensive scenarios.

By raising awareness with the Master Earthquake Program, we aim to prevent the hazards that possible earthquakes could cause to our employees, assets and corporate reputation.

Risk Capacity Project

In 2023, we have restructured the definition of crisis with all our subsidiaries within SOCAR Türkiye. Within the scope of the project, we aimed to improve companies' proactive and reactive crisis management capabilities by ensuring that relevant teams track and manage possible crisis events qualitatively and quantitatively. Thus, we aim to prevent the financial, legal and reputational losses that the crisis may cause by proactively analyzing the potential of any event to turn into a crisis and the ability to manage the crisis. \bigcirc

The activities that we have planned to carry out in the future in addition to our existing risk, business continuity and crisis management processes and improvement projects are as follows:

Using the Digital Platform for Risk Management and Business Continuity:

With the risk management digital platform, we aim to make recordings, reporting and monitoring through the system, to ensure the integration with systems within the institution, and to evaluate the benefits provided by the system by calculating the total economic impact.

Climate Change Risk Management:

In the future, we plan to develop location-based and physical climate change risk management processes within the scope of risk and opportunity management due to climate change.

Business Continuity and Crisis Management:

We plan to improve the earthquake maturity level of SOCAR Türkiye and its subsidiaries by implementing the determined development projects, and to expand operational drills by diversifying crisis scenarios.

Strategic Risk Management:

Within the scope of our strategic risk management efforts, we aim to mutualize performance and risk reporting and to support strategic success from a risk management perspective.

| You can access SOCAR Türkiye Corporate Risk |
|-------------------------------------------------------|
| Management and Business Continuity Policy by clicking |
| here. |



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Economic & Industrial Developments in the World and in Türkiye

The year 2023 represents a period of extraordinary challenges and opportunities both on a global economy and industrial basis. Beginning with 2021, we have been struggling with high inflation rates increasing around the world. The economic effects of Covid-19 and the Russia-Ukraine war have shaken the economy by shrinking global trade. The instability created by the Covid-19 pandemic and the Russia-Ukraine war further seriously slowed down global trade and disrupted economic balances.

The tight monetary and fiscal policy implemented to combat global inflation led to a slowdown in the economy and a contraction in trade volumes. While the world's central banks increased interest rates within the scope of their policies to combat inflation, the Central Bank of the Republic of Türkiye (CBRT) followed a different policy from the rest of the world by reducing the policy rates. However, as of June, CBRT decided to amend its policy and increase interest rates and began to adapt to the global economy.

Oil and Natural Gas

2023 was a year in which not only general economic trends but also industrial innovations and strategic steps came to the fore. This year, there have been significant developments in oil and natural gas prices, which are vital for oil and natural gas companies operating around the world. Pursuant to the US Energy Information Administration (EIA) data, Brent crude oil prices for 2023 were, on average, 19 US Dollars per barrel lower compared to 2022. Natural gas prices, on the other hand, appear to have decreased due to tension in European and global gas markets in early 2023, good weather conditions and timely policy interventions. Pursuant to the US Energy Information Administration (EIA) reports, liquefied natural gas (LNG) prices at the end of the first quarter of 2023 have fallen below summer 2021 levels, but have returned to prepandemic levels.

Türkiye's natural gas sector spent 2023 addressing new strategic goals. As a result of the increases in pipe gas prices, natural gas companies began to turn their supply strategy towards LNG imports. However, investment in storage facilities and Floating Storage and Regasification Unit (FSRU) vessels increased in order to increase exports to European countries. While BOTAS tariffs and Turkish Natural Gas Reference Prices (GRF) observed in the Turkish Spot Gas Market increased significantly in 2021 and 2022, tariffs and GRF began to decline in 2023 due to the partial relaxation in international natural gas markets.

Net Zero Emissions Roadmap

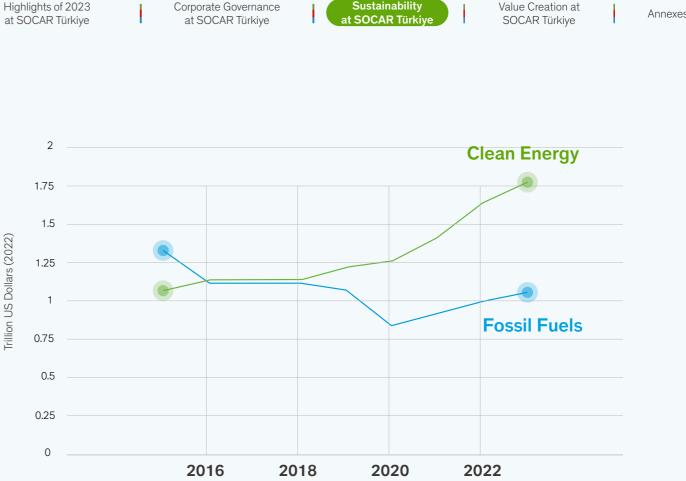
IEA's landmark report "Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach" provides an updated strategy for the global energy industry to achieve its net zero CO₂ emissions by 2050. This roadmap highlights strategies that include increasing renewable energy sources and its use, improving energy efficiency, reducing methane emissions, and increasing electrification with existing technologies.

Energy industry assumes a critical role in the fight against climate change. The report states that CO₂ emissions of the energy industry have reached a record level of 37 billion tonnes in 2022 but are further expected to peak in this decade and decrease thereafter. It is pointed out that this decrease will be possible with the rapid spread of renewable energy technologies. It is further emphasized that factors such as larger and more advanced energy infrastructures, low-emission fuels, low carbon technologies, carbon capture technologies, more nuclear energy and the use of renewable resources come to the fore to achieve the net zero emission target.

Energy Transformation

In 2023, significant progress was realized in energy transition both worldwide and in Türkiye. This transformation is supported by increasing investments and political support particularly for renewable energy resources. Concerns about energy security and the increasing competitiveness of clean energy as an alternative to fossil fuels are among the main factors accelerating the energy transition.

It is observed that investments in clean energy around the world have increased significantly compared to fossil fuels. According to IEA data, clean energy investments have increased by 40% since 2020. This increase marks the rise of a new clean energy economy, particularly led by solar power and electric vehicles. IEA's data states that the production capacity of renewable energy sources constitutes approximately 30% of the total energy production capacity. This rate is expected to reach 38% in 2025 and to 49% by 2030. The total capacity of renewable energy resources is expected to reach 3,978 GW by the end of 2025.



Annual Investment in Clean Energy and Fossil Fuels (2015-2023)

A significant portion of the increase in electricity installed capacity in Türkiye in 2023 was provided by renewable energy sources. Energy transition is encouraged both by published action plans and political developments. Increasing the investments in clean energy systems is critical to achieving emissions reduction targets. To achieve net-zero emissions scenario targets, particularly in developing economies, investments in energy transitions need to be increased fivefold by 2030. This fact represents the steps that need to be taken to increase the pace of energy transition around the world.

Türkiye National Energy Plan

Türkiye National Energy Plan, announced in January 2023, represents a strategic approach to meet the country's energy needs and ensure energy security. The plan aims to expand the use of renewable energy sources, improve energy efficiency and modernize energy infrastructure. These strategies, targeting green energy transformation and economic growth, expect that energy consumption will increase by 39.5% by 2035. In particular, it is planned to increase the share of renewable energy in energy generation.

IEA, World Energy Outlook 2023

Compliance with the European Green Deal and Carbon Regulations

Compliance with the Green Deal and carbon regulations are critical in the fight against climate change. This process aims to reduce greenhouse gas emissions, improve energy efficiency and transition to renewable energy sources. Companies strive to achieve these goals by developing low-carbon products and processes and reducing their carbon emissions. These regulations further encourage investment in sustainability and environmentally friendly technologies.

The European Union's Green Deal redefines global trade rules with major impacts, especially in energy-intensive sectors. Companies operating in Türkiye are also required to switch to sustainable production and accelerate digital transformation in order to comply with these new regulations. Economic challenges and rising energy costs affect companies' profit margins and competitiveness. The EU's Carbon Border Adjustment Mechanism (CBAM) is amending the trading rules in this sense and the companies operating in Türkiye are trying to maintain their position in the EU market by adapting to these changes.

As SOCAR Türkiye, we have been operating in fields such as petrochemistry, refinery, natural gas, trade, transmission and distribution. We further closely monitor the emerging trends and legal regulations on sustainability and energy transformation both at a global scale and in Türkiye. Accordingly, we shape our strategic approaches to cope with the challenges we face in these areas by responding appropriately to economic and industrial challenges.

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Sustainability at SOCAR Türkiye

In line with the understanding of "Stronger, Together", we maintain our commitment to leave a more livable world to future generations. We become stronger together, thus keep on taking decisive steps to build a sustainable future.

As SOCAR Türkiye, we have integrated this mission into our value chain by supporting sustainable growth with an integrated service approach and we consider sustainability as the fundamental basis of our way of doing business. Supporting sustainable growth in every link that makes up our value chain and fulfilling our responsibilities in environmental, social and economic areas while achieving this goal are among the primary goals of our company. In this context, our service approach includes full compliance with local and international legislation, adherence to ethical codes of conduct and continuous improvement. Our effort to invest in the future includes a commitment to contribute to the sustainable growth and development of not only our company and our subsidiaries, but also to the societies and the environment in which we operate.

Our Sustainability Policy provides a broader road map, including our subsidiaries, within the framework of our strategy and commitments. We prioritize full compliance with local and international legislation in the regions where we operate. With the integrated risk management approach that we adopt in all our business processes, we adopt the principle of working in accordance with ethical business principles and corporate governance principles. We aim to effectively manage the impacts resulting from our operations, protect biodiversity and use natural resources in a sustainable manner. In addition, we closely monitor the risks brought by climate change and carry out the necessary works in this direction. We approach issues of respect for human rights and occupational health and safety with sensitivity and are committed to providing a safe and decent work environment for all our employees. In line with the understanding of supporting the local communities we interact with, we prioritize the development of our local suppliers and aim to ensure their participation by communicating effectively and transparently with our stakeholders. We aim to support technological development and implement pioneering projects with our R&D and innovation approach. We aim to improve efficiency with the digitalization practices we have adopted in our production processes.

Sustainability Governance

The steps we have taken, as SOCAR Türkiye, to build a sustainable future are gradually based on solid foundations. We keep on working to strengthen the governance and improve the transparency in the field of sustainability and we emphasize our commitments in this field.

In line with our new procedure that we developed in 2023 to strengthen governance and improve transparency in the field of sustainability, we aim

- to determine and strengthen our sustainability strategy;
- to manage environmental, social and governance impacts in accordance with international standards;
- to ensure transparent communication and effective sharing with our stakeholders.

Our procedure covers all sustainability issues in SOCAR Türkiye and its subsidiaries. As the first step towards realizing our goals within the scope of the procedure, we have amended the name of SOCAR Türkiye Strategy Directorate to SOCAR Türkiye Strategy and Sustainability Directorate. SOCAR Türkiye Strategy and Sustainability Directorate will provide leadership to strengthen and direct our company's sustainability strategies.

We work in line with our strategy and policies by adopting best practices in the fields of environmental, social, and corporate governance (ESG) and maintaining our goal of creating a positive impact. We carry out these studies and regularly review our sustainability performance under the supervision of the SOCAR Türkiye Board of Directors and the Corporate Governance and Sustainability Committee.

| Corporate Governance and Sustainability | Committ |
|-----------------------------------------|---------|
| (SOCAR Türkiye Board Level) | |

SOCAR Türkiye Group Sustainability Committee

Strategy and Sustainability Department

Sustainability Working Groups

- Resource Utilization, Wastewater & Waste Management
- Biodiversity
- Operational Decarbonization
- Sustainability Processes in the Public and NGO Sectors
- R&D and Innovation
- Stakeholder Relations and Community Development
- Sustainability Reporting and Disclosure
- Sustainable Procurement & Supply Chain
- Green Finance
- Green Energy Sales and Service
- Strategic Transformation and Investments
- Diversity and Inclusion
- ESG Risk Management and Rating
- Diversity, Equity, and Inclusion
- Digitally Supported Sustainability

The Strategy and Sustainability Directorate is responsible for the management of the Sustainability Roadmap, the addition and removal of new projects, the implementation of the roadmap in accordance with the plan and ensures the determination of performance criteria, reporting and consolidation of information. Furthermore, it manages relations with SOCAR Global centrally in Türkiye.

The Group Sustainability Committee is chaired by SOCAR Türkiye CEO and co-chaired by the Head of Strategy and Sustainability. The Group Sustainability Committee, which operates under the Executive Committee, further addresses the issues related with the areas monitored and managed by the Corporate Governance and Sustainability Committee which operates under the SOCAR Türkiye Board of Directors. The Committee, which convenes at least three times a year, is responsible for developing the sustainability vision and strategy of SOCAR Türkiye and implementing ESG-related policies and guidelines. Furthermore, various working groups have been commissioned to achieve the set goals. Our working groups keep working to successfully implement our sustainability strategy.

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- Ensures appropriate governance by observing sustainability issues at the board level.
- Provides advice and guidance on the Sustainability Strategy.
 The Corporate Governance and Sustainability Committee meets at least once a year. Reports its activities to the Board of Directors annually.
- Approves the Sustainability Strategy, monitors its implementation, reviews policies related to sustainability, and oversees the overall progress of sustainability workflows.
- Supported by the Strategy and Sustainability Department.
- The Group Sustainability Committee meets at least three times a year.
- Defines the objectives and KPIs of the Sustainability Strategy.
- Collects and audits the progress of the sustainability working groups.
- Monitors the progress of sustainability projects and ensures alignment with strategic priorities.
- The Strategy and Sustainability Department meets with all working groups at least once a month.
- Sustainability Working Groups meet at least once a month to fulfill their sustainability objectives.
- During the Working Group meetings, developments, achievements, and key performance indicators contributing to SOCAR Türkiye's Sustainability Roadmap are evaluated

SOCAR Türkiye has been developing sustainability strategies to prevent climate change risks caused by greenhouse gas emissions, to adapt its business model to the energy transition and to maintain its leading position in the industry by seizing the opportunities of this transition. In this regard, we set targets regarding emission reduction as well as adaptation and combat against climate change based on these strategies. SOCAR Türkiye Group Sustainability Committee monitors the strategies, practices, realizations and declarations of our company regarding climate change.

Sustainability Working Groups meet at least once a month. In the Working Groups' meetings, developments, realizations, and key performance indicators on issues that will contribute to Sustainability Road Map of SOCAR Türkiye are evaluated. The Strategy and Sustainability Directorate consolidates the information submitted by the working groups and presents it to the Group Sustainability Committee. Working Groups affiliated to the Group Sustainability Committee are obliged to fulfill all duties assigned by the Committee and to inform the Corporate Sustainability Group Manager in line with their activities. Team Leaders of the Working Group are appointed by the Sustainability Committee.

This system, which demonstrates our commitment to the principles of sustainable development and corporate responsibility, makes our company stronger in terms of effective risk management, strategic management and planning, stakeholder relations, achieving sustainability goals and increasing competitive advantage. Under the leadership of the Sustainability Committee, we adopt various policies to strengthen sustainability principles and implement them more effectively. In this context, we develop and implement policies with strong commitment in the fields of environmental, social, and corporate governance.

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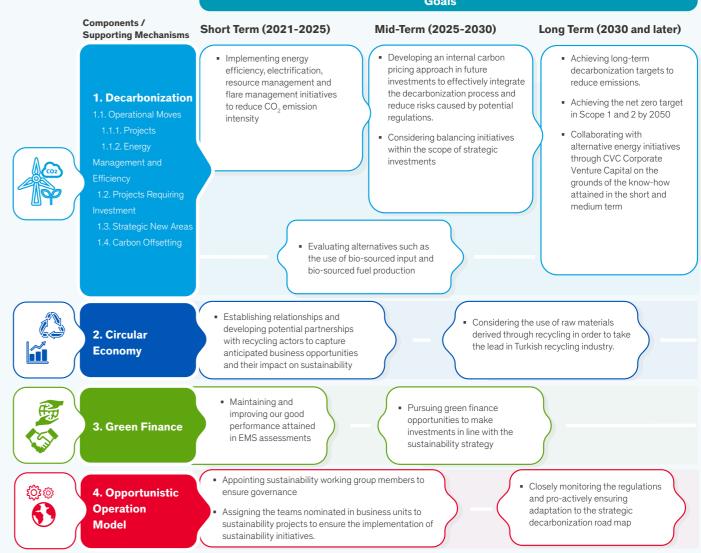
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Sustainability Strategy

Our Sustainability Strategy reinforces our mission to support sustainable growth in all industries in which we operate. It aims to manage the social, economic and environmental impacts of our operations. This strategy focuses on meeting the expectations of our stakeholders and creating a positive impact within the framework of the United Nations Sustainable Development Goals (SDGs). Further basis of our strategy is the management of social, economic and environmental impacts.

One of the main priorities of our company is to understand the social impacts on society, to ensure fairness in the operations, to respect the employee rights, to support local communities and promote diversity by focusing on the management of social impacts. In this context, we adopt an approach that adheres to fair trade principles, contributes to domestic economies, supports interaction with stakeholders and a fair competition environment in line with the purpose of supporting economically sustainable growth. Environmental sustainability includes minimizing the impacts on natural resources, improving energy and resource efficiency, switching to sustainable practices, reducing carbon footprint and ensuring continuous improvements in waste management. As SOCAR Türkiye we aim to minimize the risks arising from the impacts of climate change while seizing the opportunities arising from the same consequences in a way that provides maximum benefit. As a component of this strategy, we implement projects on energy efficiency, zero waste and renewable energy. On the other hand, we further generate surplus value in order to contribute to the circular economy by investing in projects in the fields of bio-sourced raw material use and biofuel production.





While the principle of understanding and responding to stakeholder expectations constitute the pillars of our strategy, we also maintain our commitment to creating a positive impact in line with the SDGs.

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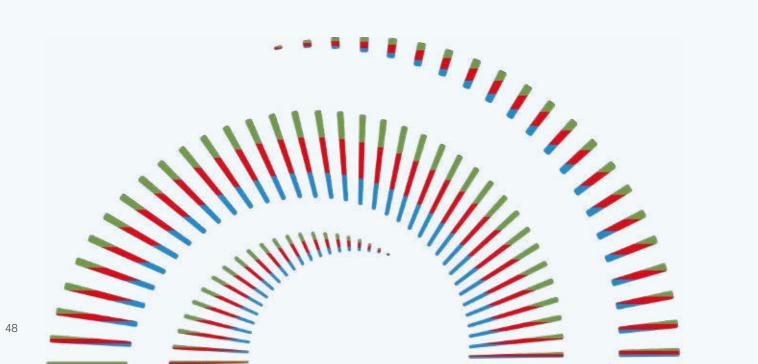
Corporate Governance at SOCAR Türkiye

Holistic Sustainability Approach: 2024 Action Plans and Strategy **Development Goals**

We plan to update our sustainability road map, which is critical to achieving our goals, in 2024. This comprehensive update will cover all our companies operating in various fields such as refinery, petrochemicals, natural gas and electricity trading. We aim to develop a comprehensive road map within the scope of this study which we will carry out in line with our sustainability goals. The work steps we have determined in this context are as follows:



Establishing a governance plan in line with our sustainability goals





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Our Sustainability Priorities

Last year's materiality analysis included a comprehensive assessment process to identify the priority sustainability issues of our business and our stakeholders. This analysis has become an important tool to shape our company's value creation journey, to strengthen sustainability and to better manage future risks.

The results of this analysis were reviewed once again in 2023 in the light of global and industrial trends. Accordingly, we revised our priority issues to comply with social and environmental concerns. This process was essential to ensure that the strategies we determined for the sustainability of our business were in compliance with global variables and the dynamics of the industry.

This re-evaluation and analysis process further allowed the sustainability strategy of SOCAR Türkiye to be reviewed, the priority issues to be internalized and the methods to effectively respond to these issues to be determined. Within the scope of this comprehensive re-evaluation and analysis process, we conducted separate evaluations for each business unit this year, as we did last year.

Materiality Analysis Process

This year, as we did last year, we have taken into account all of SOCAR Türkiye's business units to provide a comprehensive view because the level of importance and impact of specific sustainability challenges relies on the fields of business in which SOCAR Türkiye operates. The following steps were taken under the prioritization initiative to understand the environmental, social, and economic impacts resulting from all SOCAR Türkiye activities and stakeholder expectations.

Examination of Global and Industrial Trends Consideration of Strategic Priorities

Evaluation and Approval

| Global and industrial evaluation for SOCAR | Following global trends reported in last | To ensure that the key sustainability issues |
|--------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------|
| Türkiye was developed based on reviewing | year's materiality analysis, the influence | are aligned with business risks and strategic |
| desktop sources. | of SOCAR Türkiye's operations on society | objectives and integrated into the materiality |
| | and the environment as well as social and | assessment, the identified material issues |
| These sources are: | environmental issues that may have an impact | were reviewed by the Sustainability Committee |
| | on SOCAR Türkiye's strategic objectives were | and the Strategy Team and assessed for |
| Legislation/Legal Requirements | taken into consideration for the purpose of this | their alignment with SOCAR Türkiye's current |
| UN Sustainable Development Goals | evaluation. | business environment, strategic position and |
| Industry Trends & Mega trends | | current strategic approach. |
| Other Companies/Competitors in the industry | The following criteria were taken into account | |
| GRI Standards | to measure the significance of each topic: | Material challenges discovered for each |
| SASB Industry Standards | | business unit as a consequence of internal |
| ESG Rating Agencies | Significance/Impact for stakeholders | assessments were compiled by sustainability |
| ESG and Climate Trends for 2023" report | Significance/impact on SOCAR Türkiye's | specialists and further evaluated by SOCAR |
| published by MSCI. | strategy | Türkiye managers. |
| World Economic Forum's (WEF) Global Risk | | |
| Report | | In this context, a total of 15 environmental, |
| 2023 Climate Risk Outlook Report | | social and governance issues were identified a |
| COP 28 Expectations | | SOCAR Türkiye's Sustainability Priorities. |
| Deloitte Sources | | |
| | | |
| The issues that came to the fore in these | | |
| sources were evaluated by the Sustainability | | |
| Committee, taking into account the business | | |
| operations of SOCAR Türkiye. | | |
| | | |
| | | |





Message from the CEO

About SOCAR Global & SOCAR Türkiye

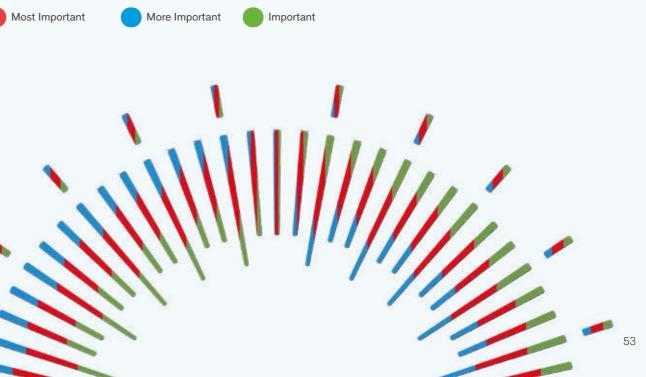
Matris

| SOCAR Türkiye | Refinery and Petrochemicals Business Unit | Natural Gas Business Unit | Other Business Unit |
|------------------------------------------------------------|----------------------------------------------|---------------------------|---------------------|
| Climate Risks | Most Important | More Important | Most Important |
| Energy Efficiency | Most Important | More Important | More Important |
| Transition to a Low-Carbon Economy and Carbon Technologies | Most Important | More Important | More Important |
| Air Quality | Most Important | Important | More Important |
| Circular Economy and Waste | Most Important | Important | More Important |
| Water Quality and Wastewater Management | Most Important | Important | More Important |
| Risk & Crisis Management | More Important | More Important | More Important |
| OHS | More Important | More Important | Important |
| Employee Engagement and Wellbeing | Important | Important | More Important |
| Compliance with Human Rights Principles | Important | More Important | Important |
| Employee Training and Talent Development | Important | Important | More Important |
| Sustainable Economic Value | Important | Important | Important |
| Business Ethics and Integrity | Important | Important | Important |
| Digitalization and Technological Development | Important | Important | Important |

We then held detailed, two-way discussions on impact materiality and financial materiality in collaboration with our risk unit for each material issue, based on the results of the materiality analysis. By integrating the findings of this comprehensive study into our Risks and Opportunities study, we had the opportunity to identify areas where sustainability issues affect our business strategy. This process has provided us with the opportunity to identify areas that are open to improvement (weaknesses) and to switch to a double materiality analysis with a more solid foundation.

Identified priority issues were then approved by the Sustainability Committee after a comprehensive evaluation. They was submitted to the Board of Directors' approval at the first Committee Meeting following this approval process. With this method, we ensured participation and acceptance of our sustainability strategy at the management level.





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|--------------------|-----------|--------------|----------------------|--------------------|----------------------|
| Integrated Report | Report | from the CEO | SOCAR Türkiye | at SOCAR Türkiye | at SOCAR Türkiye |

Contribution to UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a comprehensive plan and call to action consisting of 17 universal goals and commitments adopted by the United Nations in 2015. These goals focus on significant issues such as reducing the poverty, eliminating inequalities, ensuring environmental sustainability and strengthening peace around the world. The Sustainable Development Goals, which require universal efforts not only from governments but also from companies, non-governmental organizations, communities and individuals, aim to achieve these goals by 2030.

Aware of our responsibility to achieve the Sustainable Development Goals, we support and lead the contribution to the SDGs at every stage of our value chain in line with our Sustainability Strategy.

| Contributed SDGs | Sub-Goals | Related Priority Topic | Relevant Capital Item | Relevant Units | Activities/Projects |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6 CLEAR BASES AND SLANTACTORY | 6.3 Improving water quality, management of the wastewater and safe reuse | Water Quality and Wastewater Management | Natural Capital | We are Together in the Fight Against Climate Change | HSE Policy |
| 7 annual an | 7.1 Universal access to modern energy services7.3 Double the rate of improvement in energy efficiency | Energy Efficiency Transition to a Low-Carbon Economy and Carbon Technologies | Natural Capital | We are Together in the Fight Against Climate Change We Are Together for Continuous Transformation and Innovation | Wennovation Start-up Challenge Aliağa Energy Optimization (AEO) |
| 8 PCCIAS HORE AND ECONCINEC GADYTH | 8.1 Sustainable economic growth 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation 8.4 Improve resource efficiency in consumption and production 8.5 Full employment and decent work with equal pay 8.8 Protect labour rights and promote safe and secure working environments | Compliance with Human Rights Principles Occupational Health and Safety Employee Engagement and Wellbeing Sustainable Economic Value | Human Capital Financial Capital Produced Capital Intellectual Capital | Corporate Governance at SOCAR Türkiye We are Together with our Human Resources Value Creation at SOCAR Türkiye | Human Rights Policy Diversity, Inclusion and Equity Policy Employee Orientation Principle Hazard Identification and Risk Assessment Procedure HSE Procedure |
| 9 NOTE INVESTOR | 9.4 Upgrade infrastructure and retrofit industries to make them sustainable 9.5 Enhance scientific research, upgrade the technological capabilities of industry | Digitalization and Technological Development | Intellectual Capital | We Are Together for Continuous Transformation and Innovation | ISO 56002 Innovation Management System Innovation Managemer Procedure |
| | 10.3 Ensure equal opportunity and end discrimination | Compliance with Human Rights Principles Business Ethics and Integrity | Social and Relational Capital | <u>We are Together</u> with our Human <u>Resources</u> <u>We Are Together</u> <u>for Social</u> <u>Responsibility</u> | Human Rights Policy Diversity, Inclusion and Equity Policy Being a Stakeholder ir the "Engineer Girls of Türkiye (EGT)" Project and Technical Field Trip SOCAR Türkiye Volunteers Platform |
| | 11.6 Reduce the environmental impact of cities | Air Quality | Natural Capital | We are Together in the Fight Against Climate <u>Change</u> | Decarbonization strateg |
| | 12.2 Sustainable management and efficient use of natural resources 12.4 Sound management of chemicals and all wastes 12.5 Substantially reduce waste generation | Circular Economy and Waste Sustainable Economic Value | Social and Relational Capital Natural Capital Produced Capital | We are Together in the Fight Against Climate Change Value Creation at SOCAR Türkiye | HSE Policy Circular Economy Strategy |

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With our integrated report that we published for the first time this year as SOCAR Türkiye, we transparently share our value creation process and sustainable growth model with our stakeholders. Accordingly we clearly explain our value creation process, in which we maximize customer satisfaction with our product and service portfolio based on advanced innovation and quality standards, create a positive impact on society and the environment by adopting social responsibility and environmental sustainability principles and contribute to the development of our employees with ethical governance and diversity-oriented policies. With this holistic approach, we-as SOCAR Türkiye- successfully pursue our mission of creating value that is not only focused on profitability but also considers social and environmental responsibilities.

While preparing our first integrated report, we held a workshop addressing all our business units in order to develop the value creation model of our company.



| Contributed SDGs | Sub-Goals | Related Priority Topic | Relevant Capital Item | Relevant Units | Activities/Projects |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13 dance Action | 13.1 Strengthen resilience and adaptive capacity to climate-related hazards 13.2 Integrate climate change measures into policies and planning 13.3 Develop knowledge and capacity to fight against climate change | Climate Risks Transition to a Low-Carbon Economy and Carbon Technologies Risk & Crisis Management | Natural Capital | We are Together in the Fight Against Climate Change We Are Together for Continuous Transformation and Innovation Corporate Governance at SOCAR Türkiye | Decarbonization strategy CO2Focus Project LOUISE Project NEFERTITI Project Circular TwAIn Project ALGAESOL Project Corporate Governance and Sustainability Committee |
| 14 tri Bigiw Katela | 14.2 Protect and restore ecosystems | Climate Risks | Natural Capital | We are Together in the Fight Against Climate Change | Biodiversity Policy SOCAR Türkiye Biodiversity Action Plan |
| 15 UK | 15.2 Halt deforestation and restore degraded forests 15.5 Protection of biodiversity and natural habitats | Climate Risks | Natural Capital | <u>We are</u> <u>Together in the</u> <u>Fight Against</u> <u>Climate Change</u> | Biodiversity Policy SOCAR Türkiye Biodiversity Action Plan and Afforestation projects |
| 16 PLACE ARTICLE ARE TRADIC MERTITIONE MERTITIONE | 16.5 Substantially reduce corruption and bribery 16.6 Develop effective, accountable and transparent institutions 16.B Promote and enforce non- discriminatory laws and policies | Bribery and Corruption Compliance with Human Rights Principles Business Ethics and Integrity | Financial Capital | <u>Corporate</u> <u>Governance at</u> <u>SOCAR Türkiye</u> | Human Rights Policy Anti-Corruption and Commercial Controls Policy Business Continuity Policy |
| 17 Patriceours Not the coast | 17.7 Promoting sustainable technologies for developing countries 17.8 Fully operationalize the science, technology and innovation capacity-building mechanism for least developed countries 17.17 Encourage and promote effective partnerships | Digitalization and Technological Development Business Ethics and Integrity Sustainable Economic Value | Social and Relational Capital Produced Capital | Interaction with Stakeholders We Are Together for Continuous Transformation and Innovation | Memberships and Collaborations |

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This specific workshop, held with the participation of our business units, provided an interactive environment and helped our employees understand how they contribute to the value creation process of our company. For the purpose of this workshop we examined the capital elements in detail and determined the effects of financial, produced, social, human, intellectual and natural capital on the overall performance of our company.

One of the focuses of our workshop was to understand the strategies our company determined to achieve its sustainability goals and the impact of these strategies on our business units. Accordingly, we aimed to maximize our potential for creating environmental, social and economic value by ensuring synergy between our business units.

The process has been a significant step in understanding our company's efforts to create value and appropriately meeting the expectations of our stakeholders.

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Value Creation Model & | Capital Items | Compared to 2022 Data indicative of an increase of the positive progress compared to 2022 | |
| Capital Items & Our Inputs | 2 → Focus of Our Business Activities | 3c→ Related Value Chai | in |
| Human Capital Total 5,509 SOCAR Turkey Employees Including Our Group Companies Total Work Experience Average of Employees: 8.4 years Total Investment Amount Provided to Employees (Salary Payments, Side Benefits, etc.): 6,430,180,940 TRY Investment Made in Occupational Health and Safety Programs, Trainings (Including SOCAR Turkey Employees and Suppliers): 5,662,126 USD HSE Training Hours Provided to Employees: 171,871.60 | Stronger. Together. Together We Create Value for | Production Trade Distribution Transportation | Female Employee Rate: 14% Female Manager Rate: 27.2% Employee Training: 232,654 hours Employee Turnover Rate: Female: 1% Male: 3.8% |
| Social Capital Earthquake Relief Activities, Social Investment Projects and Education, Environment, Health, Animal Protection and Social Volunteering Projects Carried Out within the Scope of SOCAR Turkey Volunteers Platform in 2023 Total 2,272 Suppliers 89% Local Supply Rate (2,022 / 2,272) Production and Distribution for the Community Contribution to the Local Community Strong Business Partnerships with Stakeholders | Our Stakeholders | Distribution | Within the Scope of 2023 Earthquake Aid Activities Fund Worth 5,087,448 USD Within the Scope of SOCAR Turkey Volunteers Eart Aid Campaign, Donation of 2.4 Million TRY Total Business Volume Created for Suppliers: 570,1 USD A Total of 59 Audits for 34 Companies Performed V Scope of Compliance Checks in 2023 Customer Satisfaction; Bursagaz: 98% Kayserigaz: %98 Millenicom: 3.06/5 |
| Natural Capital Total 20,165,614.41 m3 Water Consumption Total Energy Consumption: 71,550.4 TJ Our Produced Crude Oil, Natural Gas Resources Renewable Resources (17 Turbines within the Scope of Petkim RES and 51 MW Total Installed Power*) Sustainable Carbon and Water Management *Electricity production in all Petkim facilities is provided by green energy. | Production | • Production | Electricity Production from Renewable Energy Sou 19% Water Saving Compared to 2022 11% Reduction in Wastewater Production Compared 59% Reduction in Waste Amount Compared to 202 Total Amount of Recycled Waste: 14,587,55 Tons Total Environmental Investments: 19.1 Million USD Total Environmental R&D Expenditures: 1.1 Million |
| Financial Capital • Total Assets: 313.7 Million TRY • Consolidated Investment Expenditures: 4.2 Billion TRY • Turnover: 156.9 Billion TRY • Net Financial Debt / Equity (%): 0.50 • Revenue from Sustainable Product/Service Categories (Renewable energy etc.): 287.6 Million TRY | Transfer Value Creation Model Trade | • Trade | Net Sales: 156 Billion TRY EBITDA: 17.6 Million TRY EBITDA Growth Rate (2021-2023): 153% Return on Equity: 11% Net Profit: 7 Billion TRY Export Revenue: 37.9 Million TRY |
| Wanufactured Capital • 16 companies* operating under the roof of SOCAR Turkey in the fields of petrochemicals, refining, natural gas, trade, transmission and distribution, logistics, consultancy, telecommunications, insurance and maritime services*: • SOCAR Türkiye Kurumsal Merkez • Liman Operasyonlari (SOCAR Terrinal ve PETLIM) • STAR Rafineri • SOCAR Depolama • SOCAR Petrol Ticaret • SOCAR Flori Ticaret • SOCAR Enerji Ticaret • SOCAR Gewi Acenteligi • Millenicom • TANAP • You can access detailed produced capital inputs of group companies under the heading "Overview of Group Companies". | Distribution | Transportation | You can access detailed generated capital outputs of gr companies under the heading "Overview of Group Comp |
| Intellectual Capital Total 40 collaborations within the scope of technology, R&D and innovation 38 Researchers working at SOCAR Ar-Ge ve inovasyon Total 30 million TRY grant amount provided to SOCAR Ar-Ge ve inovasyon Our projects carried out within the scope of our "Değer Benim Platformu" which is our improvement center Quality Management Systems Brand Value Operational Analytics Studies Information Technologies Infrastructure | | • Production | Total R&D Investment: 4.5 Million USD 6 Patents Received, 20 Ongoing Applications in 20 Within the Scope of SOCAR R&D and Innovation |



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Current Policies

Sustainability Oriented Policies:

- Sustainability Policy
- HSE Policy
- Corporate Risk Management Policy
- Business Continuity Policy
- Information Security Policy
- Diversity, Equity and Inclusion Policy
- Human Rights Policy
- Anti-Corruption and Commercial Controls Policy
- SOCAR Türkiye Quality Policy



Interaction with Stakeholders

"Stronger, Together" with transparent and interactionoriented stakeholder communication.

As with all SOCAR Türkiye subsidiaries, adopting the "Stronger, Together" understanding, we follow a transparent, participatory and two-way communication approach as a basic principle in stakeholder communication. In this regard, we actively use various channels while communicating with our employees and external stakeholders. Accordingly, we make use of various communication instruments/means such as corporate intranet, in-house surveys, e-mail, e-bulletins, corporate TV, posters and banners, reputation and satisfaction research, training practices, performance management system, interviews, working groups, complaint and suggestion systems. We believe that the effective use of these channels contributes to the establishment of stakeholder communication systematics in management systems.

We further communicate with various stakeholders, such as our customers, shareholders, public institutions, media and local community, through corporate website, social media, e-mail correspondence, annual reports, sustainability reports, press releases and announcements, social projects and sponsorships. Concerning the international projects, we report investments in accordance with international performance standards through Social Impact Management and Stakeholder Interactions. We carefully consider and evaluate the feedback provided through ethics issues reporting channels and notification systems that are open to the access of suppliers and local community.

| $\langle \rangle $ | 1/1 |
|--------------------|------|
| | 11/- |

| Stakeholders | Relevant Capital Items | С |
|-------------------------------------------------------|-------------------------------------------------------------------------|------------------------------|
| National Media (Economy, Business, Energy) | Intellectual Capital, Social and Relational Capital | E Fa |
| Local Media | Intellectual Capital, Social and Relational Capital | E Fa |
| Government | Intellectual Capital, Social and Relational Capital | E Fi C |
| Business Associations/NGOs (Social, Environmental) | Intellectual Capital, Social and Relational Capital, Natural Capital | E M S |
| Clients | Social and Relational Capital, Human Capital | E C |
| Financial Institutions and Investors | Financial Capital | E W |
| Employees | Human Capital | E Fa G A C Tr |
| Syndicates | Social and Relational Capital, Human Capital | E Fa C |
| Suppliers | Social and Relational Capital, Human Capital | E Fa C |
| Contractors | Social and Relational Capital, Human Capital | E Fa |
| Local Communities | Social and Relational Capital | F: W |
| Universities | Intellectual Capital | E C Tr S |
| Shareholders | Financial Capital | G O |
| Lenders | Financial Capital | Ei Fa |
| Banks | Financial Capital | E Fa |
| Investors | Financial Capital | E W |
| | | |





| Communication Platform | Communication Method and Frequency |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Email, Phone, Meetings, Face-to-Face Meetings | As Needed and Topic-Based |
| Email, Phone, Meetings, Face-to-Face Meetings | As Needed and Topic-Based |
| Email, Phone, Meetings, Face-to-Face Meetings, Official Correspondence | Regular Intervals |
| Email, Phone, Meetings, Memberships, Working Groups, Seminars, Conferences, Panels | Regular Intervals |
| Email, Phone, Meetings, Website, Customer Visits, Fairs, Surveys | Regular and Topic-Based |
| Email, Phone, Meetings, Webcast/Teleconferences | As Needed and Topic-Based |
| Email, Phone, Meetings, Face-to-Face Meetings, Working Groups, Internal Communication Activities, Internal Bulletins, Corporate TV, Intranet (SOHO), Iraining | Continuous and Topic-Based |
| Email, Phone, Meetings, Face-to-Face Meetings, Official Correspondence | Regular Intervals |
| Email, Phone, Meetings, Face-to-Face Meetings, Seminars, Conferences, Panels, Fairs | As Needed and Topic-Based |
| Email, Phone, Meetings, Face-to-Face Meetings | As Needed and Topic-Based |
| Face-to-Face Meetings, Phone, Website, Social Media Channels | As Needed and Topic-Based |
| Email, Phone, Academic Congresses and Seminars, Iraining and Technical Support, Sponsorships | As Needed and Topic-Based |
| General Assembly Meetings, Dne-to-One Meetings | Regular Intervals |
| Email, Phone, Meetings, Face-to-Face Meetings | As Needed and Topic-Based |
| Email, Phone, Meetings, Face-to-Face Meetings | As Needed and Topic-Based |
| Email, Phone, Meetings, Webcast/Teleconferences | Regular Intervals |

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Memberships and Collaborations

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At SOCAR Türkiye, we attach utmost importance to the strategy of establishing memberships and collaborations of all subsidiaries in order to support sustainability, find innovative solutions and participate in good practices in the industry. Each year, we review our priority issues, collaborations and memberships and look for opportunities to improve.

| Company | Organization | Role |
|---------------|---------------------------------------------------------------------------------|--------|
| SOCAR Türkiye | YASED | Board |
| | ТОВВ | Member |
| | TÜSİAD | Member |
| | World Eneergy Council (WEC) Turkish National Committee (TNC) | Board |
| | Foreign Economic Relations Board (DEİK) | Member |
| | Public Communication and Corporate Relations Management Association (KİYED) | Member |
| | British Chamber of Commerce in Türkiye (BCCT) | Member |
| | SKD Türkiye | Member |
| | UNGC Türkiye | Member |
| | United Nations Women's Empowerment Principles (WEPs) | Member |
| | Sabancı University Istanbul International Center for Energy and Climate (IICEC) | Board |
| | Ethics and Reputation Society (TEID) | Member |
| | Corporate Communication Association (KİD) | Member |
| | Association of Insurance and Reinsurance Brokers | Member |
| | Integrated Reporting Türkiye Network (ERTA) | Member |
| | Corporate Risk Management Association | Member |

| Organization | Role |
|----------------------------------------------------------------------------------------------|--------|
| Istanbul Chemicals and Chemical Products Exporters' Association (İKMİB) | Board |
| Istanbul Mineral and Metals Exporters' Association (IMMIB) | Member |
| Aegean Iron and Non-Ferrous Metals Exporters Association (EID) | Member |
| ТОВВ | Member |
| Turkish Chemical Industrialists Association (TKSD) | Board |
| Aegean Exporters' Association (EİB) | Member |
| Turkish Quality Association (KALDER) | Board |
| Turkish Chemical, Petroleum, Rubber and Plastic Industry Employers' Association (KIPLAS) | Board |
| Turkish Port Operators Association (TÜRKLİM) | Board |
| Aegean Plastic Industrialists Solidarity Association (EGE PLASDER) | Member |
| Istanbul and Marmara, Aegean, Mediterranean Black Sea Regions (IMEAK) Chamber of Shipping | Member |
| Türkiye Investor Relations Association (TUYID) | Member |
| Rubber Association | Member |
| Aegean Industrialists and Businessmen's Association (ESIAD) | Member |
| People Management Association of Türkiye (PERYÖN) | Member |
| Association of Calibration and Test Laboratories (TÜRKLAB) | Member |
| Türkiye Cogeneration and Clean Energy Technologies Association (TÜRKOTED) | Member |
| World Energy Council (WEC) Turkish National Committee (TNC) | Member |
| Supply Chain Management Association (TEDAR) | Member |
| Packaging Manufacturers' Association | Member |
| Turkish Wind Energy Association (TWEA) | Member |
| Technology Development Foundation of Türkiye | Member |



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| Company | Organization | Role |
|----------------------|---------------------------------------------------------------------------------------------|--------|
| STAR Rafineri | Istanbul Chemicals and Chemical Products Exporters' Association (İKMİB) | Member |
| | Istanbul Mineral and Metals Exporters' Association (IMMIB) | Member |
| | Turkish Quality Association (KALDER) | Board |
| | Turkish Chemical, Petroleum, Rubber and Plastic Industry Employers' Association (KİPLAS) | Board |
| | ТОВВ | Member |
| Company | Organization | Role |
| SOCAR Petrol Ticaret | PETDER | Member |
| Company | Organization | Role |
| SOCAR Terminal | Service Exporters Association (HİB) | Member |
| | Turkish Port Operators Association (TÜRKLİM) | Member |
| | International Investors Association (YASED) | Member |
| | IMEAK Maritime Chamber of Commerce Aliağa Branch (IMEAK DTO) | Member |
| Company | Organization | Role |
| SOCAR Enerji Ticaret | PETFORM | Member |
| | Energy Trade Association (ETD) | Member |
| | Natural Gas Importers' Association (GAZID) | Member |
| | Electrical and Electronics Exporters' Association (TET) | Member |
| Company | Organization | Role |
| Bursagaz | GAZBİR | Member |
| | Turkish Quality Association (KALDER) | Member |
| Company | Organization | Role |
| Kayserigaz | GAZBİR | Member |
| | Turkish Quality Association (KALDER) | Member |





We are Together for Strong Economic Performance

In line with the principle of "Stronger, Together", we keep on working under a continuity-oriented business model as the largest integrated industrial holding of Türkiye. We prioritize managing our financial capital in the most effective way possible and to increase our investments based on efficiency and profitability within this framework.



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We are Together for Strong Economic Performance

In line with the principle of "Stronger, Together", we keep on working under a continuity-oriented business model as the largest integrated industrial holding of Türkiye. We prioritize managing our financial capital in the most effective way possible and to increase our investments based on efficiency and profitability within this framework.

Sustainable Economic Value Created

As SOCAR Türkiye, one of our priority issues is to create economic value for our country by taking into account macroeconomic conditions and effectively managing our financial capital through our resilient business models compatible with our sustainability strategy. In this context, we achieved many successes together with our subsidiaries in 2023.

Throughout the reporting period, we closely monitored our sustainability performance in cooperation with the index and global ESG rating agencies. As of 2023, Petkim was qualified to be ranked among the top 25 large and liquid companies traded on Borsa İstanbul with high sustainability performance by exceeding all sustainability score levels required under the main headings.

In this context, Petkim is the first company from the petrochemical industry to be included in the BIST Sustainability Index.

| Business Unit | | | | |
|----------------------|-----------------------------------------------------------------------------|--|--|--|
| Kayserigaz | Fortune Türkiye and Criff Türkiye Grade A (Excellent Sustainability) | | | |
| Bursagaz | Fortune Türkiye and Criff Türkiye Grade A (Excellent Sustainability) | | | |
| SOCAR Enerji Ticaret | Fortune Türkiye and Criff Türkiye Grade B (Good Level in Sustainability) | | | |

Scores Granted by ESG Rating Agencies for Companies in Gas

| Scores Granted by ESG Rating Agencies for Companies in Refining and Petrochemicals Business Unit | | | | |
|-----------------------------------------------------------------------------------------------------|-------------------------------------------|--|--|--|
| | Refinitiv: 76.73 (Grade: A-) | | | |
| | FTSE Russell 2.5 | | | |
| Petkim | Fortune Türkiye and Criff Türkiye Grade A | | | |
| | | | | |

| | (Excellent Sustainability) S&P Global: 33 (Industry Average) | | | | |
|----------------------|-------------------------------------------------------------------------|--|--|--|--|
| STAR Rafineri | Fortune Türkiye and Criff Türkiye Grade A (Excellent Sustainability) | | | | |
| SOCAR Petrol Ticaret | Fortune Türkiye and Criff Türkiye Grade A (Excellent Sustainability) | | | | |





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| | | | | | |

| Economic and Administrative Performance (TRY) | 2021 | 2022 | 2023 | | |
|-------------------------------------------------------------------------------------|------------------|-------------------|-------------------|--|--|
| Revenue ³ | 89,445,889,932 | 266,359,496,664 | 156,906,668,872 | | |
| Revenue from Sustainable Product Categories (Renewable Energy ⁴ etc.) | 120,090,959 | 267,076,640 | 287,640,680 | | |
| Economic Value Distributed ⁵ | (84,152,378,526) | (267,081,001,245) | (165,082,454,532) | | |
| Economic Value Retained ⁶ | 5,293,511,406 | (721,504,581) | (8,175,785,660) | | |

Sustaining our contribution to economic development, we have made investments worth approximately 18.3 billion USD over the 15 years we have been operating in Türkiye.

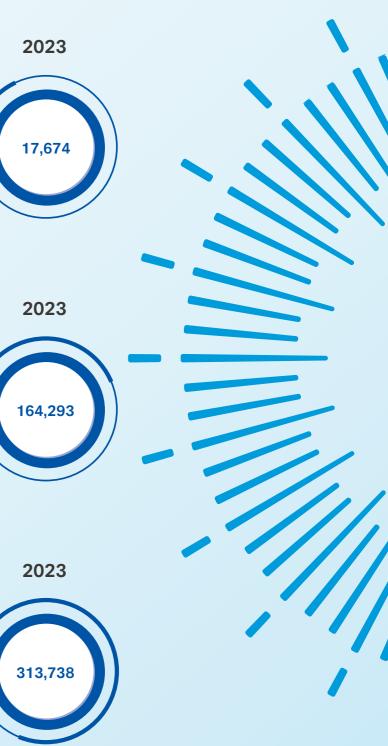
We increased our EBITDA by 153% in the last two years. Consolidated Investments of Net Revenue of TRY 4.2 TRY 156 TRY 7 O billion billion billion

³ Revenue were calculated by summing net sales and financial returns on investments/financial gains from investments

⁴ TRY 279,754,379.7 of the income derived from sustainable product categories was calculated assuming that the electricity generated from Petkim WPP is sold to the grid. Remaining amount has been recalculated for the last three years, taking into account renewable energy sales data (rooftop solar panel projects, green electricity sales, I-REC certificates) carried out by the Gas Business Unit. ⁶ Distributed Economic Value is the sum of consolidated operating expenses, total tax and similar liabilities paid, dividend payments and employee benefits (wages, fringe benefits etc.). ⁶ Economic Value Retained equals to Income - Economic Value Distributed.

EBITDA (million TRY) 2021 2022 6,998 18,923 Total Equity (million TRY) 2021 2022 45,173 100,334 Total Assets (million TRY) 2021 2022 119,354 214,256





Message from the CEO About SOCAR Global & SOCAR Türkiye

Corporate Governance at SOCAR Türkiye



Tax Approach

As SOCAR Türkiye, we pay the taxes accrued due our operations in Türkiye in due course and in full and thus we contribute to the economy in line with the awareness of being a responsible taxpayer in compliance with tax legislation.

Fulfilling their corporate tax obligations is an indication of our subsidiaries' direct contribution to economic development. Together with our subsidiaries, we act in compliance with all regulations of national and international tax legislation to fulfill our tax obligations.

We outsource services from third-party audit firms on a monthly basis in order to act in full compliance with tax legislation. Relevant tax experts monthly audit the company's transactions in terms of compliance with legislation and submit full approval reports at the end of the year.

SOCAR Türkiye Tax Unit is responsible for constituting Tax and Accounting procedures/policies of SOCAR Türkiye, identifying the necessary requirements and preparing procedures for the execution of transactions in accordance with legal regulations. Tax strategies are reviewed annually by the SOCAR Türkiye Tax unit and submitted to the approval of the managers of the relevant business units, Chief Financial Officer and Vice Presidents. They further follow the current tax legislation, provide information on issues affecting SOCAR Türkiye and prepare bulletins to make announcements when necessary to ensure full compliance with financial legislation. Procedures, instructions and circulars prepared by our tax and accounting teams shape our tax strategies.

The following activities are at the core tax management strategies of SOCAR Türkiye:

- To manage the tax liabilities of our subsidiaries within the scope of compliance with national and international tax laws;
- To constitute the tax policy of our subsidiaries and to carry out all necessary work to manage the tax issues;
- To raise and develop tax awareness in all projects of our subsidiaries and to provide all kinds of technical assistance in this regard;
- To make use of the necessary instruments and strategies in determining the tax that our company is obliged to pay within the framework of legal legislation and practices permitted by the authority;
- To manage tax incentives;
- To identify, manage and eliminate tax risks.

We provide trainings, do announcements and perform other activities in order to develop the tax compliance culture in all companies and raise awareness about tax strategy and practices in SOCAR Türkiye and its subsidiaries, within the framework of our understanding of tax management, in connection with the processes defined by the procedures.

Corporate tax amounts paid by all our subsidiaries over the last three years are presented below. These amounts indicate the corporate tax amounts paid by our companies over their income. Indirect taxes are not included in these amounts.

| SOCAR Taxes Paid in Türkiye (TRY) | 2021 | 2022 | 2023 | |
|-----------------------------------------|-------------|-------------|---------------|--|
| Total | 863,849,000 | 898,912,882 | 4,053,843,735 | |

Tax Penalties

Throughout 2023, 118 tax penalties were imposed on SOCAR Türkiye within the scope of Customs Law No. 4458. Total monetary equivalent of these penalties is TRY 54,731.48.



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Highlights of 2023

18.3 Billion USD Investment in 15 Years

Sustaining our contribution to economic development, we have made investments worth approximately 18 billion USD over the 15 years we have been operating in Türkiye.

Petkim 2023 Financial Results

Petkim improved its performance by maintaining its strong balance sheet, thanks to the measures adopted by the management against the ongoing negative turmoil in the global petrochemical industry. Having realized a total sales volume of TRY 60.4 billion in 2023, Petkim's net profit was accounted as TRY 7.4 billion.

The Biggest Companies of the Aegean Region: STAR Rafineri and Petkim

STAR Rafineri and Petkim, which were ranked among the top 100 companies by the Aegean Region Chamber of Industry in line with their production-to-sales performance of 2022, became the "export champions" once again by being at the forefront of the "Stars of Export" list of the Aegean Exporters' Associations, as in 2022.

Stars of Export: STAR Rafineri and **SOCAR** Petrol Ticaret

Being awarded the first and second prizes, respectively, in the Mineral Fuels category at the Stars of Export Awards organized by the Istanbul Chemicals and Chemical Products' Exporters Association in 2023, STAR Rafineri and SOCAR Petrol Ticaret maintained their leadership in the industry.

Our Subsidiaries on the Capital500 List

Our subsidiaries were listed within "Capital 500- Largest 500 Private Companies of Türkiye Survey". Petkim, Bursagaz and Kayserigaz stood out in this prestigious list, drawing attention with their strong financial performance and success.

Petkim in the BIST Sustainability 25 Index

Petkim, the first and the only integrated petrochemicals company of Türkiye, strengthened its sustainability performance and increased its score to 70.03; thereby became the first petrochemicals company to stand out in the BIST Sustainability 25 Index.

FORTUNE 500 Achievements of Subsidiaries

We ranked high on the FORTUNE 500 list. Two of our six subsidiaries were not only ranked in the FORTUNE 500 List, which lists 500 largest companies of Türkiye, but further achieved significant achievements by being listed in top 10.





We Are Together for Sustainable Production

As SOCAR Türkiye, we have been developing sustainable business models within the framework of all the physical assets and infrastructure/superstructure we own, and we have been growing with firm steps together with our stakeholders.



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Overview of Group Companies

At SOCAR Türkiye, we are well aware of the positive effects that will spread to all other capital elements as a result of sustainable management of our produced capital, consisting of our facilities, equipments, infrastructure and the superstructures we use. For this reason, we support with all our strength the production efforts of our subsidiaries that will add value to the future. We are expanding our sphere of influence while investing in low-carbon technologies through our group companies within SOCAR Türkiye.



Refining and Petrochemical Business Unit

Petkim - Aliağa, İzmir

Installed Capacity: 3.36 MTA Türkiye's Petrochemical Product Needs Meeting Rate: 11% Annual Gross Production Capacity: 3,6 million tons Total Production: 2.3 MTA Capacity Utilization Rate: 66.1% Export Countries: 60 Countries Total Assets (billion TRY): 95.8 Total Number of Employees: 2,374

STAR Rafineri - Aliağa, İzmir

Türkiye's Processed Crude Oil Need Meeting Rate: 20% Installed Capacity (Annual Crude Oil Processing Capacity): 13 million tons Total Production : 12.5 MTA Capacity Utilization Rate : 117% Nelson Refinery Complec: 9 White Product Efficiency : 87.6% Total Number of Employees : 1,134

SOCAR Depolama - Aliağa, İzmir

Number of Terminals: 5 Fuel Product Storage: 532,746 m³ LPG Storage Capacity: 45,019 m³ Total Number of Storage Tanks: 54 Capacity utilization rate: 90% Total Number of Employees: 82

SOCAR Ar-Ge ve İnovasyon - Aliağa, İzmir

Established Area: 1,200 m² Number of Researchers: 38 Patents: 6 patent registrations (2018-2023) Shareholding Structure: 100% SOCAR Turkey Enerji A.Ş. Total Number of Employees: 39

SCR Müşavirlik - Aliağa, İzmir

Shareholding Structure: 100% SOCAR Turkey Enerji A.Ş. Total Number of Employees: 26 Owned Portfolio Size: 86,265 m²

SOCAR Petrol Ticaret - Aliağa, İzmir

Total Number of Employees: 74 Total Number of Gas Stations: 113 Number of Gas Stations Owned: 13 2023 Export Volume/Amount: 1,225 thousand tons/1,041 million US dollars



Natural Gas Business Unit

Bursagaz - Bursa

Number of Independent Units: 1,198,907 Shareholder Structure: 10% (Bursa Metropolitan Municipality), 10% (Çalık Holding), 80% (SOCAR Türkiye) Natural Gas Supply: 2.27 billion sm³ Grid Lenght: 7,562 km Total Number of Employees : 252

Kayserigaz - Kayseri

Number of Independent Units: 666,955 Shareholder Structure: 10% (Kayseri Metropolitan Municipality), 10% (Çalık Holding), 80% (SOCAR Türkiye) Natural Gas Supply: 0,74 milyar sm³ Grid Lenght: 6,639 km Total Number of Employees: 160

SOCAR Türkiye Doğal Gaz Yatırım - İstanbul Total Number of Employees: 427

SOCAR Enerji Ticaret - İstanbul

Trade and Sales Volume: Total trade and sales volume of 21.2 TWh for 2023, including 18 TWh in natural gas and 3.2 TWh in electricity Total Turnover: 26 billion TRY Shareholding Structure: 100% SOCAR Turkey Doğal Gaz Yatırım A.Ş. Total Number of Employees: 24



SOCAR Fiber - İstanbul

Line Length (Approximate): 1,850 km Route Covered: 20 provinces and 67 districts Investment Value: 55 Million US Dollars Shareholding Structure: 100% SOCAR Turkey Enerji A.Ş. Total Number of Employees : 3

Port Operations (SOCAR Terminal and PETLİM) -Aliağa, İzmir

Installed Capacity: 1,500,000 TEU 600,000 TEU (Current Equpment Capacity) Total Production : 432,000 TEU (EXCEPT RESTOW) Capacity Utilization Rate: 0.72 Total Number of Employees : 337

Millenicom - İstanbul

Total Internet Capacity: 665 Gbps Market Share: 1.93 (BTK Q3 report, excluding Turksat Shareholding Structure: 100% SOCAR Turkey Doğal Gaz Yatırım A.Ş. Total Number of Employees: 85

SOCAR Gemi Acenteliği - İstanbul

Number of Ships Served in 2023: 711 Total Number of Employees: 2 Shareholding Structure: 100% SOCAR Turkey Energy Inc.

SOCAR Broker - İstanbul

Total Number of Employees: 7 Number of Insurance Companies Agreed in Turkey: 23 Number of Reinsurance Companies Agreed: 50 and above 2023 Estimated Insurance and Reinsurance

Commission: Approximately 1.9 million USD 2023 EBITDA: Approximately 1 million USD

Sustainability at SOCAR Türkiye



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TANAP - Ankara

Main Line Length (km): 1,811 Dardanelles Crossing: 17.5x2 (Twin Pipeline) Highest Point Passed by Pipeline (m): 2,760 Deepest Point Passed by Pipeline (At Sea, m): -67.5 Number of People Directly and Indirectly Employed During the Project Phase: 13,000 Number of Cities on the TANAP Route: 20 Approxiamete Investment Cost (Billion USD): 6,3

Shareholding Structure: Southern Gas Corridor Company- SGC (Southern Gas Corridor): 51% BOTAŞ: 30% BP Pipelines (TANAP) Limited: 12% SOCAR Turkey Enerji A.Ş.: 7%

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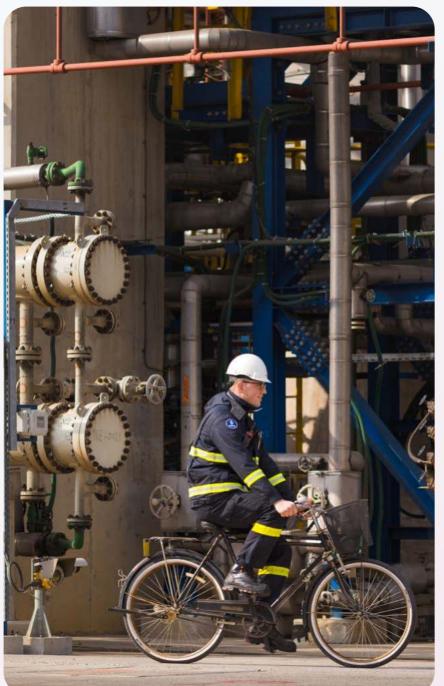
Operational Excellence

At Petkim, we believe that sustainable success requires continuous development and improvement. With this vision in mind, we contribute to our company's excellence and innovation goals.

Making the right investment decisions in the economic arena and managing resources effectively have critical importance for us. For this purpose, we ensure our Company's resources to be distributed and allocated most efficiently in investment projects. We prepare comprehensive case studies for potential projects and investments to help senior management make the best decisions. By analyzing the financial results of each investment and improvement project, we ensure that each project is built on the right financial foundations. We constitute our company's strategy by analyzing new market opportunities, technological trends and potential collaborations; we further encourage sustainable success by supporting the continuous development of our company.

At SOCAR Türkiye, we pursued our business excellence journey in 2023 by focusing on continuous development and innovation.





Continuous Improvement Activities

As SOCAR Türkiye, we aim to improve customer satisfaction and our operational efficiency by making systematic and continuous improvements in all our operations and business processes throughout our business excellence journey that we have taken with all our subsidiaries operating within the scope of the Refinery and Petrochemical Business Unit. We constantly evaluate our processes by using improvement methodologies, particularly "Lean Six Sigma" and we focus on efficiency in current and future business processes.

The "In My Opinion (Fikrimce) Suggestion System" and Lean Six Sigma" program, which were previously undertaken by different business units under the umbrella of the Business Excellence, have then started to be carried out under the umbrella of the Continuous Improvement Department as of 2023.

In 2023, the 4th Wave Green Belt Certification Program was successfully completed within the scope of our Lean Six Sigma Trainings. 11 of our colleagues, who completed their training within the scope of this wave, successfully finalized their projects based on the knowledge they acquired throughout the Green Belt training.

"Lean Six Sigma Day" Event

As SOCAR Türkiye, we hosted the "Lean Six Sigma Day" event in İzmir, bringing together professionals working in the field of continuous improvement, university students and academicians. For the purpose of the event, in which more than 100 individuals from more than 10 companies participated, various topics ranging from Lean Six Sigma approaches to sustainable business practices were discussed, successful practices were examined and information was exchanged. Within the context of this conference, where basic issues regarding efficiency and success in the business world such as "Efficiency and Being Lean in Business Processes", "Sustainability of Lean Six Sigma Approach and Cultural Transformation", "Global Lean Six Sigma Applications", "Obstacles to Operational Transformation and Solution Suggestions" are discussed, domestic and foreign speakers from different industries shared their "continuous improvement" experiences.

In 2023, we created USD 1,1 million worth value through our Six Sigma projects. Fifth and sixth wave Lean Six Sigma Green Belt trainings started with the participation of 30 Green Belt candidates. We have attached utmost significance to Value Stream Mapping and Kaizen studies in our Lean Six Sigma program. Value Stream Mapping executed particularly in the Plastics Processing Plant and Product Packaging areas played a critical role in identifying improvement opportunities and ensured production efficiency.

We further implemented 5S management strategies aimed at improving efficiency within the scope of continuous improvement activities for 2023. 5S management strategies were successfully implemented at Petkim, in a total of 26 facilities such as laboratories, maintenance workshops, product packaging and storage areas, weigh bridges and pallet centers and an audit system was executed to ensure sustainability.

fikrimce

"In My Opinion (Fikrimce)" **Suggestion System**

As SOCAR Türkiye, we feed our continuous improvement approach with the valuable ideas of our employees through our suggestion system "In My Opinion (Fikrimce)". This platform allows our employees to make significant contributions to our value creation processes by submitting creative and innovative suggestions that will improve our company's operations. We reinforce our employees' sense of belonging by offering innovative approaches to the development of our business processes through our suggestion system. We have further initiated mechanisms that will reward the participation of our employees in order to make our "In My Opinion (Fikrimce)" System even more effective. Accordingly, we both improve our processes and increase the motivation and engagement of our employees to our company.

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Agile Value Creation Activities

Thanks to our culture that focuses on valuing the employees and the human factor, we implement employee-oriented and participatory projects. Within the context of the "I am the Value (Değer Benim) Transformation Program, which we initiated with Petkim in 2016 and later popularized to all our subsidiaries within SOCAR Türkiye Refinery and Petrochemical Business Unit and Natural Gas Business Unit, we bring together multi-disciplinary teams to undertake projects that will create added value for our company with team spirit and cooperation.

"I am the Value (Değer Benim) Platform" allows our employees to contribute to the development of our processes by offering improvementoriented suggestions. In line with the suggestions presented, we aim for sustainable improvements in critical areas such as operational excellence, commercial success and supply chain optimization and we work on various projects such as energy and efficiency, optimization of sales strategies of petrochemical products, logistics and inventory management.



"I am the Value (Değer Benim) Program"

As SOCAR Türkiye, we crown our value creation processes with our "I am the Value (Değer Benim) Program", one of the projects reflecting our "Stronger, Together" motto, which steps up the productivity and motivation of our human resources as one of our most precious assets.

We have been implementing our "I am the Value (Değer Benim) Program", which has completed its 7th year as of 2023, throughout all SOCAR Group subsidiaries. Today, we position our "I am the Value (Değer Benim) Program", which grows with the energy of our employees, at the very center of our improvement efforts within SOCAR Türkiye. We have already achieved various successes in many issues based on sustainability, production increase and capacity utilization within the scope of our project, in which the remedial suggestions submitted by our employees were considered, examined and implemented.

With "I am the Value (Değer Benim) Program" Platform, we have implemented major projects that make a difference in the categories of Lean Six Sigma, Agile Transformation and Digitalization. In line with the suggestions presented, we aim for sustainable improvements in critical issues such as operational excellence, commercial success and supply chain optimization and we work on various projects such as energy and efficiency, optimization of sales strategies of petrochemical products, logistics and inventory management.

Owing to "I am the Value (Değer Benim) Program", since 2017

| The participatio | n of 1,700+ | employees were ensured. | | | |
|------------------|-----------------------------------------------------------------|----------------------------|--|--|--|
| 40+ | departments partie | cipated. | | | |
| 10 | health initiatives and an increase in OHI scores were achieved. | | | | |
| 5,700+ | ideas were genera | ted. | | | |

Value Creation at SOCAR Türkiye

Annexes

Sustainability at SOCAR Türk

With our "I am the Value (Değer Benim) Program", we highlight the ideas of our employees and strengthen the culture of innovation and collaboration. We base ourselves on the principles of diversity, equality and inclusion with the active participation of our employees. In this context, we have succeeded in creating a productive, efficient and highly motivated working environment where professional and personal development is ensured.

Within the scope of our digital transformation program that we launched five years ago, we created a value of USD 77 million in 2023 with the projects suggested by our employees. Throughout this period, we have carefully examined the ideas of our employees. We further held two "I am the Value (Değer Benim) Program" meetings focused on digitalization during the year. Within the scope of the "I am the Value (Değer Benim) Program", we have successfully worked on the optimization of different processes, as well as projects that will support the digital transformation of the company and will redesign our business processes. 10 digitalization projects submitted within the scope of our "I am the Value (Değer Benim) Program" throughout 2023 made significant financial contributions to our company. We have implemented 431 digital applications since 2018 and achieved significant success with these practices, saving approximately 220 million US dollars.

650+

1.000+ ideas were filtered and turned into projects.

projects were approved.

600+

M US Dollars' worth Cumulative EBITDA impact was achieved.

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By introducing the Agile Business Model in our company, we have met the requirements of modern business life. By leading this transformation, we have further worked to popularize the "Agile" culture included in our company values. We have adopted the Agile Business Model as a central management strategy as it improves our adaptation, flexibility and quick decisionmaking ability reflecting our continuous development goal and dynamic structure which constitute the basis of our company.

Agile Business Model

One of the underlying elements of our success at SOCAR Türkiye is our dynamic structure that aims for continuous development. In this context, the Agile Business Model, which is at the center of our management strategy, plays an important role. This practice represents our systematic, efficient and human-oriented production approach that supports teamwork.

Our Agile Business Model, encouraging a working culture united around common goals, allows us to make valuable contributions to our company. Our agile teams adopt the goal of strengthening communication between units and maximizing the efficiency of processes by determining specific duties and responsibilities in line with the strategic goals of SOCAR Türkiye.

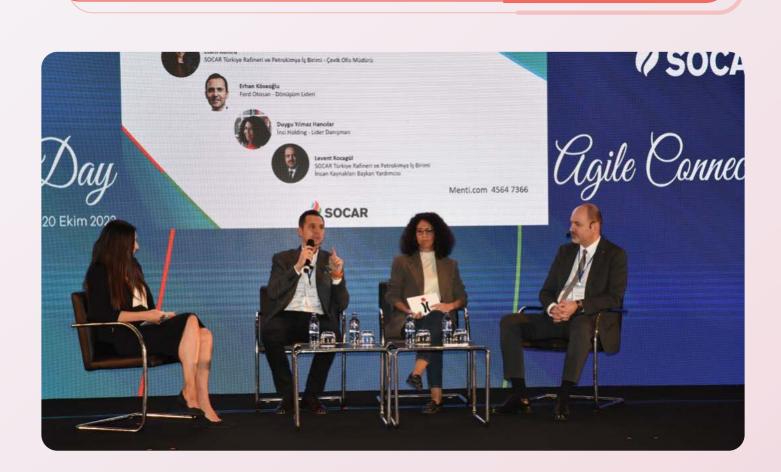
With the adoption of our agile approaches, we have created a working environment where our team members have the opportunity to carry out their work more effectively and adopt decisions faster. Thanks to the improvement in the maturity level of our tools as of 2023, we have achieved significant results such as increased capacity in our production processes and reduced variability in process parameters. These developments not only have contributed to improving our operational efficiency but also allowed us to successfully implement our improvement efforts by focusing on development opportunities in various areas.

While our Agile Business Model highlights the active participation and cooperation of our employees with transparency and systematic process management, it further allows us to build a dynamic structure in human resources management that supports the harmony and development of our employees, increases the motivation and improves the overall performance of our company.

Thanks to this innovative business model, we can monitor the performance of the teams in detail. We further offer technical and non-technical trainings that support the continuous learning and development of our employees and guarantee the continuity and effectiveness of this dynamic structure. Our holistic approach and accompanying Agile Business Model stand out as critical factors in increasing the sustainable success and competitiveness of SOCAR Türkiye.

"Agile Connect Day" Event

As SOCAR Türkiye, we brought together the professionals working in the field of agile culture and agile business model with the "Agile Connect Day" event bringing together over 150 people including professionals from more than 15 companies that have already adopted the agile business model, academics and students from 4 universities, the innovative perspective that "agile" approaches provide to the business world and how "agile" methodologies can be effectively applied in the business world were evaluated; relevant information and experience were shared. The Event, which brought together companies that have already adopted agile business models in the industry, allowed to hold important discussions about industry-specific solutions, best practices and future agile transformations and provided the opportunity to evaluate potential industrial cooperation opportunities.



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Quality Management Systems Activities

In line with the integrated management system we have adopted as SOCAR Türkiye and the certificates of international standards we have attained for our group companies, we keep on working on our processes and activities in a transparent, accountable, fair and responsible manner. In line with our goal of managing our processes and activities effectively and with quality, we continued our certification efforts regarding management systems during the reporting period.

Throughout the current reporting period ISO 9001 Quality Management System Certification, which confirms the significance SOCAR Türkiye subsidiaries attach to our customers and service quality, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System, which confirm our sensitivity towards the environment and the health and safety of our employees, ISO 50001 Energy Management System, which confirms our commitment to effective energy savings, ISO 14064-1 Greenhouse Gas and Emissions Management System, which provides a framework for monitoring, reducing and reporting greenhouse gas emissions, ISO 27001 Information Security Management System, which provides the assurance for the protection of our customers' information, ISO 10002 Customer Satisfaction Management Certification, which confirms a customer-oriented approach, ISO 31000 Risk Management Guide, which ensures effective management of our system, risks and opportunities, ISO 55001 Asset Management System, which ensures efficient, sustainable and harmonious management of our assets and resources, ISO 22301 Business Continuity Management System, which ensures the continuity of emergency and critical processes and the ISO 17025 Laboratory Accreditation which is an indicator of the quality and sustainability of the reliability of the analyzes performed in our laboratories guided our operations.

Active Role in Designing Quality Management System Standards

In 2023, we stepped up to the position of "designer, not the follower" in the field of management systems standards and we have undertaken an active role in the development of the Innovation Management Standard, which ISO started to constitute for the first time in the world. We have successfully executed the **ISO 27001 Information Security** Management **System certification** process with internal resources and completed the external audits, for the first time in our **SOCAR** Depolama which operates within the scope of the Refinery and Petrochemical **Business Unit.**

We Brought Together Academicians and Professionals from Different Industries for Quality Day Event

> At the "Quality Day" hosted by SOCAR Türkiye, we met with professionals and academics working in the field of Quality Management Systems. For the purpose of this event, we exchanged valuable information about the future of management systems, the value of integrated systems and the foundations of the Innovation Management System developed by SOCAR Türkiye.

> At this event, issues aimed at improving the competitiveness in the future such as the importance of innovation and the foundations of the ISO 56002 Innovation Management System, were discussed. Business Excellence Vice President of SOCAR Türkiye Refinery and Petrochemical Business Unit, İbrahim Kadıoğlu, stated that the event served as a platform for sharing experiences among participants and shedding light on future trends. The conference took place in sessions where expert speakers from various industries shared their experiences with the participants. The event promoted collaboration between the university and industry, demonstrating the significance of collaboration and knowledge sharing for future developments in quality management.

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We shared our experience in the Quality Management Systems in the international arena!

At the 64th EOQ (European Organization for Quality) Quality Congress held in Portugal in 2023, we took the floor as a speaker within the scope of the theme "A systematic approach for innovation: ISO 56002 Innovation Management System and interaction with other quality management standards" and shared our experiences with professionals from all over the world.



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Management Systems Certificates

| | SOCAR Türkiye Corporate Center | Petkim | STAR Rafineri | SOCAR Depolama | SOCAR Terminal | Bursagaz | Kayserigaz | SOCAR Enerji Ticaret | SOCAR Türkiye Doğal Gaz Yatırım | SOCAR Fiber |
|-----------------------------------------------------------------------------|-----------------------------------------|--------|------------------|-------------------|-------------------|----------|------------|----------------------------|------------------------------------------|----------------|
| ISO 9001 (Quality Management System) | + | + | + | + | + | + | + | + | | |
| ISO 14001 (Environmental Management System) | + | + | + | + | + | + | + | + | | |
| ISO 45001 (Occupational Health and Safety Management System) | + | + | + | + | + | + | + | + | | |
| ISO 27001 (Information Security Management System) | | + | + | | | + | + | | | + |
| ISO 50001 (Energy Management System) | | + | + | | + | + | + | | | |
| ISO 17025 (Laboratory Quality Management System) | | + | + | | | | | | + | |
| ISO 22301 (Business Continuity Management System) | | + | + | + | | + | + | | | |
| TS ISO 10002 (Customer Satisfaction Management System) | | + | | | + | + | + | | | |

| | Petkim | STAR Rafineri | SOCAR Depolama | SOCAR Terminal | Bursagaz | Kayserigaz | SOCAR Türkiye Ar-Ge ve İnovasyon | SOCAR Petrol Ticaret | SOCAR Türkiye Doğal Gaz Yatırım | SOCAR Fiber |
|----------------------------------------------------------------------|--------|------------------|-------------------|-------------------|----------|------------|-------------------------------------------|----------------------------|------------------------------------------|----------------|
| TS ISO 31000 (Risk Management System) | + | | | | + | + | | | | |
| ISO 55001 (Asset Management System) | + | + | | | | | | | | |
| ISCC (International Sustainability Carbon Certification) | + | | | | | | | | | |
| ISO 14064-1 (Quantification of Carbon Footprint) | | | | + | | | | | | |
| ISO 56002 (Innovation Management System) | | | | | | | + | + | | |
| YYS (Certificate of Authorized Economic Operator) | + | + | | | | | | | | |
| OKS Certificate (Approved Person Status)* | | | | | | | | + | | |

* Approved Person Status is a customs operations status that provides certain facilities in customs procedures to companies that fulfill their customs obligations, keep their commercial records in accordance with generally accepted accounting principles, have financial competence, employ a certain number of people and have a certain foreign trade performance, through the approved person status certificate issued in their names.

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Operational Analytics

Operational Performance Research

As SOCAR Türkiye Refinery and Petrochemical Business Unit, we collaborated with Solomon Associates, a pioneer in benchmarking the oil and gas industry around the world and we performed an international comparative performance analysis based on 2022 data of STAR Rafineri and Petkim Aromatics plants with the purpose to evaluate current operational and financial performance and identify areas with improvement potential.

Hosted by Operational Analytics, the results of these studies were disclosed to the relevant stakeholders with participation of a total of 15 departments and 30 people from Technical Services, Planning and Modeling, Asset Management, Finance and Human Resources business units. The Aromatics 2022 report revealed that the Aromatics plant has certain areas requiring improvement in energy efficiency and operational availability values (high downtime and short intervals) compared to its global counterparts.

In the next step of the process, a gap analysis was initiated based on the outputs of both studies with the participation of the same business units. In parallel with this, we keep on working on metrics based on the Solomon methodology in order to internally calculate the developments in the main operational areas and follow them regularly at more frequent intervals.



As part of the 'Strategic Competency Development Program' initiated at SOCAR Turkey in 2021, the Business Acumen Program is a comprehensive competency development initiative designed to enhance our colleagues' abilities in understanding complex business situations and scenarios, strategic thinking, financial literacy, effective decisionmaking, and improving business processes.

In 2023, the Business Acumen Program, which graduated its second cohort, with the participation of 71 colleagues from various departments across SOCAR Turkey group companies. 9 teams engaged in intense competition over 8 rounds, using the CESIM business simulation game to manage their companies they created virtually.





SOCAR Türkiye Business Acumen Business Simulation enabled our teams, managing the companies they incorporated in the virtual environment, to understand the significance of reviewing all the dynamics within the decision-making mechanism to see the big picture. The practical knowledge and skills acquired through the program have positively affected the results of the projects executed in our company and have further strengthened inter-departmental relations. Focusing on teamwork, leadership and communication skills, this Program acts as a catalyst in maximizing the potential of each colleague by strengthening our collaborative culture. Thereupon our company becomes more innovative, dynamic and motivated.

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Operations in 2023

Petkim Becomes an Indirect 12% Shareholder of STAR Rafineri

The significant share purchase transaction that we announced in 2018 was completed when the conditions were met. As a result of this share purchase transaction, which is a step that supports the full integration of Petkim and STAR Rafineri, the second largest industrial enterprise of Türkiye Petkim became an indirect shareholder of STAR Rafineri with a 12% share.

Sarıoğlan RMS-A Capacity Increase Ceremony of Kayserigaz

Kayserigaz increased the capacity at Sarioğlan Gas Pressure Regulation and Measurement Station (RMS-A), which provides natural gas supply to Sarioğlan and Akkışla districts.

Transition to Digital Invoice by Bursagaz and Kayserigaz

We launched Digital Invoice application at Bursagaz and Kayserigaz to contribute to a sustainable future and fulfill our responsibility towards the environment. With this development, we aim to use resources more efficiently and reduce the amount of waste.

Natural Gas Supply from Kayserigaz to Felahiye and Özvatan in its 20th Anniversary

As Kayserigaz, in the 20th year of our operations, we brought natural gas to more than 650 thousand subscribers with a network length of 6,639 km and delivered natural gas to 14 districts.

Kayserigaz Attains ISO 50001 Energy Management System Certificate

Kayserigaz completed the Energy Management System certification processes and received the ISO 50001:2018 Energy Management System Certificate.

Kayserigaz Attains Business Continuity Management System Certificate

As Kayserigaz, we achieved to get ISO 22301 Business Continuity Management System Certificate

I-Tesisat Project

In Bursagaz and Kayserigaz, we started to implement the I-Tesisat Project which enables agile work orders to be managed with higher efficiency and provides operational excellence by establishing two-way communication between SAP and mobile devices.

Certificate of Authorized Economic Operator to STAR Rafineri

STAR Rafineri was awarded the Certificate of Authorized Economic Operator (YYS-I), an indicator of international status granted to reliable companies that fulfill their customs obligations, have a regular and traceable registration system, have financial sufficiency, attained safety and security standards, provide their own self-control and are capable of managing their risks to benefit from simplified procedures and some important privileges within the scope of foreign trade activities. We expect our certificate to increase our reputation in the international arena and thus provide cost advantages.

Raw Material Contract Between STAR Refinery and Petkim Renewed

By renewing the 20-year agreement with regard to the supply of raw materials signed between STAR Rafineri and Petkim in 2014, we signed a new contract that will provide flexibility to Petkim in the procurement of raw materials in order to ensure Petkim to take the advantage of changing market conditions to the maximum extent.

Under this new contract, STAR Rafineri will keep on supplying heavy naphtha and light naphtha to Petkim and will supply reformate when needed; the quantities of the raw materials to be provided will be determined by the negotiation of the parties and raw material prices will be determined for 12-month periods in accordance with transfer pricing principles. This contract will allow Petkim to supply raw materials from STAR Rafineri or from the market without any restrictions depending on market conditions. As of the second half of 2023, we increased Petkim's external raw material supply in accordance with market conditions and thus managed to minimize costs.





We are Together in the Fight Against Climate Change

As SOCAR Türkiye, we have placed the fight against climate change at the heart of our business model and strategy since 2008 and we carry out our operations within this framework.



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We are Together in the Fight Against Climate Change

As SOCAR Türkiye, we have placed the fight against climate change at the heart of our business model and strategy since 2008 and we carry out our operations within this framework.

In line with our sustainability focus, we have implemented more than 90 sustainability projects in our Refinery and Petrochemicals and Gas Business Units over the past two years. Within the scope of these projects, we reduced more than 870 thousand tons of CO_2 emissions and saved more than 140 thousand tons of water.

The Fight Against the Risks Related to Climate Change

Climate change risks and methods to fight against these risks are of great importance in achieving global and industrial climate goals. As SOCAR Türkiye, we timely detect climate change risks in advance, we classify possible risks as short, medium and long term, we take all actions in advance against their effects and make all our business processes resilient against various scenarios. We assume an active role in the fight against climate change by complying with the requirements of the United Nations Sustainable Development Goals and the Paris Climate Agreement.

In 2023, we provided a total of 4,936 hours of environmental training for our 4,532 employees on various subjects in order to increase their knowledge and experience.

As SOCAR Türkiye, we constitute the basis of environmental management with our HSE Policy. Within the framework of this policy, we adopt proactive approaches on issues such as improving energy and natural resource efficiency and reducing the amount of emissions and waste. We follow Environmental Assessment and Management under SAFE HSE Management System Principle 9.

Our HSE Policy provides a framework for our environmental management strategy. Within the scope of our policy, we are committed to proactively identify and implement the opportunities in the following areas:

- Generating energy in ways that will increase economic prosperity, promote social well-being and sustainably protect the environment
- Using natural resources or energy more efficiently
- Reducing greenhouse gas emissions
- Reducing water consumption
- Reduction of air emissions and wastes
- Wastewater management and minimization
- Minimizing soil degradation and accelerating rehabilitation
- Avoiding operations in areas with the highest biodiversity value
- Implementing the environmental management system with a life cycle approach
- Raising environmental awareness
- Pursuit of technological improvements
- Consulting Stakeholders on environmental topics

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- Monitoring the company's environmental performance
- Regular reporting on environmental issues



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SOCAR Türkiye's Decarbonization Strategy

We support low greenhouse gas emission development and increasing adaptation capability in order to limit the increase in global average temperature to 1.5°C, which is the main goal of the Paris Climate Agreement. Our efforts to reduce greenhouse gas emissions are of vital importance in terms of our industrial operations and product qualities. International regulations and social expectations make our efforts in this regard even more important.

We systematically manage climate change and the risks and opportunities it brings with, we closely follow national and international developments and prepare strategic plans. In line with our decarbonisation strategy, we focus on four main areas: operational moves, projects requiring investment, strategic new areas and carbon offsetting. For this purpose we activate the competencies, organizational changes and governance infrastructure required to achieve this transformation.

| | SOCAR Türkiye's Decarbonization Strategy | | | | | | | |
|---|------------------------------------------|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|
| 1 | Operational Moves | Strategic Steps | Within the scope of our operations in the refinery and petrochemical industry, we aim to reduce emission intensity by 2025 through energy efficiency, flare solutions and insulation. We work to manage emissions that may cause climate change resulting from our operations. The first step of our efforts in this direction is aimed at reducing emissions resulting from our refinery and petrochemicals operations through energy efficiency, flare management and insulation projects. | | | | | |
| 2 | Projects in Need of Investment | | We regularly monitor legislative developments in order to lower emissions due from our refinery and petrochemical operations through new investments. We intend to invest in innovative technologies and procedures that will significantly lower carbon emissions from our operations. | | | | | |
| 3 | Strategic New Areas | | Our company's forward-looking strategy includes developing the circular economy by investing in the use of recycled raw materials and following the developments in the field of gas and hydrogen, which is considered as the energy of the future. By focusing on new strategic areas, we aim to develop new revenue streams that are consistent with the patterns of the energy transition. Accordingly, we first evaluate alternatives such as the use of bio-sourced inputs and bio-sourced fuel production. | | | | | |
| 4 | Carbon Offsetting | | Through verified carbon offset activities, we strive to offset emissions from our business operations. Our primary goal is to decarbonize our businesses through operational improvements, new investments and strategic transformative moves. We are nonetheless aware that we can also achieve our emission reduction objectives through offset schemes. Our immediate objective is to search for potential opportunities in Türkiye's voluntary carbon markets and give high-quality projects priority in order to offset our inevitable emissions. In accordance with the Emission Trading System planned to be implemented in Türkiye by 2024, we plan to evaluate the potential of purchasing existing carbon offset projects, if needed. | | | | | |

| Short Term (2021-2025) | Mid-Term (2025-2030) | Long Term (2030 and later) |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Implementing energy efficiency, electrification, resource management and flare management initiatives to reduce CO ₂ emissions | Develop an internal carbon pricing approach in our future investments to effectively integrate decarbonization and mitigate the risks caused by potential regulations Considering balancing initiatives within the scope of strategic investments | Achieving long-term decarbonization targets to reduce emissions Becoming net zero by 2050 in terms of Scope 1 and 2 Collaborating with alternative energy initiatives through CVC Corporate Venture |
| Evaluating alternatives such as the use of bio- | Capital with the knowledge gained in the short and medium term | |

In addition to reducing our emissions, we further aim to improve energy efficiency and to meet our energy needs from renewable sources as much as possible while managing climate change risks. For this purpose, we carefully follow industry trends and changing needs and constantly improve our energy management practices to achieve our net zero goal. We keep on working to realize the necessary improvements for sustainable and safe production in the Aliağa Peninsula with our subsidiaries such as Petkim, STAR Rafineri and SOCAR Depolama.

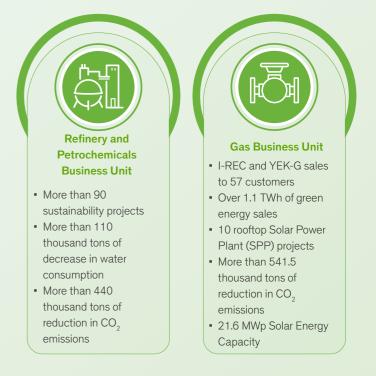
We know that fighting against climate change requires not only preventing the risks but also taking advantage of opportunities. As SOCAR Türkiye, we evaluate the opportunities arising from climate change and aim to contribute to society by making use of the latest technologies. In our R&D and Innovation Center, we have been working on diverse projects aiming to contribute to sustainable development, from carbon capture technologies to recycling plastic waste.

We will update our sustainability road map by 2024 to strengthen our steps in the fight against climate change. Our road map that will become more comprehensive in line with our goals will highlight topics such as developing a sustainability strategy and road map, analysis of the current situation, examination of the regulations and good practices, industryspecific strategies, governance plan, development of the implementation plan, performance monitoring, stakeholder cooperation and integration of technological innovations.

With these projects, we actively fight against climate change risks, aim to reduce our environmental impacts and create added value for society. With these efforts towards a sustainable future, we reinforce our leader role in the industry and aim to make significant contributions to achieve an environmentally friendly world. In 2023, we allocated a total of 19.1 million US Dollars in environmental investments and we spent 1.1 million US Dollars on environmental R&D activities.

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Summary of our sustainability-focused projects undertaken between 2021-2023 and their results:



We achieved 100% compliance with legal obligations within the scope of our 2023 operations and were not penalized for any environmental violations during this process.

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Within the framework of the efforts of the Ministry of Environment, Urbanization and Climate Change to carry the EU Directive on Integrated Pollution Prevention and Control (IPPC) to the national level, we contributed to "Determination of Industrial Emissions Strategy of Türkiye in Accordance with Integrated Pollution Prevention and Control (DIES Project)" as the chemical industry representative. For the purposes of this project, we worked on industrial compliance analysis and determination of requirements. We have undertaken both desk and field studies together with experts from the Ministry and professionals from the industry. Within the scope of our works, we evaluated the harmony and investment requirements of our industry.

| Environmental Expenditures | Unit | 2021 | 2022 | 2023 |
|-----------------------------------------------------------------|------------|--------------|---------------|-----------------|
| Environmental Investments and Expenditures | US Dollars | 6,553,735.00 | 16,074,364.00 | 19,062,321.00 🗸 |
| Environmental R&D Expenses | US Dollars | 876,500.00 | 1,600,000.00 | 1,100,000.00 🗸 |
| Environmental Consultancy, Measurement and Analysis Expenses | US Dollars | 1,734,837.00 | 2,930,283.00 | 3,928,854.00 🗸 |
| Environmental Training Expenses | US Dollars | 198.68 | 103.02 | 6,056.28 🗸 |
| Environmental Penalties | US Dollars | 3,162.00 | 250,096.60 | - 🗸 |

| Environmental Training | Unit | 2021 | 2022 | 2023 |
|---------------------------|---------|----------|----------|------------|
| TOTAL Number of Personnel | Persons | 6,078 | 4,923 | 4,532 🗸 |
| TOTAL Training Hours | Hours | 5,933.50 | 4,674.50 | 4,936.00 🗸 |

Energy Efficiency

As we move towards our goal of becoming net zero, we constantly observe industry trends and market dynamics and aim to make significant changes in the field of energy management. Through our energy management policy we implement in our subsidiaries, we focus on low-carbon energy, operational efficiency and emission reduction. We aim to reduce energy consumption in all our activities. Accordingly, we invest in new equipments that will enable us to use energy more efficiently and in renovation projects that will reduce energy use.

The significance of renewable energy for a sustainable future is increasing. As the largest direct external investor of Türkiye, we direct our energy strategy towards green energy. Owing to our investments in green energy, we meet our electricity needs with green energy at 22 different points in total including our Corporate Center in Vadi Istanbul and 4 administrative buildings, 10 stations, 2 storage facilities, 3 emergency response units, 2 valve groups and 1 archive building in other locations. Starting from 2021 and including 2023, we are certifying the electricity consumption of buildings, RMS points and other relevant meters belonging to our subsidiaries using green electricity through SETAŞ.

Petkim Wind Energy Power Plant (WPP) investment, which was commissioned in 2017, represents one of our other important strategic achievements in the field of renewable energy. This power plant, approved by the International Renewable Energy Certificate (I-REC), generates approximately 200 GW of electricity every year with 17 turbines and an installed power of 51 MW. This helps us to prevent an average of 100 thousand tons of CO_2 emissions from energy production from being released into the atmosphere annually. We further aim to achieve permanent savings by developing long-term relationships with energy users. We regularly report the goals we have set, the progress achieved and the results in this process. Through effective planning, we focus on constantly improving energy efficiency and ensuring its sustainability which then leads to a decrease in our energy expenses.

We are committed to acting together with all our stakeholders and customers who may be affected by new regulations in the transition to sustainable energy. We adopt an all-encompassing approach in all our operations, from the use of alternative energy sources to our decarbonization strategy. We act by taking into account the livelihoods of our stakeholders. As a responsible employer, we further appreciate the support of our employees and assure to provide a process management that will prevent possible employment losses. Sustainability t SOCAR Türkive

Energy management policies are also put into practice by SOCAR Türkiye subsidiaries. Petkim, STAR Rafineri and SOCAR Depolama manage their energy consumption and necessary improvements are being made for sustainable, safe production in the refinery. Bursagaz, Kayserigaz and SOCAR Enerji Ticaret are also working on reducing their carbon emissions, energy efficiency and optimization. In line with the energy strategies implemented by our business units, we aim to use energy efficiently to ensure continuous and safe natural gas distribution in line with the determined budget. Petkim, STAR Rafineri, Bursagaz and Kayserigaz have been entitled for ISO 50001 Energy Management System certificate.

At Bursagaz and Kayserigaz, which have determined their goals and targets regarding energy management, we aim to improve performance by constantly reviewing energy management systems. We further identify energy risks using a table that evaluates risks and opportunities and repeat the assessments when new risks arise. We regularly perform internal and external audits within the scope of the ISO 50001 Energy Management System.

In 2022, we filed our application to the Ministry of Energy and Natural Resources on March 31, 2022 for two new efficiency-enhancing projects. At the end of the preliminary field inspection conducted by the Ministry on 27 July 2022, we were granted the necessary approval to proceed with field implementation. Currently, the installation phase of these projects in the field is still in progress. We plan to finalize the installation by the last quarter of 2024. Should the projects are successfully implemented, we anticipate receiving a cash grant of TRY 2.8 Million on behalf of Petkim.

ISO 50001 energy management system improvements of our companies within the Gas Business Unit have been completed. As a result of our energy improvement initiatives, we have saved approximately 3,304 liters of diesel, 18,788 kWh of electricity and 4,475 Sm³ of natural gas annually. It was calculated that 38.47 Tons of CO₂ were reduced annually.

In our companies operating within the Gas Business Unit, we raise awareness among our drivers, perform on-site maintenance, set fuel consumption quotas and use the Arvento system for vehicle tracking, particularly in order to ensure efficiency in fuel consumption. We further take the energy class into consideration when purchasing tires for our vehicles.

| Energy Consumption from Non- renewable Sources | Unit | 2023 Target |
|---------------------------------------------------|------|---------------|
| Petkim | MWh | 10,529,132.00 |
| STAR Rafineri | MWh | 11,543,682.00 |

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We aimed to reduce fuel gas consumption by changing the burner types of the 120F-001 furnace in our NHT Unit of STAR Rafineri. New burners enable the furnace to operate efficiently at lower loads.

We replaced the 1991 model stacking machines in our PP and LDPE-2 packaging lines with servo motor machines that produce regenerative energy, within the scope of our planned maintenance stop in 2023. This technology consumes less energy by using the regenerative electricity generated via the heat from the braking system of the elevator in the system's internal consumption. By consuming less energy, we reduce the carbon footprint of 82,431 kg CO₂ for each system thus create value in line with the sustainability strategy of SOCAR Türkiye. Thanks to the new technology, we save up to 91% on hourly electricity consumption in our stacking systems and perform the same amount of stacking with an annual consumption of 25,056 kWh instead of 245,376 kWh.





We took advantage of daylight by replacing the dark roof panels in the LDPE packaging area with transparent panels, thus saved 27,998 kWh of energy. In this way, we prevented the emission of 13.78 tons of CO₂.

We planned to improve energy efficiency in the furnaces via chemical cleaning in the convection section of the F101A/G, F102 and FN101H furnaces of our Ethylene Plant. The pilot scheme, which was carried out in the F101E furnace in January 2018 and improved XHS production and furnace efficiency, was subsequently expanded to all furnaces. This was then implemented in three of our furnaces in 2023.

We carried out a project to optimize the fuel gas consumed to provide positive pressure in the acid flow lines of the STAR Rafineri's Tail Gas Treatment Unit (TGTU). In this context, we optimized gas consumption by adjusting the set values of the fuel gas pressure control valve. Thanks to this initiative that saves fuel gas consumption in 2023, we reduced CO₂ emissions.

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We conducted a study for the optimization of the HCGO stripper column in the DCU unit of STAR Rafineri. Under normal conditions, the stripping steam supplied to this column serves as a control mechanism to obtain the T5 value and reduce the light ends from the bottom product. As a result of the inspections we performed in the field and the work we carried out by following our planning procedures, we discovered that we could achieve the desired T5 value without introducing additional steam into the HCGO stripping column. Owing to this optimization in 2023, we achieved steam savings and subsequently reduced our CO_2 emissions.

With the project we initiated at STAR Rafineri in 2022, we cleaned the residual gases and produced pure hydrogen by directing the flash gas flow in the HCU unit to PSA. Throughout this process, we compressed the residual gas coming out of the PSA unit with the help of a compressor and transferred it to the fuel gas system of the refinery. As the compressor did not have a back-up, residual gas could not be fed into the fuel gas system during any maintenance period and was directed to the chimney to be burned. However, thanks to the new line we developed, we can direct the residual gas directly to the fuel gas line when a problem occurs in the compressor. Accordingly, we managed to recover fuel gas.

At STAR Rafineri, we encountered situations where our hydrogen production capacity fell below the minimum limit (45%) while the units were stopped. In order to prevent hydrogen losses in these situations, we implemented the hydrogen balance optimization project. For the purpose of this project we made the necessary optimizations in our hydrogen production unit and achieved to reuse the excess hydrogen as purge gas. In addition, by increasing the opening of the control valve on the feed drum in the HCU plant (Hydrocracking), we sustainably controlled the supply of hydrogen to the CCR (continuous catalyst regeneration) plant. As a result of all these initiatives, we achieved hydrogen savings and a significant decrease in CO_2 emissions.

In order to reduce the amount of fuel gas directed to the flare of the STAR Rafineri HCU unit, we decreased our PCV set values from 0.5 kg/cm² to 0.4 kg/cm². This change allowed us to gain in terms of volumetric flow and to save fuel gas.





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We have made the necessary improvements in our steam production processes to bring the SiO_2 and other important parameters of the boiler feed water to the desired levels. As part of this improvement, we directed some of the feed water to our Acid Water Treatment Plant. This direction not only improved water quality but also the blowdown rate in steam production ranging from 1-10%.

We have further made optimizations on SiO_2 and related parameters to reduce the amount of blowdown that occurs during steam production in our units such as HCU, CCR, SRU/TGTU and HGU. As a result of these optimizations, we saved 8.5 tons of boiler feed water per hour by blowing down 7.4 tons less per hour. This means saving approximately 0.07 tons of natural gas and achieving cost savings of approximately 1.9 million US Dollars on an annual basis. With this project, we aim to reduce 11 thousand tons of CO₂ emissions and save 68 thousand tons of water every year. We heat the combustion air entering the boilers with our air heaters and economizer in order to reduce our energy consumption. We then release the hot gases from our boilers into the atmosphere through our chimneys. To prevent the sulfuric acid corrosion in chimneys, we need to keep our chimney temperatures above the dew point and we regulate this using LS steam in our air heaters. When we burn natural gas, our flue gas temperature is usually around 120°C. With the increase in the temperature between June-October, we completely turn off the LS steam in our air heaters as our flue gas temperature remains constant at 120°C. In our project, we have worked on finding a solution to reduce the amount of LS in our air heaters during the winter months. We calculated our flue gas dew point and optimized the amount of LS to be slightly above this dew point. With the savings we obtained from LS, we saved on gas and contributed to our sustainability by reducing carbon emissions.

We further use the steam we generate in our steam production plant in our ethylene facility. We use two methods to adjust this steam to the desired operational conditions. In the first method, we not only bring the steam to suitable conditions but also generate electricity through recovery turbines. In the second method, we adjust the steam to the desired conditions using the K-201 compressor in our ethylene plant. Analyzes have revealed that adjusting the steam with the K-201 compressor is more efficient. Within the scope of our project, we aim to maximize the steam by adjusting it in the K-201 compressor and to reduce the amount of steam provided from the recovery turbines. Accordingly, by reducing the production amount in our recovery steam turbines, we aim to save the fuel spent for this process and reduce 6,000 tons of CO₂ emissions per year with a further fuel savings of 0.2 tons per hour.

In 2023, we installed solar energy panels at SOCAR Terminal with an investment of TRY 10.5 million. Thanks to these panels, we saved approximately TRY 2.3 million while saving 7.1% energy annually.

Within the scope of our project, which aims to reduce the MDEA circulation in the TGTU (U-430) unit of STAR Rafineri and at the same time optimize the use of LS (Low Pressure Steam), our process and operation teams performed numerous tests by reducing the MDEA circulation from 85 m³ to 65 m³ per hour. These tests confirmed that LS consumption may be decreased by reducing MDEA circulation. Based on this change, we further aim to reduce our annual CO₂ emissions by 3,000 tons.



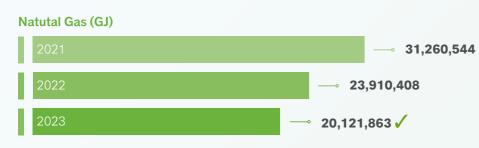




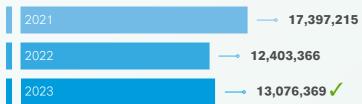
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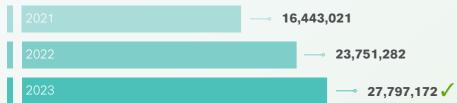
Energy Consumption (GJ/year)



Fuel Gas (GJ)



Combustible Gas (GJ)



Aeration Gas (Vent Gas) (GJ)







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Air Quality

We are leading the transition to low-carbon energy, in line with the Paris Climate Agreement's goals of limiting the global average temperature increase to 1.5°C and achieving net zero emissions by 2050. In line with our decarbonization strategy, placed at the heart of our sustainability efforts, we are taking concrete steps towards our goal of reducing our Scope 1 and 2 emissions by 40% by 2035 and becoming net zero by 2050. We aim to significantly reduce our CO₂ emission intensity between 2021-2025. In order to reduce greenhouse gas emissions at the facilities of Petkim and STAR Rafineri, we report these emissions monthly and evaluate them regularly.

We monitor and control our emission sources within the scope of our activities and maintain our efforts to reduce our emissions. In order to protect the air quality in the region where our refinery and petrochemicals facilities are located, we attach importance to monitoring and controlling all emission sources in these facilities. While flue gas emissions of Petkim and STAR Rafineri are measured annual by accredited laboratories, we perform emission measurements within SOCAR Depolama every two years. We constantly monitor some of our flues with Emission Measurement Systems in accordance with the legislation. These systems allow the emissions resulting from the operations of our units monitored online by official institutions within the framework of determined limits.

We have achieved green electricity certificate sales (I-REC + YEK-G) in a volume of 473 GWh in 2023 through one of our subsidiaries, SOCAR Energi Ticaret. We certified the electricity consumption of more than 20% of the end consumer portfolio with green electricity. By selling our first YEK-G certificate in 2023, we diversified the scope of sustainable products and services in our portfolio and increased the volumes reached above the previous year. We further keep on providing intermediary services for Solar Energy Systems, portfolio management of renewable energy power plants and sustainable products and services such as Green PPA.

Within the scope of our "I am the Value (Değer Benim) Program, we carried out a total of 60 sustainability projects within our SOCAR Türkiye Refinery and Petrochemicals Business Unit in 2023, 39 projects in Petkim and 21 projects in STAR Rafineri. Owing to these projects, we managed to decrease our CO₂ emissions by 197 thousand tons in total.

Following the assurance audit in 2022, we have taken steps to calculate our greenhouse gas emissions in line with international standards. We recalculated our greenhouse gas emissions as Scope 1 and 2, according to the ISO 14064 Corporate Carbon Footprint Standard, for the years 2021-2023. We further aim to report our Scope 3 emissions via the 3pmetrics platform in 2024.

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With the Continuous Emission Monitoring System (CEMS) integrated into the plants/units in our SOCAR Türkiye Refinery and Petrochemical Business Unit, our flues with a thermal power of 50 MW and above and the Petkim Waste Incineration Flue are monitored online by the Ministry of Environment, Urbanization and Climate Change. We evaluate our compliance with the legislation by checking this data against daily reports. We monitor real time CEMS data through the DCS system and can intervene quickly thanks to the alarm system developed for situations that exceed the specified limits. Owing to this system, we support process optimization and prevent exceeded limits.

monthly basis.

gas emission reduction achieved at the international level.



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For the purpose of one of our R&D and innovation projects implemented within the scope of the Horizon 2020 European Green Deal Call, which aims the transition of the European Union to a carbon-free economy by 2050, we replaced 26 of 34 diesel forklifts with electric models in our product packaging and storage areas. With this replacement, we took a more environmentally friendly approach and started using electric forklifts by March 2023. With 48,786 hours of electric and 19,775 hours of diesel fuel forklift operations over a 10-month course, we managed to decrease our diesel consumption by 91,520 liters. Our carbon emissions due to forklift use decreased from 458.92 tons to 221.07 tons compared to the previous year.

We heat the HP steam coming out of the flue of the sulfur production unit of STAR Rafineri through the common pipe . We then feed the superheated steam to the HP steam line of our refinery. We started using MP steam to prevent the growth of tube cracks in the heat exchanger. We fed an average of 40.84 tons/h of MP in 2023.

By replacing the traditional lighting in the SOCAR Terminal with LED lighting, we achieved energy savings of 52% and reduced our Scope 2 emissions by 2.6%. We calculated that this project, which required an investment cost of TRY 6.2 million, will provide annual savings of TRY 3.1 million, according to the feasibility studies.





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|------------------------------------------|---------------------------------------------------------------------------|-------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jose | | | | | |
| | cy activities we implemented ns of CO ₂ and 33.70 Tons of C | | 23, we achieved an annual reduction | | |
| na | BURSAGAZ | | STAR Rafineri, we to the refinery flare unit, through 660P | e the energy efficiency of the recover the fuel gas introduced e lines as sweep gas from each K-001A/B and 662K-001 FGRU |
| | | | | gas waste. Thanks the amount of gas increasing the gas header, we also re the fuel gas heade constant. The analysis perfo | send it back to the refinery fuel a to these compressors, we reduce a burned in the flare flues. By s introduced to the refinery fuel gas duce the natural gas used to keep er pressure of the Console-4 unit rmed on the waste gases efinery within the scope of a |
| | | | | project that we ca compressors perfo achieved positive impacts. Thanks to now meet the ene less fossil fuel. Acc | rried out in 2020 revealed that our prmed better than expected and we results in terms of environmental to these compressors, we can ergy needs of our facility by using cordingly we both decrease our ses and reduce our impact on the |



As a result of the joint work we carried out in cooperation with Bursagaz and municipalities, we successfully completed the natural gas conversion of a total of 187 residences in the 1st and 2nd stages. With this transformation, we saved 985.44 tons in CO₂ emissions for 2023. Similarly as a result of the joint work we carried out in cooperation with Kayserigaz and municipalities, we successfully completed the natural gas conversion of a further 732 residences in the 1st and 2nd stages. This work enabled us to contribute significantly to the environment by saving 5,281.86 Tons of CO₂ emissions for 2023.

For the purpose of this project that we carried out with the aim of "Reducing the coal consumption and improving air quality through natural gas incentives", we aimed to monitor air quality by determining pilot regions and to raise public awareness in the region.

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| Greenhouse Gas Emissions (Scope 1) | Unit | 2021 | 2022 | 2023 |
|---------------------------------------|-----------------------|--------------|--------------|----------------|
| Petkim | Ton CO ₂ e | 1,889,432.49 | 1,838,002.77 | 1,950,750.15 🗸 |
| STAR Rafineri | Ton CO ₂ e | 2,010,849.07 | 2,457,521.48 | 2,426,920.40 🗸 |
| SOCAR Terminal | Ton CO ₂ e | 1,829.76 | 1,745.76 | 2,136.34 |
| Bursagaz | Ton CO ₂ e | 2,055.11 | 1,706.90 | 1,513.14 |
| Kayserigaz | Ton CO ₂ e | 1,048.58 | 1,266.64 | 1,177.83 |

| Greenhouse Gas Density | Unit | 2021 | 2022 | 2023 |
|---------------------------|------------------------------------------------|-------|-------|-------|
| Petkim | Ton CO ₂ e /Tons output | 0.586 | 0.860 | 0.858 |
| STAR Rafineri | Ton CO ₂ e /Ton UEDC | 1.238 | 1.236 | 1.230 |
| SOCAR Terminal | Ton CO ₂ e/TEU | 0.08 | 0.06 | 0.06 |
| Bursagaz | Ton CO ₂ e /Million Sm ³ | 2.504 | 2.178 | 2.099 |
| Kayserigaz | Ton CO ₂ e /Million Sm ³ | 1.786 | 2.487 | 2.495 |

| Greenhouse Gas Emissions (Scope 2) | Unit | 2021 | 2022 | 2023 |
|---------------------------------------|-----------------------|------------|------------|--------------|
| Petkim | Ton CO ₂ e | 92,067.21 | 29,725.58 | 16,207.32 🗸 |
| STAR Rafineri | Ton CO ₂ e | 417,361.60 | 416,586.24 | 492,963.80 🗸 |
| SOCAR Terminal | Ton CO ₂ e | 3,965.95 | 3,940.00 | 3,621.02 |
| Bursagaz | Ton CO ₂ e | 570.91 | 621.51 | 633.97 |
| Kayserigaz | Ton CO ₂ e | 268.61 | 277.75 | 323.34 |

| Air Emissions | Unit | 2021 | 2022 | 2023 | |
|--------------------|------|----------|----------|----------|--|
| NO _x | Tons | 2,825.02 | 2,919.33 | 2,058.34 | |
| SO _x | Tons | 1,340.09 | 1,233.45 | 1,246.65 | |
| СО | Tons | 864.52 | 458.92 | 492.77 | |
| CH4 | Tons | 3.76 | 4.49 | _7 | |
| PM | Tons | 15.84 | 94.10 | 27.99 | |
| VOC | Tons | 0.93 | 0.05 | 1.05 | |
| Other ⁸ | Tons | 1.45 | 7.79 | 1.50 | |

| Greenhouse Gas Emissions (Scope 3) | Unit | 2021 | 2022 | 2023 |
|---------------------------------------|-----------------------|-----------|-----------|-----------|
| SOCAR Terminal | Ton CO ₂ e | 24,311.59 | 17,790.63 | 18,710.30 |

| Other Greenhouse Gas (GHG) Emissions | Unit | 2021 | 2022 | 2023 |
|-----------------------------------------|-----------------------|--------|--------|--------|
| N ₂ O (SOCAR Terminal) | Ton CO ₂ e | 224.13 | 285.93 | 332.42 |

⁷ There is no legal obligation regarding air emissions within the scope of Port Management.
⁸ Sum of HAP, POP, TOC, Heavy Metals.

Message from the CEO

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Water Quality and Wastewater Management

We consider the amount of water consumed in our operations as a significant factor in terms of its impact on the environment. We minimize the consumption of clean water by using the limited water resources in the world with efficient and recycling methods. In particular high amounts of water is consumed in the production process carried out within our Refinery and Petrochemical Business Unit. We care about optimizing the water consumed in our current operations. Accordingly we quickly detect the leaks in fire, process and cooling water systems of our factories and intervene as soon as possible to reduce the amount of water loss/leaks. In order to prevent waste water in production processes and improve efficiency, we monitor and record water consumption amounts and make continuous improvements.

Another significant issue regarding water consumption is wastewater management. Wastewater management directly and indirectly affects the protection of water resources and biodiversity. As SOCAR Türkiye, we carry out many projects to optimize the water we consume in our operations with the awareness that water is our future. We ensure that the water used in all our business processes is discharged appropriately after being treated in wastewater treatment facilities according to discharge limits. We have installed Continuous Wastewater Monitoring Systems (CWMS) at the wastewater discharge points for monitoring the discharged wastewater. With this system, wastewater is monitored online by the Ministry of Environment, Urbanization and Climate Change. Our wastewater amount, which was 12 million m³ in 2022, decreased by approximately 11% to 10.7 million m³ in 2023.

As SOCAR Türkiye, we reduced the use of natural resources in line with our efforts to decrease water consumption and raised sensitivity and awareness throughout the field. Our aim herein was to keep the amount of water consumed by all our subsidiaries under control, to intervene in all water-related leaks and to ensure that these problems are resolved as quickly as possible. Thanks to these efforts, our water consumption of 24.9 million m³ in 2022 was measured to be approximately 20.2 m³ in 2023. Thus, we managed to decrease our water consumption by 19%.

Within the scope of our "I am the Value (Değer Benim) Program, we carried out a total of 60 sustainability projects within our SOCAR Türkiye Refinery and Petrochemicals Business Unit in 2023, 39 projects in Petkim and 21 projects in STAR Rafineri. Owing to these projects, we decreased our water consumption by more than 50 thousand tons.

We ensure the continuity of production and meet the utility needs of our plants with our water production and wastewater treatment systems. With these systems, we further create social value by providing the clean water needs of other neighboring organizations.

Through the modification in the Demineralized Water Unit, we have provided the necessary connection for DEMI water transfer between Petkim and STAR Rafineri. The preliminary projects for line completion are still in progress, on the other hand, we have finalized the planned amendments to the cooling tower cells. As a result of these processes, our cooling efficiency improved and the amount of water lost decreased.





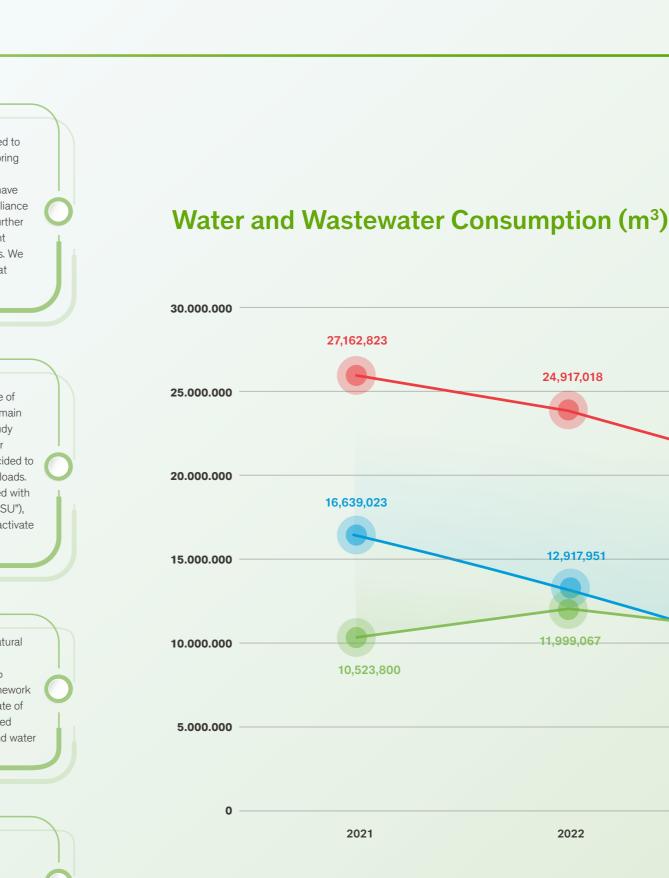
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Surface Water Consumption

Net Water Consumption

With our DCS Upgrade project, we have started to work in the field to take our production monitoring and continuity to a more modern and reliable level. Thanks to the investments realized, we have achieved a performance increase in the compliance table that governs our discharge quality; we further reduced the flows to our wastewater treatment facilities with the measures taken in our plants. We have advanced projects and practices aimed at reducing the use at source.

In line with the goal of extending the useful life of Güzelhisar Dam, we have implemented three main sustainability-oriented projects and a main study evaluating these projects by focusing on water recovery. As a result of our evaluations, we decided to prioritize the use of water with lower pollution loads. Within the framework of the protocol we signed with İzmir Water and Sewerage Administration ("İZSU"), we have initiated the necessary field work to activate the common emergency line.

As part of our efforts to decrease the use of natural resources in 2023, we reduced the amount of water used from Güzelhisar Dam by nearly 8% (approximately 2,000,000 m³). Within the framework of our collaboration with the General Directorate of State Hydraulic Works (DSI), we have prevented water loss in addition to improving the dam and water retention capacity.

With the online measurement systems to be installed at the wastewater exit points of Petkim plants, we aim to improve the treatment performance of our Wastewater Treatment Plant by instantly measuring the quality of wastewater.

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Circular Economy and Waste

In line with our sustainability strategy, we place contributing to the circular economy at the heart of our operations. We strive to support the recycling of our wastes as a basic input to the country's industry, through sustainable R&D and innovation technologies. We aim to be a pioneer with our investments in the field of recycling and circular economy by making potential collaborations with successful names in the industry. Within the scope of our Quality Management Systems policy, we have set ourselves obligations to reduce the amount of waste, increase the recycling rate and minimize the use of natural resources in line with our company goals. In order to achieve these goals, we have constituted the basis of our business processes with our HSE Policy and SAFE Principles and we carry out our operations in this direction.

We manage the waste generated in all our business processes in accordance with the circular economy approach. We shape our waste management approach in line with the prevention, reduction, reuse, recycling, energy recovery and disposal steps of the order of priority in the waste management hierarchy. With our waste management system, we digitally monitor all processes from waste generation to disposal using a software. As of 2023, we managed to decrease our waste amount of 266 thousand tons by 59%, compared to the previous year, to 109 thousand tons.

We attach utmost importance to taking innovative steps in recycling. In this context, we implemented the "Project for the Development of Raw Materials Suitable for Refinery and Petrochemical Inputs from Waste Polyolefins" in cooperation with METU. For the purpose of our project we aimed to transform plastic wastes into raw materials that can be further used in the petrochemical industry through chemical processes and to strengthen the circular economy.

Best Practices

We implemented a zero waste management system in the plants/units affiliated to our Refinery and Petrochemical Business Unit in order to reduce the amount of waste generated due to our activities and increase the recycling rate. Thanks to this system, we separate the wastes other than process wastes into 7 main categories at their source, manage them in accordance with their types and return them to the economy.

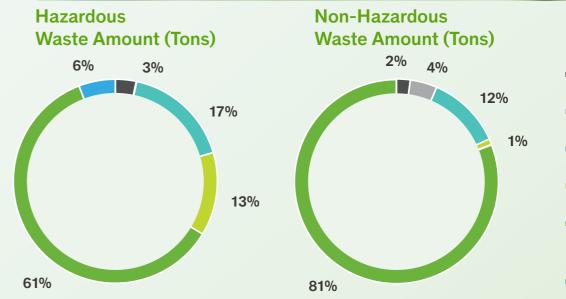
Best Practices

We made use of the best practices in the industry such as the use of robots, pool cleaning and sludge dehydrating with Geotube in our Waste Treatment and Disposal Units. By using the Geotube, we dewatered approximately 7030 tons of treatment sludge with an efficiency of over 90% in 2023 and reduced the amount of sludge to 552 tons. With the decrease in our waste sludge amount, we reduced our indirect emissions from transportation by reducing the number of sludge transfers from 470 to 36 trips.

Best Practices

In order to prevent environmental pollution in the SOCAR Terminal operation area, we added an additional stair platform leakage pool to the existing ones to collect possible leaks from containers. We keep a leaking container under control by placing it in the leakage pool and we can perform the necessary intervention in the leakage pool with the help of this ladder platform.





| Waste Amount (Consolidated | | 2021 | | 2022 | | 2023 | |
|----------------------------------------------|------|-----------|-------------------|------------|-------------------|------------|-------------------|
| Figure for SOCAR Türkiye) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous |
| On-Site Storage | Tons | 2,434.76 | 1,474.10 | 1,449.24 | 468.31 | 1,031.18 | 1,483.81 |
| Reuse | Tons | 21.69 | 2,759.02 | 23.21 | 2,754.48 | 23.56 | 3,215.77 |
| Recycling | Tons | 11,272.39 | 7,854.22 | 17,829.68 | 5,879.68 | 5,715.15 | 8,872.40 |
| Recovery | Tons | 21,157.79 | 870.87 | 7,869.47 | 627.63 | 4,414.59 | 701.36 |
| Sanitary Landfill – Delivered to Landfill | Tons | 1,823.48 | 16,103.01 | 7,357.47 | 220,543.94 | 20,261.49 | 60,870.41 |
| Incineration | Tons | 579.28 | - | 984.42 | - | 1,935.20 | - |
| Total | Tons | 37,289.39 | 29,061.22 | 35,513.49 | 230,274.04 | 33,381.17 | 75,143.75 |
| TOTAL | Tons | 66,350.61 | | 265,787.53 | | 108,524.92 | |

- On-Site Storage
- Reuse
- Recycling
- Recovery
- Sanitary Landfill -Delivered to Landfill
- Incineration

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Biodiversity

We recognize that natural diversity in ecosystems affects life on Earth. We believe that protecting biodiversity should be our common responsibility, accordingly we take measures to protect biodiversity in the regions of our business processes and we keep on increasing our efforts in this context.

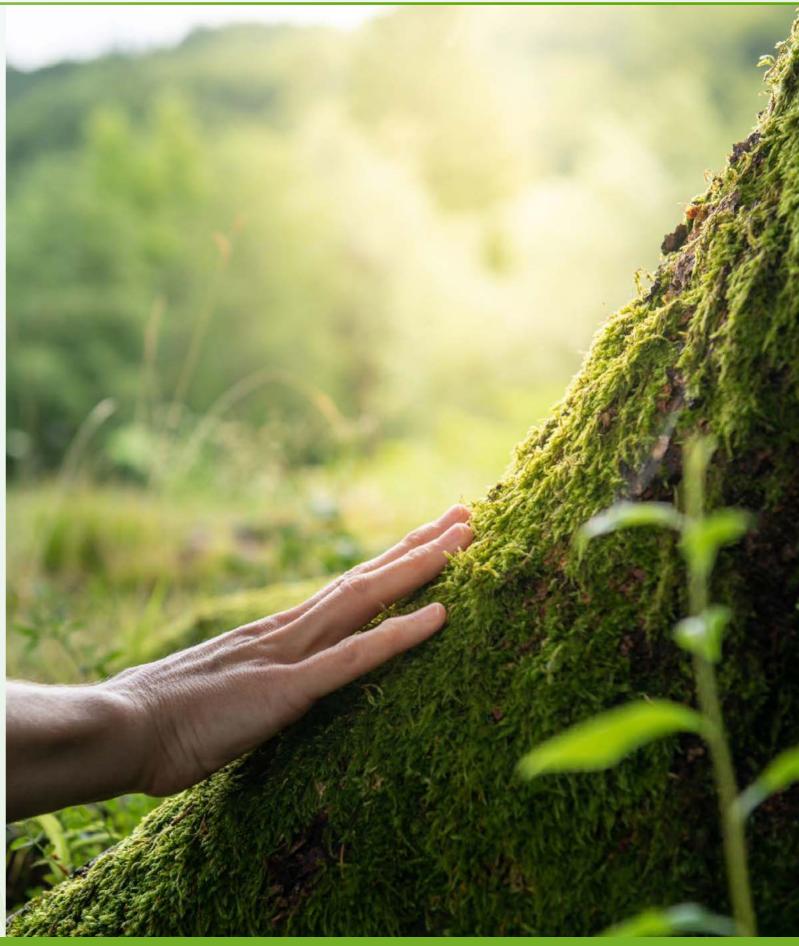
In 2021, we shared the document entitled "SOCAR Türkiye's Position on Biological Diversity" to the public. In line with our biodiversity policy, we are committed to protecting the communities and natural environments in which we live and work. In this context, we researched the biodiversity in the terrestrial and marine environment in the Special Economic Zone (SEZ) of Refinery and Petrochemical Business Unit with the participation of local and international experts and prepared our Biodiversity Assessment Report accordingly. Following the assessment on the findings collected in the field, we prepared the "SOCAR Türkiye Biodiversity Action Plan" for areas where we have potential impacts on ecosystems and biodiversity. We further prepared a Biodiversity Assessment-Gap Analysis Report taking into account all impacts (major/minor) on our Gas Business Unit and followed the actions related to this report.

We also have Environmental Impact Assessment (EIA) Reports are prepared within the scope of our projects in accordance with local legislation. These reports further evaluate our impacts on biodiversity (flora and fauna). While preparing EIA reports, we seek the commitments from all relevant stakeholders including local communities. These reports are publicized on the Ministry's website.

Best Practices

Within the context of the biodiversity project initiated for the purpose of considering whether or not to utilize Güzelhisar Dam as a carbon sink, we have identified the endemic species in this region and selected sustainability-oriented species that can be used in our afforestation activities.





Sustainability t SOCAR Türkiye

We are Together with our Human Resources

In line with our responsible employer vision, we aim to provide a fair and inclusive working environment that deeply respects human rights. We offer opportunities where our employees can demonstrate their talents in the best way possible and develop in their careers and we further continue our processes with systematic approaches that prioritize occupational health and safety.



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We are Together with our Human Resources

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Human Resources Approach

As a company operating in the energy industry, we prioritize having a qualified, highly motivated and innovative human resources approach in a field that requires rapid adaptation to global market fluctuations and technological innovations. In this regard, we consider our employees as the fundamental strength of our company's corporate success and sustainable growth. We define human resources as one of our most significant capitals in our value creation processes.

In line with our principle of being a responsible employer, we adopt an inclusive, egalitarian, transparent and fair approach that respects human rights. With the support of our Board of Directors and various committees, we aim to create a work environment where our employees can best demonstrate their talents and work with the highest efficiency. We strive to ensure equal opportunity and support diversity at every stage of our human resources processes, starting from recruitment. We take strict measures to eliminate all forms of discrimination regardless of language, religion, race, ethnicity or sexual orientation. The efforts/projects undertaken in this regard is available under the title of Compliance with Human Rights Principles.



As SOCAR Türkiye, we act with a comprehensive strategic perspective to strongly manage our human resources. We prioritize the development of our employees and take actions to improve employee engagement and support their development. In this context, we care about maintaining our position as a company preferred by qualified employee candidates.





Message from the CEO About SOCAR Global & SOCAR Türkiye

2023

Female

155

56 🗸

1.0% 🗸

Corporate Governance at SOCAR Türkiye



| Total number of employees | 2022 | | | 2023 | | | | |
|---------------------------|---------|----------------------------------------------------------|-------|---------------------------|----------------|-------|--------------------|---------------------------|
| by categories | Manager | lanager Expert Technical Technician and Staff Foremen | | Technician and Foremen | Manager Expert | | Technical Staff | Technician and Foremen |
| SOCAR Türkiye | 149 | 1,259 | 885 | 2,665 | 132 | 1,393 | 725 | 3,174 |
| 4,968 | | | 5,424 | | | | | |

| Number of Disabled | 20 | 23 | | Employee Rotation | 20 | 20 | |
|--------------------|------|--------|---|----------------------------------------|------|--------|--------|
| Employees | Male | Female | _ | by Gender | Male | Female | Male |
| | 92 | 27 | | Number of newly recruited employees | 301 | 94 | 325 |
| SOCAR Türkiye | | | | Number of leaving employees | 305 | 61 | 208 🗸 |
| | 1 | 19 | | Employee turnover rate | 6.1% | 1.2% | 3.8% 🗸 |



Collective Bargaining Agreement

We respect the unionization rights of our employees as our most valuable assets and take actions that will allow them to freely exercise their rights. 49% of our total employees at SOCAR Türkiye are covered by a collective bargaining agreement. All of our blue-collar employees at STAR, Petkim, SOCAR Depolama and SOCAR Terminal are covered by the collective bargaining agreement. We further help our employees who are not covered by the collective bargaining agreement to be informed about possible changes throughout the negotiation process, taking into account their right to reach out to information. After the negotiation process is finalized, we ensure the booklets containing the new conditions to be distributed to our employees.

In accordance with Article 27 of the "Trade Unions and Collective Bargaining Agreement Law No. 6356", a chief representative and more than one representative from the union work in our company. Union representatives listen to the demands and complaints of our employees and contribute to the constitution of a cooperation between operators, foremen and us as employers and to the creation of a peaceful working environment. It is also the responsibility of the union representatives to protect the rights and interests of our employees and to help implement the working conditions specified in labor laws and collective bargaining agreements.

While conducting the negotiations and agreements during the collective bargaining agreements process, we also take Occupational Health and Safety (OHS) issues into consideration. Union representatives are further authorized to give opinions and suggestions on OSH issues, to evaluate the implementation of new technologies and the effects of selected work equipment, the working environment and the health and safety conditions of employees. We address significant issues such as operator and foremen rights and welfare, working conditions, health problems and the use of Personal Protective Equipment (PPE) during the collective bargaining process.

We further ensure the participation of our union representatives in our monthly HSE committee meetings. We attach great importance to their opinions and feedback and maintain our open communication policy.

The new term Collective Bargaining Agreement we executed in 2023 with Petrol-İş, our authorized union for Petkim and STAR companies, has been concluded to be valid for 3 years. Thanks to the working group we constituted with the participation of people operating in our unions, we have contributed to our very important financial and administrative processes. With this process, we have not only revealed a good example of industrial relations but also ensured unity and solidarity come to the fore.

Gender Equality

As SOCAR Türkiye, we act with the awareness that social development and progress in business life will be achieved through the empowerment of women. We work to strengthen the role of women in business life beyond merely increasing the employment of women. Thereby we approach the principles of diversity, equality and inclusion with a specific sensitivity. As a signatory of UN Women and the UN Global Compact's Women's Empowerment Principles (WEPs), we aim to support diversity, equality and inclusion by integrating these principles into our business processes.

We prioritize the principle of equality in our HR policies in order to increase women's employment and support equality rights. By taking actions in line with short, medium and long-term goals, we follow an open communication strategy with all our stakeholders and thereby aim to build a corporate culture based on equality. We strive to provide an inclusive, equitable and transparent work environment for our colleagues within the framework of "SOCAR Türkiye Human Rights Policy and Guiding Principles" and "SOCAR Türkiye Diversity, Equality and Inclusion Policy".

In line with our "Our Energy Is Diversity" approach, we act with awareness of the responsibilities that we need to take to support women's employment. We attach specific importance to the recruitment and promotion processes by implementing practices that strengthen the positions of our female employees in professional life. Thanks to all our efforts in this regard, we managed to increase the number of our female employees in our staff by 19% in 2023.



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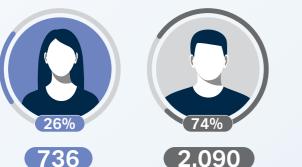
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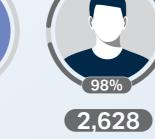


Percentage of White Collar Employees by 2023





55



Percentage of Blue Collar Employees by 2023

We aim to offer our employees a work environment that is safe, open to development, participatory and respectful of human rights. We adopt a perspective considering our differences as our wealth and we implement our commitments in the field of gender equality and human rights. As SOCAR Türkiye, we implement the necessary procedures to ensure that our employees benefit equally from all the rights we provide. We adopt the "equal pay for equal work" understanding in our remuneration policy. We do not apply any separate wage policy based on gender. We support the development processes of our male and female employees with relevant trainings. We aim to constitute a fair, transparent and participatory business culture with our policies based on diversity and inclusion. In order to raise awareness about gender equality, we prepared guides and guidelines on the use of egalitarian language within the institution and accordingly disclosed the "Inclusive Language Guide" to our stakeholders.

"Equality for Women at Work" Certificate

In 2023, our Corporate Center was entitled for the 'Equality for Women at Work Certificate' based on our practices that promote equal opportunity, inclusion and women's employment in the workplace.

Support for Young Women by SOCAR Türkiye

In 2023, we supported young women who want to take part in the energy industry with the "Women Energy" program to encourage them to start their careers in the industry. 2,200 graduates applied for the year-long program; 10 candidates selected from among were recruited in different locations and departments. As SOCAR Türkiye, we offer 20 weeks of paid leave to our female employees who have given birth and 10 working days of paternity leave to new fathers. We offer annual back-to-school support for those with school-age children. We are sensitive to the personal needs of our female employees with practices such as allowing them additional compassionate leave that can be used during menstrual periods.

| Maternity Leave and Rate of Returns to | 20 | 22 | 2023 | | |
|--------------------------------------------------------------------------------------------------------------------------------------------|------|--------|-------|--------|--|
| Work (persons/year) | Male | Female | Male | Female | |
| Total number of employees entitled to maternity leave | 259 | 28 | 256 🗸 | 31 🗸 | |
| Total number of employees taking maternity leave | 259 | 28 | 256 🗸 | 31 🗸 | |
| Total number of employees returning to work after maternity leave ends | 256 | 24 | 257 🗸 | 32 🗸 | |
| Total number of employees who returned to work after maternity leave ends and are still working 12 months after returning to work | 316 | 20 | 250 🗸 | 22 🗸 | |



We further support our female employees to return to their careers after giving birth to their children and aim to remove obstacles related to this issue. We support our female employees' return to professional life by adopting policies that will facilitate their integration into business during pregnancy and after birth. We not only provide the necessary conditions for our female employees who return to work after maternity leave, but further offer extra benefits such as nursery support.

Message from the CEO About SOCAR Global & SOCAR Türkiye Corporate Governance at SOCAR Türkiye

Employee Engagement and Wellbeing

As SOCAR Türkiye, we are well aware that our most valuable assets are our employees. For this reason, we consider employee engagement and satisfaction as one of the basic elements of our way of doing business. We are working on providing fair and equal rights to our personnel in all our units and we are carefully reviewing all feedback received within this framework. The satisfaction, motivation and engagement of our employees are the key to our corporate success. Accordingly, we are constantly focusing on development. We regularly conduct surveys and focus group studies to measure and improve employee engagement and experience. In this context, we conduct satisfaction surveys every two years in order to measure employee satisfaction at SOCAR Türkiye and our subsidiaries. Within the framework of the most recent assessment conducted in 2022, our corporate culture survey result was measured as 74%. In line with these results, we aim to repeat this assessment in 2024 and analyze our current situation in detail.

We take action to attract, motivate and retain qualified and talented employees to our organization with different leadership programs designed for roles at different levels, long-term incentive systems, competitive remuneration policy, succession programs. We further design policies in this context and ensure these principles to apply to our managers. The Talent Committee meets once a year for the succession planning of the Senior Management. The committee executes an assessment process for all candidates on the succession list. Thus, we create executive level succession plans for the short, medium and long term.

As SOCAR Türkiye, we adopt a fair approach, regardless of title and the unit of work, without allowing discrimination based on language, religion, gender, political and philosophical views, ethnic origin.

We encourage our employees who encounter any incompliance cases to provide feedback. Through the "Ethics Hotline", which is managed in an integrated manner to cover all SOCAR Türkiye subsidiaries, we provide our employees with the opportunity to submit their complaints and feedback anonymously through various communication channels such as official correspondence, e-mails, telephone and so on. We regularly evaluate incoming notifications, refer them to the relevant units and resolve them as soon as possible. No complaints have been submitted by our employees to the "Ethics Hotline" throughout our reporting period. We offer our employees the opportunity to receive support from Human Resources Business Partners (HRBP) to easily express their concerns and give feedback on various issues. We collect the opinions of our employees through various interviews, culture surveys and focus group studies. We make critical determinations to improve employee satisfaction and engagement from the feedback we receive.

By observing the principles of decent work and living, we provide various opportunities to improve employee engagement. In this regard, we take care to ensure equal rights in all our operations.

As SOCAR Türkiye, we extend bayram allowance, funeral allowance, shuttle and transportation support to all our employees, company vehicle to the Senior Management, private health insurance, life insurance, seniority incentive awards, birthday, marriage, newborn and circumcision gifts, back-to-school allowance, monthly nursery allowance to female employees and provide fringe benefits that will improve the level of their welfare. The fringe benefits we extend include uniforms and gift cards for service personnel, vocational qualification support (in accordance with the procedure), housing allowance, family allowance, child allowance, food and clothing allowance, shift premium, overtime payment, natural disaster support, incentive bonus for union membership above the Turkish Labor Law.

In addition to our fringe benefits, we strive to contribute to the social lives of our employees and strengthen our benefits in this area. In this context, we further have implemented extra benefits such as foster family and adoption, maternity leave, marriage leave, paternity leave, funeral leave and menstruation leave (1 day per month) for female employees by exceeding the legal limits specified in the law.



"Employee Assistance Program", another project we launched in 2020, significantly improved the satisfaction of our employees and has become a focus of interest for our employees and their first-degree relatives. Within the scope of this program, we offer expert support in various fields such as medicine, psychology, legal, healthy nutrition, baby care, ergonomics, technology, veterinary and finance. Our employees and their relatives can access these services 24/7 via phone or online platforms and benefit from the opportunities to receive support from expert consultants. As SOCAR Türkiye, we aim to adopt an effective and high-level performance culture in all of subsidiaries. Our Performance Management System, which we have implemented for this purpose, evaluates the compliance of our employees with the strategic goals we have determined in line with our company's vision. For the purpose of evaluating and improving the performance of our employees, we determine targets for their performance and ensure that our processes are analyzed accurately through feedback, target progress reports and interim and year-end assessments based on the achievement of these targets.

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Employee Training and Talent Development

We take care to provide our employees with professional and personal development trainings that will provide them with the equipment they may need to improve their professional know how and experience. In this context, we aim to offer our employees opportunities to improve themselves by organizing various training programs by expert academics and professionals. In addition to legally compulsory trainings, we take further actions to support our employees to develop their potential through these specifically designed trainings.

In addition to the face-to-face training, online mentoring, training videos, webinars and simulation training content developed specifically for SOCAR Türkiye are delivered to employees online through digital platforms as part of a blended learning approach of development plans.

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|--------|-----------------|---------------------------|--|--|
| Total hours of training provided by roles | Manager | Expert | Technical Staff | Technician and Foremen | | |
| | 8,507 | 78,365 | 43,791 | 101,991 | | |
| SOCAR Türkiye | 232,654 | | | | | |

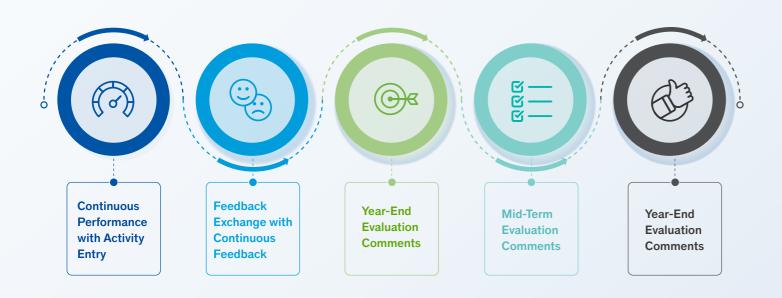
As SOCAR Türkiye, we aim to successfully implement digital transformation by making our operational processes most efficient. In order to maintain our strategy in this direction, we attach importance to trainings to improve the digital competencies of our employees.

Throughout the reporting period, we organized workshops focusing on the themes of equal opportunity, diversity and inclusion, attended by 23 of our employees, in order to reflect our ethics approach to our employees. We further provided trainings to a total of 487 employees on anti-corruption and ethics issues. Through these trainings and workshops, we aim to ensure that our company values and ethical standards are adopted and implemented at all levels.

In line with the feedback received from our employees, we try to support their career plans and develop projects within this scope. We further conduct performance and career development assessments for all our white-collar employees in order to ensure their development and we ensure that equal rights are provided without any discrimination while carrying out these activities.



Performance Targets



Within the context of the year-end performance assessment, we carefully examine not only the compliance of our employees with performance targets but also their commitment to our company's corporate values. Through our Performance Management System, we evaluate our employees' compliance with performance targets and corporate values at a 50-50 rate.

We attach utmost importance to including key performance indicators regarding ESG (with a weight between 10% and 25%) among the goals of the CEO and Senior Managers in line with the managers' areas of expertise. We ensure the integration of our rewarding system with the implementation of our goals and ensure that our projects are stronger with our good practices.

As SOCAR Türkiye, we keep working with all our subsidiaries in accordance with our Human Resources Policy, Total Earnings and Benefits and all other Human Resources procedures. As a reflection of our commitment to a sustainable business model, we work by integrating our goals with our management systems in line with our procedures and we further underline that we attach great importance to this issue. With these diversified training methodologies, we aim to more effectively address the learning styles and needs of each of our employees. We thereby aim to provide a more flexible, customized and interactive experience for the development of our employees.

In addition to the various external training methods that have been adopted, we train internal trainers and include them in the training processes in order to maintain and disseminate the level of knowledge within SOCAR Türkiye. With this approach, we aim to increase expertise within our organization and encourage knowledge sharing among our employees.

As a result of all these efforts, we provided a total of 232,654 hours of trainings in 2023, with an average of 42.23 hours of trainings per employee.

Development practices that we provide to our employees:

- Leadership Factory (Leadership Program for Mid-Level Managers)
- IMD Pathfinders Journey (Leadership Program for Senior Executives)
- Sabancı University Mini MBA Program
- Mentoring Programs
- Business Acumen Business Simulation Program
- Internal Trainer Program
- Gen-D (Generation Digital) Competency Assurance Management System (CAMS)
- Talent Development Action Plan (Be Shadow)
- Diversity, Equity and Inclusion (DEI) Programs
- Field Development Program

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Mentoring Program

We embody the importance we attach to trainings with our Mentoring Program, which we have developed by prioritizing employee development. We strengthen the ties between our employees, identify significant areas of that needs to be strengthened and improve productivity through the program in which our employees with a certain level of experience, know-how and expertise participate as mentors and our employees who want to receive this support participate as mentees. Within the scope of this program, we have strengthened our "Stronger. Together." approach in 2023 by ensuring more than 100 mentors to come together with more than 200 mentees. We'll keep working to increase the number of participants and improve the program for 2024.

SOCAR Türkiye Academy

As SOCAR Türkiye, it is a great priority for us to reflect our "Stronger. Together." approach by supporting the development of our employees. In this regard, we focused on the establishment of SOCAR Türkiye Academy in 2023, in order to construct a culture of continuous professional development, prepare our employees for the future by encouraging them to learn and having a learning organization that will help our employees gain new competencies and expertise.

We plan to launch SOCAR Türkiye Academy in 2024 with the aim to train qualified manpower for our industry by collaborating with the best universities and industry partners in the industry, encouraging learning from each other and adding a new pillar to our Employee Development scope.



CPD

Continuing Professional Development (CPD) Program

We aim to contribute to the personal and professional development of our employees with the Continuous Professional Development Program (CPD) that we have developed through cooperation and integration within SOCAR Türkiye so as to cover all of our subsidiaries. We further aim to improve individual and corporate performance with these processes.

The CPD platform offers our employees the opportunity to encourage continuous development by adopting a culture of lifelong learning. Through this platform, we provide our employees with the opportunity to earn points by participating in various activities such as writing academic articles, learning a foreign language, participating in leadership development programs and conferences. CPD also allows our employees to regularly record their professional development. For this reason, we aim CPD to serve as a valuable resource for our critical Human Resources processes such as talent management, career planning and performance assessment.

The CPD platform, which is accessible to all our employees, includes systems that encourage each of our employees to reach the set CPD target scores and reward these achievements.

As SOCAR Türkiye, we aim to create a transformation in human resources management and support the continuous development of our employees with this comprehensive approach.





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Onboarding Project

We, as SOCAR Türkiye, consider our employees as one of our most important assets. With this understanding, we implement the Onboarding Project which serves as an effective orientation program that facilitates our new teammates to quickly adapt to our company structure and corporate culture. Through this project, we are taking actions that will increase the motivation of our new employees and facilitate their orientation processes and we aim to improve employee satisfaction.

In order to continuously improve our Onboarding Project, we take various actions such as welcome packages, satisfaction surveys and periodic socialization events by conducting group studies and needs analyses. We aim to take further steps to improve our project in 2024.



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"From Idea to Publication (Fikirden Yayına)" Project

With "From Idea to Publication (Fikirden Yayına)" project, we offer our employees the opportunity to write and publish articles related to their areas of expertise. We aim to encourage our employees to increase their know-how and experience, share their ideas and thoughts in the industry and related fields of expertise through the guidance system and the support to be provided by experts (SME) outside the platform where this content will be published. Thereby we aim to contribute to both individual and corporate development.

SOCAR Türkiye Libraries Project

We support continuous development and personal brand strategies with the SOCAR Türkiye Libraries project which we launched in 2023. SOCAR Türkiye Libraries project launched under the leadership of our CEO Elchin Ibadov aims to spread the reading culture within the institution and support the personal development of our colleagues. Our libraries located in different locations host thousands of books on subjects ranging from science to art, philosophy and history. With the **"Donate a Book to the SOCAR Türkiye Libraries"** campaign, our employees assume their roles by donating books to libraries whenever they wish. Accordingly our libraries are becoming richer in terms of content every day. Currently, there are more than 11 thousand books in our libraries, located in 7 different locations in the provinces of İzmir, Ankara, Bursa and Kayseri, as of the end of the year.



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Occupational Health Safety and Environment Approach

At SOCAR Türkiye, we have adopted an Occupational Health, Safety and Environment (HSE) management approach that is safe, sensitive to the environment and human rights, and reflects our ethical values and understanding of continuous development. We have been pursuing our production activities in all our subsidiaries, based on SOCAR Türkiye **HSE Policy**. Within the framework of this policy, we clearly and officially demonstrate our management's commitment to protecting human life and respecting the environment, and we aim to continuously improve our processes in all our operations.

We execute development and performance programs for our employees, in a harmonious manner, taking into account our facility and product designs, annual target setting processes and business practices. In this way, we integrate HSE issues into the sustainable development of our company.

In 2023, our Corporate Center was awarded the ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System certificates. We currently undertake our operations in all our subsidiaries with the ISO 45001 and ISO 14001 certificates that we have within the scope of HSE and meet international standards. We present up-to-date information about our international assurance standards on our website and use them effectively as a public disclosure tool.

We constantly monitor and inspect our operations and projects from an HSE perspective and make improvements in this regard. Within the context of the HSE Management System, we implement diversified programs that will raise awareness within our processes such as Legislative Compliance Management, Process Safety Management, Emergency Management, Incident Investigation Process Management, Contractor Management. We aim to provide a safe working environment using tools such as HSE Observation and Reporting Program, Periodic Field Inspections (PFI) Program, HSE Risk Management, Forklift Safety Program, Video Analytics Technology, Radiation Safety Program, Digital MOC System and Safety Systems By-Pass Process Digital System.

Our Health, Safety and Environment performance is monitored and evaluated at regular intervals by our management team and Board of Directors. In this regard, we organize weekly, monthly and quarterly meetings to discuss HSE related issues with the participation of senior executives, business units, Risk and HSE Committees and the Board of Directors.



Occupational Accident statistics recognized over the last three years by SOCAR Türkiye subsidiaries are presented in the tables below:

| Accident Statistics | SOCAR | | | РЕТКІ́М | | | STAR RAFINERI | | |
|-------------------------------------------------------------------------|---------|---------|---------|-----------|-----------|-------------|---------------|-----------|-------------|
| (SOCAR Türkiye Employees) | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Number of Accidents9 | 0 | 0 | 0 | 8 | 12 | з 🗸 | 6 | 2 | 1 🗸 |
| Number of Fatal Accidents | 0 | 0 | 0 | 0 | 1 | 0 🗸 | 0 | 0 | 0 🗸 |
| Number of Recordable Work-Related Illnesses | 0 | 0 | 0 | 0 | 0 | 0 🗸 | 0 | 0 | 0 🗸 |
| Number of Days Lost Due to Incidents | 0 | 0 | 0 | 323 | 0 | 0 🗸 | 0 | 0 | 0 🗸 |
| Total Hours Worked | 841,131 | 769,193 | 852,486 | 4,469,506 | 4,640,009 | 4,531,857 🗸 | 2,582,460 | 2,137,323 | 2,181,436 🗸 |
| Total Recordable Incident Rate (TRIR) (per 200,000 working hours) | 0.00 | 0.00 | 0.00 | 0.36 | 0.56 | 0.13 🗸 | 0.46 | 0.19 | 0.09 🗸 |
| Occupational Disease Rate (per 200,000 working hours) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 🗸 | 0.00 | 0.00 | 0.00 🗸 |

⁹ Injuries requiring intervention beyond the First Aid.



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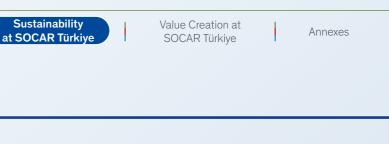
| Accident Statistics | SOCAR DEPOLAMA | | SOCAR DEPOLAMA BURSAGAZ ¹¹ | | 11 | KAYSERİGAZ ¹¹ | | | SOCAR TERMİNAL | | | |
|----------------------------------------------------------------------------------|----------------|---------|---------------------------------------|-----------|---------|--------------------------|---------|---------|----------------|---------|---------|---------|
| (SOCAR Türkiye Employees) | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Number of Accidents ¹⁰ | 0 | 0 | 0 🗸 | 1 | 1 | 1 | 2 | 1 | 0 | 1 | 1 | 0 🗸 |
| Number of Fatal Accidents | 0 | 0 | 0 🗸 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 🗸 |
| Number of Recordable Work-Related Illnesses | 0 | 0 | 0 🗸 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 🗸 |
| Number of Days Lost Due to Incidents | 0 | 0 | 0 🗸 | 0 | 117 | 43 | 24 | 35 | 0 | 45 | 55 | 0 🗸 |
| Total Hours Worked | 143,765 | 171,868 | 187,654 | 1,134,375 | 846,840 | 890,136 | 525,197 | 493,021 | 521,659 | 569,663 | 597,081 | 634,561 |
| Total Recordable Incident Rate (TRIR) (per 200,000 working hours) | 0.00 | 0.00 | 0.00 🗸 | 0.18 | 0.24 | 0.22 | 0.76 | 0.41 | 0.00 | 0.35 | 0.67 | 0.00 🗸 |
| Occupational Disease Rate (per 200,000 working hours) | 0.00 | 0.00 | 0.00 🗸 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 🗸 |

In order to protect the health of our employees, we take many protective measures and perform regular measurements and analyses. In 2023, we spent a total of 5,662,126 USD within the scope of OHS.

| OHS Expanditures (US Dallars) | SOCAR Türkiye | | | | | |
|--------------------------------------|---------------|-----------|-----------|--|--|--|
| OHS Expenditures (US Dollars) | 2021 | 2022 | 2023 | | | |
| Expenditures within the Scope of OHS | 5,251,190 | 5,587,933 | 5,662,126 | | | |



¹⁰ Injuries requiring intervention beyond the First Aid.
¹¹ SOCAR Energi Ticaret and SOCAR Turkey Doğal Gaz Yatırım A.Ş. Data have been integrated within Bursagaz and Kayserigaz data.



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HSE Management System

Our HSE culture embraces industry's best HSE practices which form the basis for ensuring occupational health, safety and environmental excellence. Accordingly, we developed the SAFE (SOCAR Aims For Efficiency) HSE Management System and determined our corporate expectations within the framework of sustainability and operational excellence. "SAFE" is a tool that provides a structured approach for HSE Management and realization of HSE targets in the operations of all SOCAR Türkiye subsidiaries.

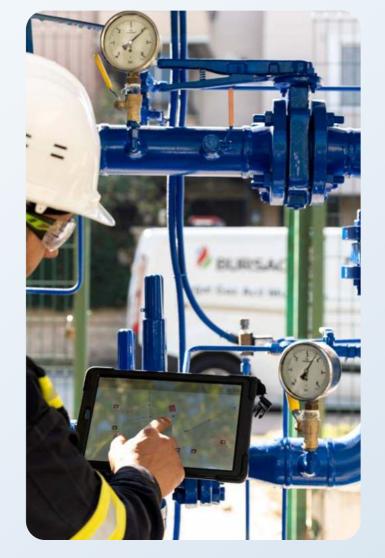
The list of the legal requirements, international standards and guidelines monitored and taken into account within the scope of our SAFE HSE Management System is as follows:

List of legal requirements observed:

- Occupational Health and Safety Law No. 6331
- Social Security Law No. 5510
- Environmental Law No. 2872
- Labor Law No. 4857
- Law No: 5312 Governing the Principles of Emergency Response and Compensation for Damages in Pollution of Marine Environment by Oil and Other Harmful Substances
- All HSE legislation and regulations

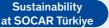
International standards and guidelines taken into account within the scope of the **SAFE HSE Management System:**

- OSHA Occupational Safety and Health Administration Standards
- IFC International Finance Corporation's OHS Standards
- Equator Principles
- ISO 45001 Occupational Health and Safety Management System
- ISO 14001 Environmental Management System
- The International Convention for the Prevention of Pollution from Ships (MARPOL)
- IMO Standards



We support our SAFE HSE Management System, which includes 4 Fundamentals, 16 Principles and 100 expectations that determine overall HSE practices of SOCAR Türkiye, with a documentation hierarchy that includes corporate directives and guides, procedures, specifications and instructions. Thus, we aim to manage our practices systematically and consistently. In this way, we aim for excellence and continuous improvement in Occupational Health, Safety and Environment.





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SOCAR Türkiye Golden HSE Rules

We constituted the SOCAR Türkiye Golden HSE Rules based on lessons learned from high-risk activities in the industry. These rules refer to the risks encountered statistically in our daily operations and the basic measures that should be implemented to effectively manage these risks. We aim to popularize occupational health and safety and environmental protection awareness to all our employees through our golden rules, thus maintain an accident-free and safe working environment.



Process Safety Management

Within the context of our Process Safety Management System, we work systematically with a proactive management approach based on safe operating principles to keep hazardous substances under control and prevent events with energy release potential in order to ensure operational continuity and efficiency. Thereby, we aim to always maintain and improve our HSE performance. In line with this approach, we aim to ensure the integrity of our facilities through intrinsically safe design principles, engineering, maintenance and operation practices.

Process Safety Management System covers of the following topics.

- Process Safety Management and Organization
- Performance Management and Continuous Improvement
- Operational Discipline
- Inspections, Observations
- Process Safety Leadership Coaching
- Process Safety Culture and Talent Development Program
- Process Safety Information (Process and Equipment Design Information, P&ID etc.)
- Process Hazards Analysis (What-if Analysis, HAZOP&LOPA etc.)
- Process Safety Management of Change (MOC) Technology & Facilities
- Pre-Startup Safety Review (PSSR)
- Standard Operating Procedures
- Incident Investigation and Reporting
- Competency Development
- Emergency Response and Planning

Within the framework of our vision of creating an Health, Safety and Environment (HSE) corporate culture, that will lead the industry, we take international standards and current requirements into consideration when shaping our Process Safety Management. Main sources that we have used as reference when developing our Process Safety Management System include the CCPS (Center for Chemical Process Safety) Guide - Risk-Based Process Safety, the USA's OSHA (Occupational Safety and Health Administration) Process Safety Management Standard and Turkish legislation. We aim to keep the safety of our employees and our environment at the highest level by constantly updating our processes with the information obtained from these sources.

Regarding planned changes to existing equipment, materials, process control systems, operating systems or application/work management at our sites, process hazard analysis studies are carried out through the conduct of Process Safety Management of Change (MOC) process before field applications. Process Safety Management of Change (MOC) process confirms that the design subject to change contains all the necessary details, has been evaluated in terms of all necessary engineering and administrative disciplines, has been affirmed to be technically correct, has been recorded in all relevant documents and relevant systems and has been included in the programs and software and that all planned actions have been completed before the change is commissioned or used.

In 2023, we completed the digitalization of our Process Safety Management of Change (MOC) process and provided trainings for system users.

We manage Pre-Startup Safety Review (PSSR) processes to ensure that all checks carried out after changes are implemented in the field and before commissioned are accurate and that everything that needs to be checked is safe. We carry out field reviews and evaluation of checklists with the participation of relevant disciplines.

We further carry out necessary activities in accordance with the "Safety Systems By-pass Procedure" at the sites and implement approval processes for all operations in the Refinery and Petrochemical Business Unit where process protection systems/safety systems are deactivated or partially changed in terms of effectiveness level due to compulsory reasons such as equipment or component failure, protective/preventive maintenance activities etc. In cases where it is necessary to disable / bypass safety systems, we digitalized the process applied to identify potential hazards by performing risk analyses and to ensure that the necessary measures are taken for safety and reliability during the bypass. In this way, we made the management, tracking and recording of the process much more effective.

Operational HAZOP (Hazard and Operability Analysis) & LOPA (Layers of Protection Analysis) studies are continued at the Refinery and Petrochemical facilities, and HAZOP & LOPA studies are carried out for many projects developed within the scope of optimization and flexibility in production for the Refinery and for projects developed with the need for integration and modernization for Petrochemicals.

In order to investigate the root causes of process safety incidents occurring in facilities and to determine the measures to be taken to prevent similar incidents from occurring again, we classify incidents in line with SOCAR Türkiye procedures, establish incident investigation teams and coordinate incident investigation processes.

We prepare and develop standards in line with the principles of the SAFE HSE Management System and industry best practices and organize trainings for their implementation. In line with the aim of constantly improving the HSE culture, we prepare bulletins on Process Safety issues and organize trainings on different topics within the scope of the Process Safety Management System. About SOCAR Global & SOCAR Türkiye



HSE Risk Management

We systematically evaluate and manage HSE risks that may occur within our operations. We meticulously carry out our risk assessment and management processes by going beyond regulatory requirements.

Our HSE-specific risks are prioritized by our Board of Directors and senior management and reviewed periodically in the meetings stated below.

- Weekly Administrative Meetings
- Monthly Ex-Com Meetings
- Quarterly Board Meetings
- Business Units Monthly HSE Meetings
- Annual Management Review Meetings
- Quarterly Risk Committee Meetings

Within our HSE Risk Management process, we determine the corrective and remedial actions that need to be taken in accordance with the results of risk assessments performed by our experts using various tools and meticulously document the records. We apply our risk assessment process to a wide range of areas such as the initiation of new projects, purchase and sales of assets, amendments to existing operations and decommissioning of facilities, and handle it with a systematic approach.

We consider our risk assessments as an important resource in determining our future Health, Safety and Environment strategies and record them accordingly. High and critical risks, in particular, play a central role in our management and decision-making processes. We re-evaluate these risks regularly, quarterly, and report the findings to the Risk Committee. In 2023, we updated our risk assessment templates for all our business units. We aim to further improve the efficacy of our processes.

Incident Management Tools

SOCAR Türkiye HSE Incident

- Investigation and Reporting Application
- Root Cause Analysis (RCA)
- Determination of corrective actions to prevent recurrence of the incident by the Incident Investigation Team
- HSE Synergi-Life HSE Reporting
 Program for tracking closing verifications
 of corrective actions

Emergency Management

We proactively evaluate the risks that all our subsidiaries may encounter and carry out comprehensive planning accordingly. We effectively make use of our vehicles and systems that provide 24/7 service within the scope of the management of emergency preparation, fire fighting, response to gas leaks and rescue operations.

There are many systems and tools for managing emergencies in the Aliağa Special Industrial Zone area of influence. By installing active warning systems throughout the peninsula, we have designed emergency management systems to instantly detect emergencies and safely close all facilities. In addition to facilities, we have systems and marine vessels to ensure coastal safety. In order to intervene immediately in case of any pollution, there is a qualified and expert team as well as marine vessels that can provide service 24/7. These measures reflect our commitment to protecting the environment and minimizing the effects of possible emergencies.

Another dimension of being prepared for emergencies throughout our facilities and operations is to ensure that our employees are always ready to prevent emergencies before they occur and to take the situation under control with minimal impact. We conduct regular drills for this purpose.

Work Authorization System

This is a system that we use and have developed within our Company to safely carry out certain activities that are considered potentially dangerous. Through the Work Authorization System, we have standardized the application by determining authorization processes and employee responsibilities regarding planning, risk management, and safe execution of activities in our operations.

Hazard Identification and Risk Management Instruments

- SOCAR Türkiye Corporate HSE Risk Matrix
- SOCAR Türkiye Corporate Hazard Assessment and Risk Management (HARM) Application
- HAZOP, HAZID, QRA analysis
- Hazard Recognition Program

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Fire Fighting

We are taking significant steps in the field of firefighting within the framework of our emergency management approach. We support various projects to improve fire response systems in our production sites. We carry out Fire Brigade Compliance Inspections and get the necessary certifications for the fire response capacities of our refinery units. Within the scope of risk assessments, we have insurance audits performed with regard to emergency response and fire fighting systems. We carry out our production processes with a proactive approach, always prioritizing a safe working environment. In this regard, we implement measures to protect the safety of our working environment by providing surveillance with fire trucks to risky processes in field work.

We perform fire and rescue drills under various scenarios with our employees with the participation of local municipalities and other institutions. For the purpose of these drills, we use advanced equipments such as high-capacity monitors, foam trailers and fire trucks. We constantly review the calibration of fire and gas detection equipment and meticulously have the periodic checks of Fire Fighting and Emergency equipment performed in collaboration with our Operations and Maintenance teams.

We refer to the know-how and experience of international experts by organizing trainings for our employees on fire safety and fire fighting. In 2023, we held a well-attended Firefighter Week event to raise awareness about fire safety and emphasize the importance of fire brigades.

We further assumed a key role in ensuring regional security by intervening in the forest fires in Aliağa and a plant fire in the industrial zone as quickly and effectively as possible. We contributed to the prevention of a possible major disaster by intervening in the natural gas line fire in Manisa. SOCAR TÜRKİYE 2023 Integrated Report

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SOCAR Türkiye's Best Practices in HSE

As SOCAR Türkiye, we kept working in 2023 to provide a safe work environment for our employees and to raise HSE awareness. We have also implemented new applications in addition to our ongoing programs.

Some of our programs are as follows:

HSE Observation and Reporting Program

We authorize our employees, within the framework of our HSE Policy, to detect and report unsafe behavior and situations and to define and implement solutions to make the work done safe. It is of vital importance for our employees to act with this awareness of responsibility and comply with the requirements of our SAFE HSE Management System for the well-being of people and a healthy environment.

Accordingly, our employees can report unsafe situations, behaviors and incidents almost immediately with the HSE Observation and Reporting Program. This reporting contributes to taking corrective and remedial actions and significantly supports the formation of a safe working environment by helping to prevent possible accidents.

Therefore, we attach importance to the views and participation of our employees and encourage them to detect, observe and report a possible HSE non-conformity.

Root Cause Analysis (RCA) Program

Our research team, appointed after an incident or accident, thoroughly examines the reasons underlying the incident or accident using the root cause analysis technique. For the purpose of this analysis we identify the visible and systemic causes of the incident or accident and implement corrective and remedying activities to eliminate or reduce the likelihood of its recurrence. In order to ensure that this process is made systematic and consistent, we provide our research team members with the 'Root Cause Analysis' training which we have developed within the organization.

Periodic Field Inspection (PFI) Program

With the Periodic Field Inspection (PFI) Program, we aim to conduct regular field tours at our sites to effectively monitor HSE practices and compliance with HSE requirements and to systematically eliminate observed non-conformities.

We take a proactive approach in eliminating the nonconformities detected through Periodic Field Inspections, action management and periodic reporting as well as preventing possible accidents and nearmiss incidents. In 2023, we further carried out specific field inspections focusing on Lock Out-Tag Out, Personal Protective Equipment, Falling from Height and Road Safety. In addition to routine PFI inspections scheduled within the scope of the program. We rewarded the teams that performed well within the scope of the program.

Road Safety Program

Within the scope of the program, in which we aim to ensure a safe driving culture and the safe execution of activities, we provide Safe Driving Techniques Training in our business units, report the speed violations through the Vehicle Tracking System, assume on-site traffic management regulations and risk assessments and perform road safety and vehicle inspections.

Radiation Safety Program

It is one of the programs developed to raise the awareness of our employees on radiation safety, to prevent possible accidents and to ensure compliance with legal regulations. Within the scope of the program, we audit the contractor companies that perform work and control all records, employee trainings and certification processes. We further monitor compliance with the program through field inspections.

In 2023, we inspected the field activities and compliance with legal requirements of companies providing NDT (Non-destructive testing) services.

Electronic Work Authorization (E-Permit) Project

With the digitalization of the manual and paper-based work authorization system in the Refinery and Petrochemical Business Unit, we aim to save time and labor and strengthen the effective control mechanism in the field. Through the application that allows online observation with tablets and computers, we aim to minimize personnel errors. We kept on with the project meetings, workshops and software designs in 2023. User acceptance testing was performed in the last quarter of 2023. We plan to launch this application by 2024.

HSE Synergi Life HSE Reporting Program

Owing to the HSE Synergi Life HSE Reporting Program, we can monitor, manage and report all processes related to HSE on a single common platform. With this software, we can report and analyze HSE key performance indicators, record observations, actions, risk assessments, track HSE audits and legal compliance and further manage HSE incidents and investigations. The program was open exclusively for the use of our HSE employees when it was first commissioned, in 2023 it was opened further to the access of all our white-collar employees.

We made user guidelines and training videos accessible through the internal communication platform SOHO. We provided trainings to our white-collar employees in exclusive sessions. Within the scope of Synergy Life Administration, we provided live support throughout the year to ensure that our employees quickly adapt to the program and to improve their effective use.

Video Analytics Technology

Video analytics technologies adopt a signal processing approach for the digital analysis of video images for the detection and identification of threats, suspicious events or real-time behaviors.

Thanks to the application, we aim to pro-actively reduce occupational accidents and other incidents that may occur in our work areas by ensuring real-time monitoring of indicators such as unsafe behaviors and dangerous situations defined in the system.

In order to integrate artificial intelligence into the occupational health and safety culture in our Refinery and Petrochemical Business Unit, we have initiated and implemented the "Video Analysis Technology" project in Petkim Product Packaging and Storage as well as Material Storage areas. In line with the positive feedback we received, we strive to expand the application for STAR Rafineri and SOCAR Depolama.

Sustainability at SOCAR Türkiye

Behaviour Based Safety (BBS) Program

It is one of the programs we have developed within the organization to prevent occupational accidents by using observation and feedback method with a proactive approach with the aim of identifying and reducing risky behaviors, increasing safe behaviors and removing obstacles to good performance. By this program, we aim to improve our occupational health and safety culture in the workplace by influencing employees' thoughts, behaviors and ways of acting with Behavior Based Occupational Safety conversations, and to create a healthier, safer and more productive working environment by improving the HSE awareness levels of our employees.

Employee behaviors and perception levels are as important as having an HSE Management System supported by appropriate policies, systems and procedures. In order to create the desired HSE awareness level, it is essential to establish a dialogue with employees and ask them open-ended questions about HSE. This program will allow employees to become more creative and to improve their level of perception by helping them to speak up, remember their education and experience rather than acting as passive listeners.

Hazard Recognition Program

With this program, which provides a unique hazard recognition method based on the energy model in order to monitor and manage the hazard identification system through a single methodology, we provide a purposeful and systematic approach in the hazard recognition steps of the HSE risk management process.

Hazard Analysis and Risk Management (HARM), which is a part of the Work Authorization System, is the tool that combines work planning, hazard recognition and assessment, risk mitigation and communication between employees into a single process. The Hazard Recognition Program is naturally compatible with the HARM process and provides support as it offers a logical series of questions and assessment steps. The Hazard Recognition Program is a tool, used directly on our work sites, to determine what energy is involved in the work being done, the system or equipment and the environment being used.

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Occupational Health Services

As SOCAR Türkiye, we attach great importance to the health of our employees and we offer comprehensive health services in our facilities.

There is an ambulance and emergency medical team available to work 24/7 at our sites. We periodically provide health care services by evaluating the detailed health examinations determined depending on the job description of all our employees and the workplace hazard class in which they work. We not only provide on-site health care services to our employees with our full-time workplace physicians and health care personnel, but also offer private health insurance opportunities to all our white-collar and blue-collar employees.

Thanks to 24/7 accessible Employee Support Program, which is an outsourced service available to all our employees, our employees can receive external expert support on many issues such as psychological counseling, medical counseling, ergonomics, newborn care and healthy nutrition consultancy.

We care about the health and safety of our employees and carry out various analyses and audits in this direction. We regularly subject the drinking water points in our company to microbiological and chemical analyses. We perform third-party Food Safety and Hygiene Inspections every three months in all dining halls on our sites.

In order to support the physical health of our employees, there are gyms in our office building. We provide dietitian services with weekly periods and enable our employees to benefit from these services. By organizing social events and health-oriented physical activities, we encourage our employees to participate in these activities and promote healthy living. We became the third company in Türkiye to receive the "Nutrition-Friendly and Physical Activity Supporting Workplace" certificate issued by the Ministry of Health.

We also attach great importance to communication aimed at increasing the health awareness of our employees. We inform our employees on topics such as desk top exercises, Ramadan-specific nutrition tips, glucose level monitoring, workplace hygiene, breast cancer awareness, skin health and heat stress management by publishing bulletins and organizing seminars. With these projects initiated in 2023, we have facilitated our employees' access to the information and tools they need to live a healthy life.

Toxicological Analysis Based Chemical Risk Assessment Program

Thanks to this program, we have adopted a proactive approach by determining the exposure levels of our employees exposed to chemicals used in our workplaces, by taking the necessary remedial measures and preventing any diseases. As part of the program, detailed analyzes are performed for measuring the exposure of employees particularly in our high-risk units. At the end of these analyses, no negative case was identified and an important step was taken to protect the safety of our working environments and the health of our employees.

Water Safety and Legionella Management Program:

Thanks to this program we implemented, We managed:

- To identify critical areas within the water system of our facilities that may pave the way for the development of waterborne pathogens such as Legionella,
- To prepare procedures that will minimize the risks of serious epidemic diseases that may occur as a result of microbiological contamination including Legionnaires' disease,
- To determine the processes required to resolve any anomalies or problems that may be encountered,
- To define the necessary curative and preventive actions and monitoring methods.

With this program, we aimed to assure the safety of the water consumed in our facilities and the sustainability of healthier working environments.





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HSE Trainings

As a part of our HSE policy, we support the continuous development of our employees with the knowledge and skills that will enable them to work safely at work. We implement comprehensive trainings and communication strategies in order to improve the competencies of our employees on HSE issues, to effectively communicate the latest updates to our practices and procedures and to raise awareness within the framework of protecting the health of our employees.

We provide a wide range of trainings to our employees, especially the basic occupational safety training specified in the Occupational Health and Safety Law No. 6331, from OHS applications in maritime affairs to process safety, from working at height to first aid. We further support the development of our employees with Behavior Based Safety (BBS) Trainings, Root Cause Analysis (RCA), Work Authorization System and certified Automatic External Defibrillator (AED) trainings.

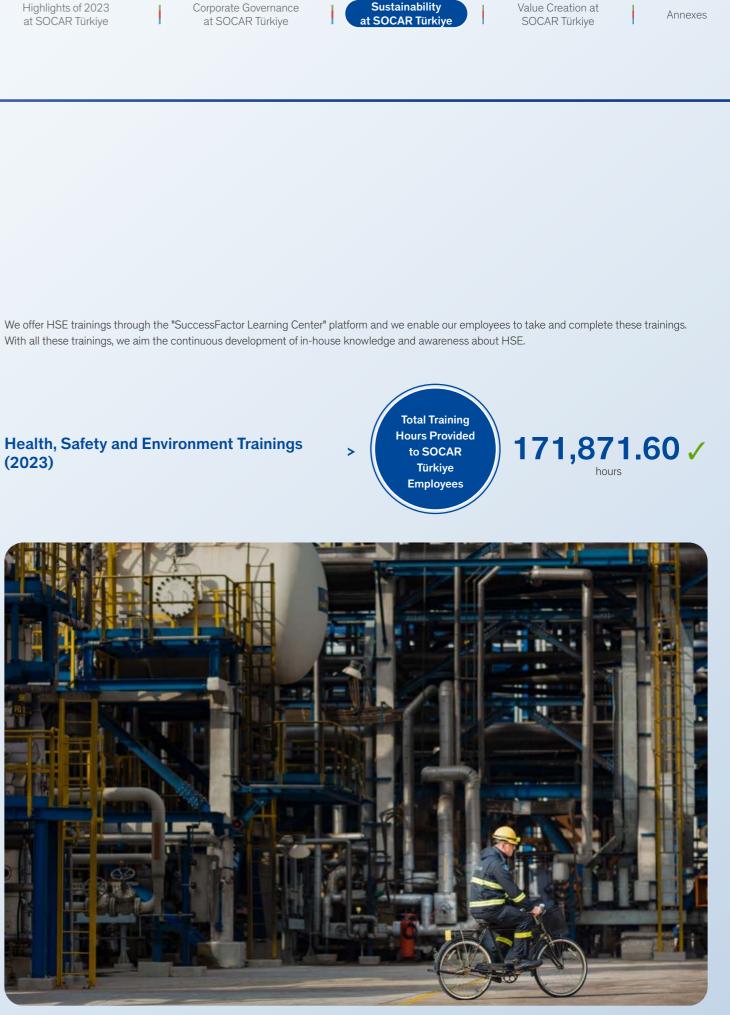
We further inform our employees about environmental issues such as reducing our carbon footprint, waste management, emission management, debris management and wastewater management and we raise awareness in reducing our environmental impact.

We have commissioned a new training program that will cover all our employees and contractors' employees in the Refinery and Petrochemical Business Unit as of June 2023. Within the scope of Safe Pass - Induction-(EMS Module 1), which includes face-to-face classroom trainings and field applications, we provided 25,522 man/ hours of training to approximately 3,700 company employees.

Throughout 2023, we further provided trainings on topics such as emergency and rescue, crisis center awareness, fire fighting at factory sites within the scope of Emergency Management. In addition, we performed drills in all our subsidiaries throughout the year in order to raise the awareness of our employees in the field of HSE and to ensure that they are prepared for emergencies.

As SOCAR Türkiye, we provide trainings on critical issues such as hazard analysis and risk management addressing the employees of contractor companies. We also organize Defensive Driving Trainings within the scope of the Road Safety Program.

In order to improve the HSE awareness of our employees, we publish videos, announcements and bulletins on HSE on Corporate TVs and provide information through HSE boards.





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Responsible Supply Chain

Contractor Management

The value chain that we have developed as SOCAR Türkiye covers the purchase operations that is appropriate to our own structure and operating system. In this context, we associate a significant part of our sustainability impacts with our suppliers from which make our purchasing operations.

Throughout our sustainable management system, we adopt an understanding that requires all the principles we associate with our value chain and acts in this direction. When making our supplier choices, we take into account social (human rights, employee conditions, occupational health and safety etc.), environmental (for purchasing materials and services of a certain scope and size) and economic requirements. After carrying out all the necessary risk analyses on these issues, we then focus on transforming our processes into a structure suitable for our own purchasing values. With this approach, we integrate the principle of sustainability into our business operations and contribute to the foundation of our supply chain on a reliable and sustainable basis.

We undertake all our operations in accordance with the Constitution of the Republic of Türkiye, the United Nations Universal Declaration of Human Rights and the main conventions of the International Labor Organization. We respect core values and adhere to a framework of business ethics that complies with universal standards throughout our entire supply chain.

We work with partners who adopt our principles throughout our value chain. In our supply chain and purchasing processes, we take actions in accordance with the SOCAR Türkiye Code of Conduct as well as the Anti-Corruption and Trade Controls Policy. We subject all parties with whom we have commercial relations to the SOCAR Compliance Process and evaluate them in accordance with the SOCAR Türkiye Compliance Procedures by requiring the approval of the Compliance Department.

In accordance with all these considerations, we expect our suppliers to act in compliance with human rights rules, provide a safe and prosperous working environment for their employees, adopt anti-corruption principles and take a sensitive approach to environmental impacts. In cases of possible failure to adapt to or having a negative impact on the environment and society, we terminate our relationship with our suppliers as soon as possible.

In 2023, we did not detect any incompatibilities in our supply chain.

We also provide a fair and ethical working environment in accordance with human rights for our contractors. In this context, we demand all our contractors to comply with SOCAR Türkiye Compliance Procedures and Code of Ethics. We determine the mandatory HSE trainings that our service providers and contractors' personnel operating at our sites must receive before entering the field. In addition, we organize field inspections every year with the participation of our Purchasing Department and other relevant units. In 2023, we performed 59 inspections for 34 contractors within the scope of compliance assessments. We inform the service providers and contractors of the deficiencies encountered during these audits in order to correct them. We take the necessary measures by adhering to the procedures against service providers or contractors who do not comply with the standards. We apply a pre-qualification (PQ) procedure for purchases over 500,000 US Dollars.

The number of suppliers we have included in our portfolio through Smat (Intergraph Smart Materials) in 2022 was 195. The number of suppliers we have included in our portfolio through Smat in 2023 is 233.

We expect our prospective contractors to submit their HSE Policy, ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System certificates and practices, risk assessments, emergency response plans, number of accident reports and information about their quality management procedures under the main framework of HSE and Quality Management. We provide an entry level training and field orientation covering emergency procedures within the scope of HSE.

Number of Contractors SOCAR Türkiye (2023) 3,860 (Person)

As SOCAR Türkiye, we prefer local suppliers in our crude oil and non-raw material purchases in line with our sustainability goals and in order to strengthen local development. With the Domestic Manufacturing Service that we have commissioned in our Refinery and Petrochemical Business Unit, we have ensured that spare parts and equipment, originally supplied from foreign companies, are procured from domestic manufacturers. 89% of our 2023 supplier portfolio and 75% of our purchasing budget have been allocated to local suppliers.





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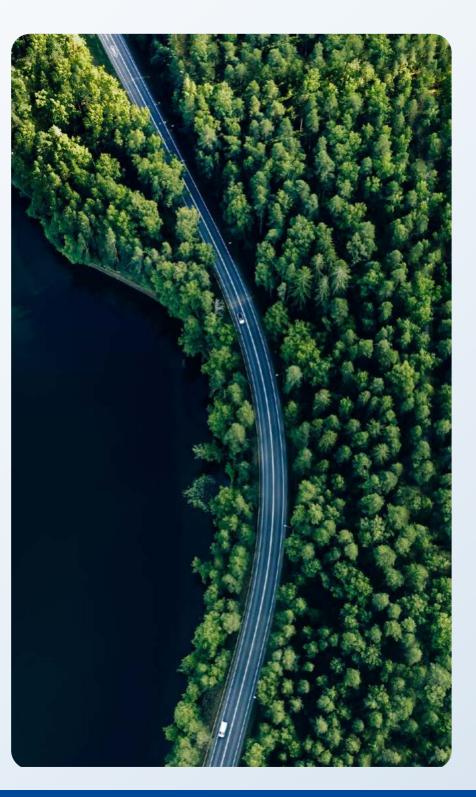


Green Procurement Policy

We define the contents regarding energy efficiency and the use of requested materials (PR) during the purchasing processes in all group companies and subsidiaries of SOCAR Türkiye, through the Green Procurement Policy, MM Procedure for Evaluating Offers, MM Stock Availability Control and PR Creation Procedures and carry out these in line with these guidelines.

In accordance with the Green Procurement Policy, we prioritize manufacturers and suppliers of products that consume less energy and use renewable energy resources during the production phase within the scope of our purchases.

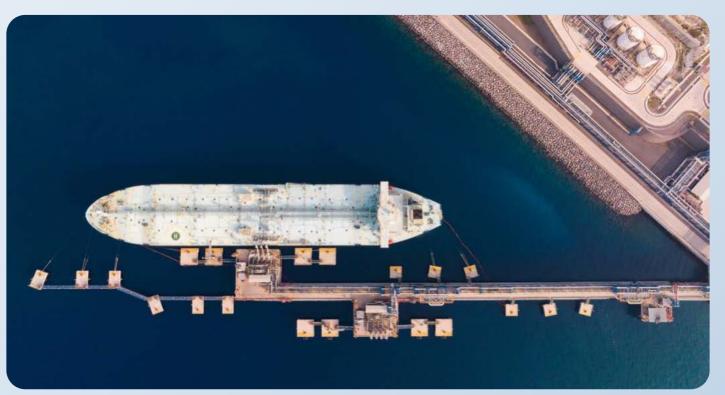
With the Supply Planning Function, we further enable/encourage customers and subsidiaries to produce and manage their own electricity by installing solar energy systems. With the power plant management and market operations services we offer to our subsidiaries and customers, we further provide market management of their own electricity production.



Supply Chain Structure

As SOCAR Türkiye, we took an important step to ensure process optimization in our services and material purchasing processes and to expand post-contract practices. In 2023, we integrated the Refinery Petrochemical Business Unit Purchasing team with the Corporate Center Purchasing team. This integration enabled us to improve our operational efficiency by ensuring alignment in all our purchasing processes. Thanks to the new organization in our field, we prevented approximately 2,000 kg of CO₂ emissions in our logistics emissions. For purchasing technical items, each of our business units assign their own relevant purchasing processes. Thus, we provide expertise in flexibility in our supply processes.





Sustainability at SOCAR Türkiye

We Are Together for Continuous Transformation and Innovation

We offer intelligent solutions by taking innovation to the center and we open the doors of a better future by crossing borders. Throughout this journey, we work together in line with our goals by developing innovative thoughts.



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Digitalization and Technological Development

As SOCAR Türkiye, we are working to further develop and strengthen our digital transformation vision. We improve our operations through the projects we have developed in this regard. Thanks to our IT Integration project, launched in 2019, we aim to establish a solid technology infrastructure to support the working model, manage changes in global and domestic markets, and to realize our productions efficiently.

Within the framework of our SOCAR 2035 vision, we are including all our group companies in our future strategies. Digital Transformation processes, one of the three main factors we have determined as SOCAR Türkiye, play a key role in our energy security, efficiency, optimization, sustainability, business and all other approaches. In 2023, we kept working tirelessly on Project Earth, which is the largest SAP transformation project in our industry. This project not only targets the digital transformation of the applications through which business processes in our company are managed but also aims to ensure the integration of processes and organizational structures. With the implementation of the first phase of the project, SAP solutions began to be managed from a single center. In 2023, the second phase of the project was initiated with the analysis and design step which was successfully completed with 269 workshops, 817 sessions, 122 business unit scenarios and approval processes. We are continuing our efforts to upgrade our project to a higher level.





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The First Outdoor PLTE Infrastructure in Türkiye

In 2023, we successfully completed the largest Private LTE project of Türkiye in a short period of 6 months in collaboration with Turkcell. With this project, which represents a first in the energy industry, we have created our special high security mobile communication network by Turkcell.





First Artificial Intelligence Supported Chatbot Application of SOCAR Türkiye SOCAR Energy Digital Assistant (s.e.d.a.+):

As SOCAR Türkiye, we launched our first artificial intelligence-supported Chatbot application (s.e.d.a.+) in 2023, in line with the important contribution of artificial intelligence in the digital transformation process and our aim to meet the needs of our various business units and increase employee satisfaction. This innovative Chatbot, developed using conversational artificial intelligence (conversational AI) technology, has the ability to interact with users through advanced sub-fields such as natural language processing and deep learning.

As a first step, we examined in detail the transactions that our employees most frequently need and apply together with our Human Resources department, especially those carried out through systems such as EBA and SSM. We developed scenarios for basic HR processes such as submitting leave requests, payroll requests, preparing visa documents and accessing HR procedures. These scenarios constitute the HR business process services that Chatbot offers to our users. In 2024, we plan to expand the system by adding the Corporate Support Services processes. These steps represent strategic advancements in our organization's digital transformation journey and allow our employees to manage their business processes more efficiently.

SOCAR WENNOVATION

Wennovation Start-up Challenge

Wennovation platform is an open innovation network targeting digital transformation in the petrochemical, refining and natural gas industries. This platform aims to enable startups, companies, academia and individual participants to come together with SOCAR Türkiye teams and make them members of our ecosystem. We then come together in an online environment and work together on innovations and developments in the industry. As SOCAR Türkiye, we kept moving on our journey of supporting innovative ideas for digital transformation solutions and our entrepreneurship ecosystem through this platform in 2023. Throughout this process, we pursued our mission to develop valuable ideas and take them to the next level.

Within the scope of the platform, we developed the SOCAR Wennovation Start-up Challenge program which aims to cooperate with entrepreneurs who offer innovative solutions to contribute to the digital transformation of the refinery and petrochemical industries. In line with the purpose of the program, we aimed to establish cooperation with entrepreneurs around the world who have successfully completed the prototype phase and have their products and services ready to be launched into the market. The applications received, 40% of which were from international participants, showed that this wide interest platform is a global center of attraction. The program was organized by focusing on the following four topics.

- Smart Asset Management
- Occupational Health and Safety and the Environment
- Energy Efficiency and Sustainability in Refinery and Petrochemical Operations
- Fintech

At the end of the closure event held in May, Alloy Additive, Deliveries Al, Flyability and F-Ray Fintech entrepreneurs were selected among the 10 finalists.

The Wennovation Platform and our Start-up Challenge Program, which were selected as the best in the Best in Future of Industry Ecosystems category at the Future Enterprise Awards organized by IDC in 2023, were entitled to receive this prestigious first prize.



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Citizen Developer Program and RPA Projects

The Citizen Developer Program is a project that provides employee development, which started at the end of 2021 and continued successfully through 2023. This project aims to ensure employees to gain knowledge about robotic process automation (RPA) and use this technology in their work. Within the scope of the project, 15-20 hours of training is provided to employees from different business units who do not have automation experience. Through these trainings, employees learn how to automate business processes using a low-code platform. Those who complete the training can develop their own automation projects and meet other needs of their business units. Owing to this project, we aim to make business processes more efficient and improve the technology skills of employees.

Within the framework of Digital Transformation, our RPA CoE (Robotic Process Automation Center of Excellence) team undertook various tasks, including selecting and ordering processes for automation, organizing trainings, providing technical support, and calculating contributions and profits. We also followed the projects of our users who completed their trainings and supported them from start to finish.

Thanks to the high interest of our employees and the potential for human-hour savings, our program continued with two new phases in 2023. Thus, the number of active Citizen Developers increased to 64. Our robotic process automation projects, which we carry out under our Center of Excellence (CoE) structure, are still in progress. In 2023, a total gain of 26,340 person/hours was achieved for our business units with the 40 projects implemented by our smart automation team.



Digital Competency Development GENERATION D (GEN-D):

The Generation D program is a training initiative that aims to create our new digital generation within our company by supporting our employees selected from our various departments in the acquisition of digital skills. As part of the program, our employees received trainings on topics such as digital transformation, machine learning, artificial intelligence, automation, data visualization, decisionmaking and design-oriented thinking in the energy and petrochemical industries. Our employees further had the opportunity to generate project ideas to shape digital strategies by focusing on digitalizing their businesses throughout the program. 36 of our employees graduated from this program in 2023.

The road map of our digital competence development program was redesigned with the feedbacks and improvement efforts of the project team. The training content was detailed, and the program flow was updated accordingly. Our updated GEN -D program started its 2nd term with 25 selected employees. This initiative, which aims to strengthen the digital skills of our employees, managed to win 3 international awards in 2023.

These are:

- "Best Advance in Competencies and Skill Development" category at the Brandon Hall Group Excellence Awards,
- "Innovative Achievement in Human Resources" category at The Middle East & North Africa Stevie Awards 2023
- Two awards in the "Award for Innovation in Human Resources Management, Planning & Practice" categories



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Digitalization in OHS Activities

Occupational Health and Safety practices are a very important priority in our field operations. Our video analysis technology initiative, which we started in 2022 to achieve our zero-accident goal and includes digital technologies such as image processing, machine learning and artificial intelligence, has been continued to develop throughout 2023. Control and improvement efforts carried out to expand this process in the operating regions of SOCAR Rafineri and SOCAR Rafineri have gained momentum. With these studies performed together with our business units that have completed the steps of camera selection, scenario development and team training, we have more effectively guaranteed the safety of our employees.

In 2023, we took important steps in the areas of occupational health and safety, maintenancerepair, and on-site communication. By taking digital precautions against occupational safety risks with wearable technologies, we have implemented and successfully completed pilot projects of innovative technologies such as RF Badge and RTLS (Real Time Location System) systems, Smart Safety shoes and gas detectors.

More than 8 thousand employees work daily in our field with challenging factors such as flammable and explosive materials, metal-based infrastructure, and intense magnetic fields. In the face of these challenging factors, we collaborated with our field teams and carried out projects focusing on technologies that detect the inactivity and location of employees, especially in emergency situations that may occur as a result of gas leaks or falls. By using these technologies, we have increased our capacity to respond quickly in emergency situations.

We will continue to further develop and expand these projects to meet the needs of our field units throughout 2024. We believe that this strategic approach will contribute to our goal of improving the safety of our workplace and the well-being of our employees.

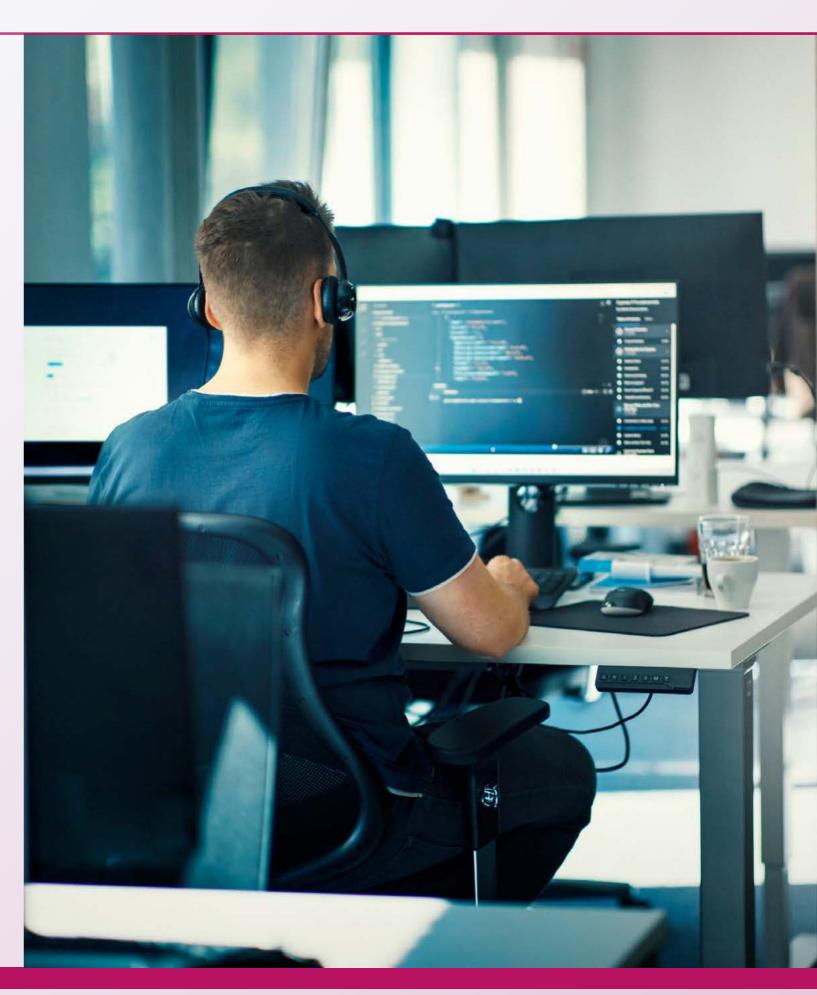
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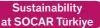
This year, we further strengthened our Middle Office project, which we implemented to manage financial risks more effectively, with new integrations. In addition, the project was recognized internationally in 2023 in three separate categories: "Innovative Achievement in Finance" at The Middle East & North Africa Stevie Awards 2023 along with the "Award for Innovative Management in Manufacturing Industries" and "Award for Innovative Management" in the one of the world-renowned award platforms.

ARIS Process Software Project

As SOCAR Türkiye, we initiated and successfully completed the ARIS Process Software project to improve our business processes. This project allows us to better see all business processes in our company, meet the needs instantly, and analyze data quickly. We have created 1,500 business processes in detail to be used in all areas of our company. In this way, we can better manage our works at every stage, from planning to execution.

We organized 17 ARIS User Trainings to ensure the effective use of the software. Thanks to these trainings, our employees learned to use the software more effectively. We have worked to continuously improve our business processes to help our company achieve its goals. These studies include KPIs that measure how well our work is done, analyzes the development of our processes, and introduces process improvements.





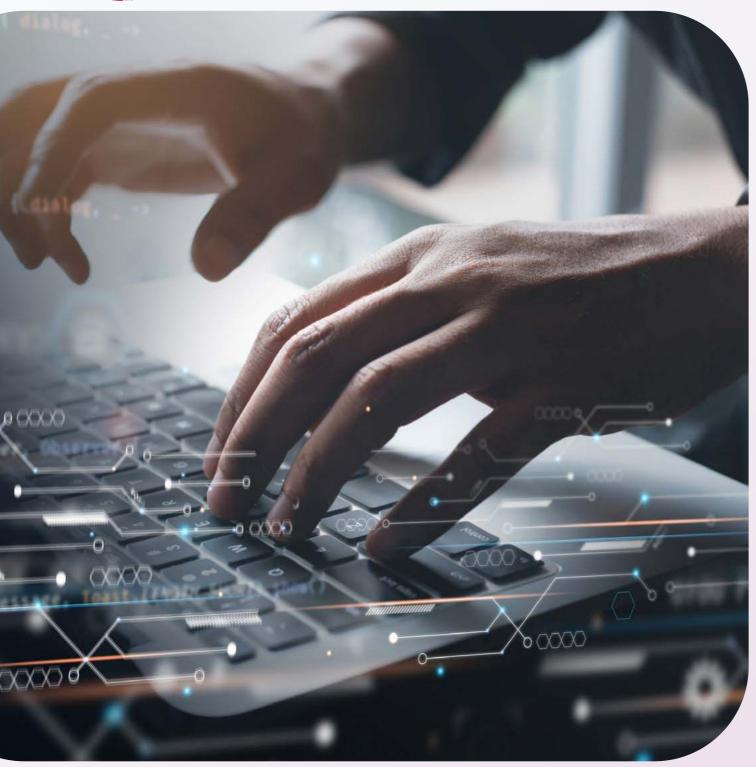
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E-Government Portal

Millenicom, one of our subsidiaries, enabled our customers to digitally approve the documents required for subscription transactions via e-Government, with the "E-government Process" project launched in December 2023. In this way, transactions that used to be carried out on paper and required wet signatures can now be done online and much faster. Main purpose of the project is to speed up transactions and reduce associated expenses such as paper, printing, and courier. This project, carried out in cooperation with Information and Communication Technologies Authority (BTK) as well as IT and Software teams, improved the operation of the company by increasing customer satisfaction.

From the beginning of the project until January 2024, 56% of the applications were submitted via e-government and 115 thousand Turkish Liras were saved accordingly. The contribution of the project to the 2024 budget is expected to be approximately 5 million Turkish Liras. The project, for which a total of 50 thousand Turkish Liras have been spent, includes the time stamp and the efforts of our employees. Thanks to the E-government, which is a significant step in the digitalization journey, we have contributed to the environment by preventing paper waste and facilitate customer transactions.

WhatsApp Chatbot

As Millenicom, we developed a project called "WhatsApp Chatbot" in 2023. With our project, we enabled our customers to easily send contract documents and receive guidance and information directly via WhatsApp. Accordingly, the rate of customers writing repeatedly on the same subject was reduced from 57% to 31% and the first response time of customer representatives was reduced from 21 minutes to 4 minutes. These improvements, which shortened our service times at Millenicom and increased customer satisfaction, enabled our service quality to increase.

TRY 20 thousand was spent for this project, which we developed in collaboration with a software company called Tuşla. Thanks to the chatbot, approximately TRY 20 thousand was saved monthly.



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Artificial Intelligence Based Optimization

To improve our operational effectiveness and strategic success as SOCAR Türkiye, we actively carry out artificial intelligence-based optimization studies to analyze the data we collect from various sources through algorithms. In 2023, we were entitled for international awards with these estimation and optimization projects developed using advanced analytical techniques:

HCU Diesel Flash Point Project received

 International Business Awards - Achievement in Product Innovation

DCU Coke Make Reduction Optimization Project received

- International Business Awards Achievement in Product Innovation - Artificial Intelligence/ Machine Learning Solution
- The Middle East & North Africa Stevie Awards
 2023 Achievement in Product Innovation

Steam to Carbon Generation

As part of our artificial intelligence-focused projects, we have successfully implemented the 'Steam to Carbon Generation' project in our Hydrogen Generation Unit (HGU). With this project, we are making significant contributions to industrial sustainability by improving the efficiency and product quality of hydrogen in refinery processes.

The Hydrogen Generation Unit is a vital unit that converts natural gas into hydrogen through steam reforming and water-gas exchange reactions. This unit, consisting of three basic components as Steam Converter, MTS Reactor and PSA unit, increases the gas used and ensures that refinery operations are carried out more safely and effectively.

The 'Steam to Carbon' project aims to reduce hydrogen production costs by considering the steam-carbon ratio as a central decision variable. This project uses advanced analytical models and optimization methods that can be adjusted to variable hydrogen demand and identify the optimal steam-to-carbon ratio. In a two-stage process, models are first commissioned for critical factors such as natural gas supply, and then, based on these predictions, the most appropriate steam-carbon ratio that will minimize costs is determined. Thanks to this strategy, the hydrogen production process is made more cost-effective and efficient.



Aliağa Energy Optimization (AEO)

Aliağa Energy Optimization (AEO), our significant initiative focused on artificial intelligence, brings together our sustainability and digital transformation goals. The project basically aims to ensure effective management of all energy flows within the steam collectors and Wind Power Plants (WPP) at different pressure levels in the energy generation and conversion facilities of STAR Rafineri and Petkim located on the Aliağa peninsula. The project optimizes the balance between energy sources and consumption points with the help of artificial intelligence, planning how and how much steam to produce and the steam transfer between different pressure levels with rational methods. With this approach, we aim to reduce operational costs while increasing energy consumption efficiency. This project was entitled for the bronze award in the Innovative Achievement in Sustainability category at The Middle East & North Africa Stevie Awards 2023.

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IT Continuity

Ensuring the continuity of the information technology within the scope of digitalization and technological development includes the efforts of organizations to ensure the uninterrupted and effective operation of technology systems, infrastructure, and services. As an important component of digital transformation strategies, it supports the continuous and reliable execution of business processes.

As digitalization and technological developments come to the forefront, we, as SOCAR Türkiye, are taking important steps to ensure the continuity of information technologies. We have achieved significant progress in the IT Business Continuity Program, consisting of three major projects, which we launched in 2022 within this framework. Within the context of the Relocation of İstanbul Data Center Project, the first large-scale project of the program, the transfer of live systems from our data center in İstanbul to our new data center in İzmir was successfully completed.

Within the scope of our IT Business Continuity Program, we performed detailed analyzes and technical studies in cooperation with EY to support business continuity and provide the necessary improvements. Significant steps such as the establishment of the Disaster Recovery Center (DRC), improving the IT architecture, raising the awareness of technical teams, and developing backup plans have been completed. While the DRC project was still in progress, agreements were concluded with various service providers to achieve the targets set forth in the road map until 2025.

Owing to the meticulous and devoted work of SOCAR Türkiye Technology teams, the operating rate of our systems was 99.23%, well above the industry-accepted average of 95%. This achievement ensured that all requests and issues were successfully resolved with an SLA (Service Level Agreement) rate of 97.17%. In addition, a high customer satisfaction rate of 95.4% was achieved in the satisfaction surveys conducted after issue resolution. The performance of our Technology Units was also reflected in surveys conducted by independent organizations and a satisfaction rate of 81.71% was achieved. These numerical outputs are a concrete indicator of the outstanding efforts of our team and the effectiveness of our technology units.

Our Information Technologies strategy is based on continuous development and innovation. We ensure IT continuity by strengthening internal software development teams, improving the ability to produce on-site solutions and infrastructure improvements such as private mobile communication networks. While projects such as Centralized Identity Management and Data Storage Virtualization improve our efficiency and security, we further support our operational continuity with solutions such as Microsoft O365 and Multi-Factor Authentication Service (MFA). These efforts improve the competitiveness and operational resilience of our company by ensuring the uninterrupted continuity of our business processes.

While the continuity of information technologies ensures the continuous operation of the technological infrastructure of organizations, information security aims to protect and secure data. Both issues include common topics such as risk management, incident response, and business continuity. Therefore, we consider information security as an important component of information technology continuity.

Information Security

While our information security policies that we have established as SOCAR Türkiye ensures the continuity of our Information Security System, which we have developed within the framework of international standards and in accordance with all legal requirements, we keep improving our information security policy, standards, and activities.

Petkim, Star Rafineri, Bursagaz and Kayserigaz, which are among the SOCAR Türkiye subsidiaries, already have the ISO 27001 Information Security Management System certificate. Accordingly, we carry out our business processes in accordance with international standards and undergo regular audits within this framework. In 2023, SOCAR Depolama and SOCAR Fiber established the Information Security Management System and successfully obtained ISO 27001 certification.

In order to raise the awareness and inform our employees on this issue, we strengthened our operations by organizing various tests and trainings within our company. "Information Security Awareness Training" was included in the orientation program of new recruits and "Information Security Training" was included in the learning management system platform. In addition to trainings on topics such as Fundamentals of Information Security, Social Engineering, Ransomware Awareness and Cyber Physical Systems Security, awareness banners/posters prepared on topics such as incident reporting, phishing attacks, ransom ware attacks, clean desks and screens, and remote working security were shared through various communication channels. Thereby, we have strengthened the cyber security structures in business platforms and throughout our systems and ensured their widespread use in our group company.



Being aware of the cyber threats that have been increasing recently, we closely monitor security problems and detect risky situations. We refer them to the relevant teams for follow-up.

In our Refinery and Petrochemicals Business Unit, we are developing projects that will strengthen our cyber security structure for industrial control systems and operational technologies. One of these is the activation of the digital evidence collection and analysis system to intervene quickly and effectively in the event of a real cyber attack. Another example is the integration of an anomaly detection system into Bursagaz and Kayserigaz EKS systems to identify vulnerabilities and weak points and strengthening defense systems. We further take remedial actions by conducting penetration tests to see our areas of influence and determine the security of our current measures.

As of 2023, we further worked to ensure compliance with the 'Information and Communication Security Guide' published by the Presidential Digital Transformation Office and EMRA's 'Regulation Governing the Cyber Security Competence Model in the Energy Industry'. Within the scope of compliance project, the security measures determined for SOCAR Fiber and the implementation of cyber security gap analysis for Bursagaz and Kayserigaz were successfully completed.

By including monitoring the security operations in our processes, we continue to benefit from intelligence sources and ensure that alarms generated for suspicious situations are monitored 24/7. In case of an adverse situation, we make use of new generation security technologies and ensure that this structure is integrated into all subsidiaries within SOCAR Türkiye.

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|-----------------------------------------|---------------------|-------------------------|---|---------------------------------------|----------------------------------------|------------------------------------------|---|
| | | | | | | | |

R&D Activities

Transition to a Low-Carbon Economy and Carbon Technologies

As SOCAR Türkiye, we act with a very innovative and comprehensive perspective when organizing our R&D and Innovation activities. In this regard, we predicate on the sustainability targets of our group companies operating in the energy, refinery, and petrochemicals chain, aim to take part in R&D and Innovation projects, including the Horizon 2020: European Green Deal Call, which seeks to ensure the transition of the European Union to a carbon-free economy by 2050 and make improvements accordingly.

At our SOCAR Türkiye's R&D and Innovation Center, we have been working on 4 European Union projects on carbon capture, energy transition, renewable energy, and environmental solutions. For CARMOF, the first of these projects, we set our goal to ensure that the carbon dioxide contained in the combustion gases in our facilities is captured by using innovative materials and methods.

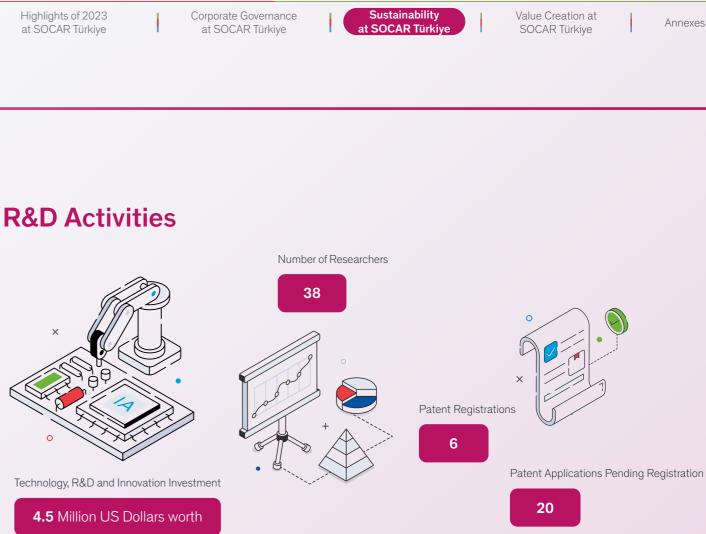
For CO2Fokus, we aim to convert carbon dioxide gas into dimethyl ether via innovative catalysts. With our NEFERTITI project, we further aim to produce ethanol, isopropanol, and similar valuable chemicals from carbon dioxide using solar energy with heterogeneous catalysts. This project will greatly improve R&D experience in diversifying the use of renewable energy sources.

Another project we are carrying out within the scope of the transition to a low carbon economy is the LOUISE project. This innovative initiative aims to produce a concentrated CO₂ stream ready for transportation, storage, or other use. This project focuses on preparing a pre-startup demonstration for the conversion of solid waste-derived fuels through an innovative process called Chemical Looping Combustion (CLC). This project, supported by the HORIZON 2020 grant program, contributes to the development of innovative technologies.

The Circular TwAIn project, which is another example of these projects supported by the European Union, aims to improve energy and production efficiency in the chemical industry with artificial intelligence. It aims to reduce the costs and environmental impact by observing the energy consumption and production of a real facility and improving business conditions with digital twins. The project, which was set out in 2022 to develop an artificial intelligence platform that will support the production sector in the transition to Industry 5.0, will be completed by 2025.

With all these projects and our other projects that are eligible for funding, we strive to carry out sustainable and environmentally friendly works and to contribute to digitalization and technological developments.





Another of our significant focuses on sustainability, as SOCAR Türkiye, is to continue working with all our strenghts not only for today but also for the future. We aim to manage the social, environmental, and economic impacts of our value chain, not only in internal operations but also throughout it, and strive to achieve excellence in our business processes. For this reason, we aim to increase our identity as a strong company by always nourishing our values with technological and high-valueadded products. As SOCAR Türkiye, we maintain our global experience and deep-rooted R&D culture that we inherited from the R&D center established in Petkim Yarımca facilities in 1969. With our R&D center. we provided a total of 1.3 million US Dollars in grants to 6 EU-supported projects (HORIZON EUROPE) and a total of 560 thousand US Dollars in grants to 3 nationally (TÜBİTAK) backed projects.

Incorporated on an area of 1,200 square meters, SOCAR Türkiye R&D and Innovation Center has 6 laboratories serving in the fields of rheology, catalyst, polymer characterization, environment and biotechnology, chemical analysis, and chromatography. In addition to offices, our R&D center also includes a 400 square meter pilot production facility that will allow polymer processing, polymerization, and catalyst testing systems. By increasing our R&D and innovation investment expenditures every year, we keep on providing services with our laboratories, pilot facilities, and offices with our 38 researchers.

14% of R&D revenues over the last 4 years were obtained from open innovation projects.

| | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------------------|------|------|------|------|
| Total R&D Investments (Million US Dollars) | 1.5 | 3.1 | 4.0 | 4.5 |
| Total Number of Researchers | 20 | 22 | 34 | 38 |

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SOCAR Türkiye Ar-Ge which has been operating under SOCAR Türkiye since 2019, focuses on 4 main issues:

- New product developments
- Product improvements and quality diversifications
- Applied research and innovation
- Process improvement and technological advances

Our R&D center has been certified under the ISO 56002 Innovation Management System standard and has become the first industrial company in the world to receive this certificate. We have been implementing the Innovation Management Procedure, which supports our open innovation strategies by integrating the Innovation Management System into our management systems, within all our group companies as of 2023.

Our most important goal, as we continue to work for our R&D center, is to build an innovative, sustainable, and environmentally friendly future for all our stakeholders in our value chain. In this context, we are working towards improving all our processes by supplying market-oriented products and developing catalysts and digital technologies.

Collaboration of SOCAR Türkiye R&D Center and Sabancı University

Collaborating with Sabancı University in 2023, SOCAR Türkiye R&D and Innovation Center focused on hydrogen (H₂)-based technologies that are vital for renewable energy.

ALGAESOL Project

For the ALGAESOL project, we aim to produce sustainable aviation fuel (SAF) in a single-stage process using a new solid catalyst from algal lipids. Seven prestigious institutions and organizations from Norway, Spain, Denmark, Greece, Türkiye, and the Czech Republic, which came together for this project supported by the European Union, present a good example of international cooperation in the field of sustainable energy.

This innovative approach not only aims to make a strategic contribution to the efforts towards reducing the carbon footprint in the energy industry but also is a significant step towards our company's decarbonization goals. The ALGAESOL project, supported within the scope of Horizon Europe, aims to raise the sustainability standards of the aviation industry by taking a leading role in the development of green energy solutions.

Project to Develop Catalyst from Carbon Dioxide for DME Synthesis

Project to Develop Catalyst from Carbon Dioxide for DME Synthesis, executed in collaboration with İzmir High Technology Institute (IYTE), aims to develop special catalysts and processes to utilize the CO₂ released in Petkim's production facilities as dimethyl ether (DME). Negotiations have been initiated with international companies to commercialize the high-performance catalyst formulations developed within the context of the projects carried out at SOCAR Türkiye R&D Center.

Sustainable Aviation Fuel Production Project

This initiative aims to explore new catalysts and process methods for developing environmentally friendly fuel alternatives for the aviation industry using waste CO_2 and hydrogen (H₂). Aiming to provide innovative solutions to the aviation industry with sustainable fuel production, the project encourages the use of renewable energy by using waste CO_2 and making use of hydrogen energy. This approach aims to reduce the carbon emissions of the aviation industry and to support ecological sustainability.

Research on Alternative and New Generation Catalysts for PP and HDPE Production

This project focuses on searching new generation catalysts and their use in the right mixtures to improve energy and reaction efficiency in the production of polypropylene (PP) and high-density polyethylene (HDPE). The aim is to reduce costs and minimize environmental impacts by making production processes more efficient.

LDPE Autoclave Reactor Modeling and Optimization

This project, which aims to improve the efficiency of the Low-Density Polyethylene (LDPE) plant reactor with a detailed reaction chemistry modeling approach, is based on reactor design and optimization of operating conditions. Accordingly, it is aimed to make the production of LDPE more efficient and sustainable.

Development of Thermal Stability and Plasticizer Absorption Properties of PVC S27

This project aims to improve product efficiency by improving the thermal properties and plasticizing absorption capacities of PVC reactors. Thanks to the developed formulas, the processing properties of PVC and the final product quality are significantly improved.



We Are Together for Social Responsibility

In addition to the economic benefits we provide to the country within the scope of our investments, we also support social development locally in the regions where we operate and nationally with the corporate social responsibility projects undertaken.



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We Are Together for Social Responsibility

In addition to the economic benefits we provide to the country within the scope of our investments, we also support social development locally in the regions where we operate and nationally with the corporate social responsibility projects undertaken.

Corporate Social Responsibility

As SOCAR Türkiye, we aim to make a difference with our environmental, social, and economic impacts, beyond our financial successes. We value our contributions to society as much as our financial results. We view social responsibility as a reflection of taking conscious steps towards the future and striving for a sustainable world. We take every step by considering both today's needs and tomorrow's legacy.

In line with this vision, we undertake a wide range of social responsibility projects from education to the environment, social welfare to economic development. In the field of education, we provide support to nearly 10 thousand students in 11 schools that were built in the provinces of İzmir, Adana, Kars, Ankara, and Kocaeli. All the work we carry out in the field of education and other fields is compatible with the United Nations' Sustainable Development Goals and we have made significant investments in these projects in 2023. These investments aim to add value not only to today's world but also to the world of tomorrow.

As SOCAR Türkiye, we developed and implemented a new procedure to standardize our commitments in corporate social responsibility and extend them to all group companies. The Corporate Social Responsibility (CSR) Procedure began to be used in all subsidiaries by 2021. Thus, while maximizing the company's social and environmental impact, operational efficiency and relations with internal and external stakeholders are also positively influenced.

We measure the social impact of our corporate social responsibility activities and report these impacts regularly. This reporting improves our transparency and accountability and further provides concrete evidence of our contribution to society. As SOCAR Türkiye, we keep working with a determination to build a sustainable future and we know the importance of each step on this path.







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Petkim's Green School

Azerbaijan People's Republic 100th Year Primary School located in Izmir Bayraklı, financed by Petkim, was built with renewable energy systems with the funds provided by our company. This green school is the first public school that stands out with its capacity to generate its own energy from renewable sources.



SOCAR Energy School

The SOCAR Energy School certificate program, which we launched in 2022 in cooperation with SOCAR Türkiye and Sabancı University, provides a 360-degree perspective on the energy industry.

Within the scope of the program, appropriate public and private sector managers, academicians, international policy makers and energy experts with an interest in the Caspian Basin, Türkiye and Azerbaijan and the energy policies of Türkiye and Azerbaijans energy policies came together to discuss global and regional energy issues.

130 people were selected and trained for our program, which received more than 1400 applications in two periods. Our participants, who gained a broad perspective on global and regional energy issues, participated a total of 80 hours of class trainings. They followed eight energy policy panels featuring worldrenowned panelists.



Being a Stakeholder in the "Engineer Girls of Türkiye (EGT)" Project and Technical Field Trip

The Support for Engineer Girls of Türkiye (EGT)" Project, which contributes to the personal and professional development of future female engineer candidates studying at engineering faculties and where SOCAR Türkiye has been a stakeholder since 2021, continued in 2023 in line with the aim of ensuring women's participation in business life and equal representation in the industry . Within the scope of the support, we provided scholarship, mentoring and internship opportunities to 10 chemical engineering students and English education support to 5 students. We also hosted students in production facilities in Aliağa. The students had the opportunity to witness production processes up close and met with volunteers mentors from SOCAR Türkiye.

Business Acumen Simulation Project in collaboration with Ege University

We implemented the "Business Acumen Simulation Project", which was originally initiated in 2021 with the aim to bring business simulation to state universities so that university students can reinforce their theoretical knowledge practically once again in 2023.

Within the scope of this project, initiated with Ege University, we purchased two business simulation usage rights in the fields of "Global Competition" and "Marketing" from an international software company in 2023 for two classes (60 students) in the Department of Business Administration and donated the rights to the university. In 2023, we further expanded this project by collaborating with Dokuz Eylül University and thus supported 95 students to practically develop their theoretical knowledge and increase their decision-making skills.

"Pocketbook Project" executed in cooperation with the Azerbaijan Ministry of Economy

Within the scope of our project supported by the Azerbaijani Ministry of Economy and AZPROMO, popular career books in England were translated into Azerbaijani language. The "Pocketbook" project offered books in many fields, from management to personal development, digitally and free of charge at www.pocketbook.az to Azerbaijanis who want to advance in business life. These books attracted great attention from readers.





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Earthquake Relief Activities

Healed Our Wounds, Together

Immediately after the earthquakes that occurred on 6 February 2023 and caused pain and agony to our country, SOCAR Türkiye and its subsidiaries took swift action and worked with all our strength to heal the social wounds and support the affected people.

We would like to express our gratitude to all our colleagues who have been with us and supported us throughout our activities.



We can summarize the earthquake relief activities as follows:

- Our professional search and rescue teams consisting of SOCAR Türkiye Volunteers were mobilized and rushed to the disaster area. We provided free fuel support to ambulances, fire trucks and search and rescue vehicles of AFAD and other organizations.
- SOCAR Türkiye Earthquake Coordination Committee evaluated the requests from the earthquake zone 24 hours a day and delivered the aid to the relevant regions as quickly as possible under the coordination of AFAD.
- We supported the needs of our citizens affected by the earthquake with our donation fund.
- 19 of our colleagues working in our Aliağa location supported the search and rescue efforts in Antakya.
- 6 of our colleagues from Bursagaz Search and Rescue Team (BURAK) participated in the search and rescue operations carried out in Kahramanmaraş.
- We delivered containers to the region as a contribution for meeting the shelter needs of our citizens.
- We became the fuel sponsor for a mobile caravan that meets the basic hygiene needs and psychosocial counseling needs of women and children affected by the earthquake in earthquake regions.
- Within the scope of SOCAR Türkiye Volunteers' employee aid campaign, we donated to aid organizations, especially AFAD and AHBAP.
- We provided lunch to approximately 1000 people every day in Kilis for 18 days, with the donations provided by our colleagues at SOCAR Türkiye from their meal cards.
- We created a support fund for AFAD, Red Crescent, relevant governorships, municipalities, selected foundations and associations. We provided basic needs such as tents, generators, food, hygiene materials, heaters etc. and ensured their delivery to the region.





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SOCAR Türkiye Volunteers

It is a volunteer program initiated by the will of SOCAR Türkiye employees who are motivated to support society, the environment, and all living creatures surrounding them.

SOCAR Türkiye Volunteers, established with the voluntary participation of SOCAR Türkiye employees, aim to create value in society by implementing social responsibility activities and projects in the fields of education, environment, health, sports, animal protection, and social issues.

The vision and roadmap of SOCAR Volunteers, defined as a "community" contributing to social awareness and development based on the "United Nations (UN) Sustainable Development Goals (SDGs)", has been integrated into the UN's global efforts through the adoption of 17 sustainable goals.



Natural Gas Workshop

As a joint work of Kayserigaz and DOSİDER, we opened a Natural Gas Workshop at Mimar Sinan Vocational and Technical Anatolian High School in Kayseri.

Natural Gas Trainings

As SOCAR Türkiye volunteers, we organized a training program on the safe and efficient use of natural gas addressing 62 building staff in Kayseri who are heated with a central system in cooperation with Kayserigaz and the Union of the Chamber of Mechanical Engineers of Türkiye (TMMOB).



Book Donation Campaigns

As SOCAR Türkiye Volunteers, we started two separate book donation campaigns for the new libraries of Mimar Sinan Vocational and Technical Anatolian High School in Kayseri and Aliağa Petrochemical Secondary School in Izmir.

Charity Run

At the Marathon İzmir event held on May 7th, we ran for the benefit of girls affected by the earthquake, within the framework of our cooperation with the Koruncuk Foundation (Turkish Foundation for Children in Need of Protection). We met with the children at a breakfast held in Urla before the race and organized various workshop activities.

45th İstanbul Marathon

45th İstanbul Marathon ran to the benefit of Spinal Cord Paralytics Association of Türkiye (TOFD) this year and supported the need for 15 battery-powered wheelchairs.

We Supported the "Shine Bright with Education for Children with Autism" Campaign

We supported the "Shine Bright with Education for Children with Autism" campaign at the 10th Bursa Marathon. We contributed to the education of children with autism by running for the benefit of Tohum Autism Foundation.

Technical Trainings

As SOCAR Türkiye Volunteers, we reached out to students with technical trainings on various subjects at universities in Kayseri and Bursa, in cooperation with Kayserigaz and Bursagaz.

Within the scope of the Let's Get to Know Professions Project, which we carried out together with LÖSEV, we hosted candidate university students who have overcome leukemia in our office and offered them career advice.

Collaboration with Tohum Autism Foundation (TAF)

On April 23rd, National Sovereignty and Children's Day, we purchased the education kits needed for the development of children with autism affected by the earthquake in Kahramanmaraş in cooperation with Tohum Autism Foundation, we visited them in Kahramanmaraş and delivered the education kits.

SOCAR TÜRKİYE GÖNÜ Üleri

Collaboration with SOBE Foundation

We contributed to the special education of 16 autistic children affected by the earthquake through the SOBE Foundation (Selçuklu Autistic Individuals Education Foundation).

Collaboration with Bulgurcu Foundation

Within the scope of our collaboration with the Bulgurcu Foundation, which works to see female engineers in all areas of life and to support them on this path, with the support of SOCAR Türkiye Volunteers, we provided a scholarship for female students affected by the earthquake.

With the support we provided, we collectively supported young people affected by the disaster to continue their academic life without disruption.

Collaboration with KODA (Rural Schools Transformation Network)

As SOCAR Türkiye Volunteers, together with the Rural Schools Transformation Network (KODA), we supported the strengthening of both social and individual awareness of children living in Bursa's Göynükbelen and Çöreler villages. While KODA instructors focused on the social and emotional development of our students in the camp attended by primary and secondary school students, we, as SOCAR Türkiye Volunteers, provided trainings to the students in the fields of English, music, dance, painting, and drama.



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Environment Projects

SOCAR Türkiye Volunteers Memorial Forest

We initiated a pioneering recycling project with SOCAR Türkiye and our subsidiaries, aiming to give life to nature for a sustainable future. As a result of an archive study, we recycled 40 tons of paper from our materials that were to be destroyed after their storage period had expired. We established the SOCAR Türkiye Volunteers Memorial Forest by donating saplings to the Aegean Forest Foundation with the income obtained after the recycling service.

Coastal Cleaning in Aliağa Çayağzı with Turmepa

For the purpose of our cooperation with Turmepa within the scope of combating zero waste and climate change, we organized a coastal cleaning event in Aliağa Çayağzı. As part of this event, we collected 710 kg of waste and removed it from the seas.

November 11th National Afforestation Day Donation OGEM-VAK Sapling Donation Campaign

On the occasion of National Afforestation Day, as a joint project of Kayserigaz and the General Directorate of Forestry, we maintained the Kayserigaz Memorial Forest, consisting of 10,500 saplings, and planted new saplings as SOCAR Türkiye Volunteers.



"Lifelong Sustainability Workshops for the Future of the World"

In recognition of the importance of raising the awareness of children of the need for sustainability during early education, we have implemented the "Lifelong Sustainability Transformation Workshops for the Future of the World" in cooperation with the Aegean Contemporary Education Foundation (EÇEV).

This project aims to bring sustainability to families and homes, to help it internalized and to teach the sustainability concept to children together with their families. Within the scope of the 2-day workshops, the significance of sustainability was discussed comprehensively with the participation of a total of 165 students and 40 parents.

Technical Trainings for Students: LEED Certified Bursagaz Building and Environmentally Friendly Approaches

We organized technical trainings aiming to raise awareness of young people on energy efficiency and sustainability. For the purpose of these programs, we met with students from the Turkish Education Foundation's Hayri Tokaman Vocational and Technical Anatolian High School and Orhaneli A. Necati Yılmaz Vocational and Technical Anatolian High School and introduced Bursagaz's energy efficiency practices and its green building which was awarded with the LEED platinum certificate. Throughout the events held in this context, the importance of sustainability, environment and energy issues was emphasized, and students were given the opportunity to closely examine the first and only LEED platinum certified Bursagaz Building in Bursa.

SOCAR Terminal «Blue Climate Ambassadors» Project in Collaboration with Turmepa

We support the Blue Climate Ambassadors project, which was launched in cooperation with Turmepa, Wista Türkiye and Türklim to increase the rate of female employees in ports, implement the zero waste blue transformation and suggest solutions regarding climate change.





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Health Care Projects

"May Lids of All Colors Bring Hope" Campaign Held in Collaboration with the Spinal Cord Paralytics Association of Türkiye (TOFD)

We collaborated with the Spinal Cord Paralytics Association of Turkey (TOFD) for "One hope, one happiness" project. Owing to the 'Bottle Caps of All Colors Turn into Hope' boxes that we placed in our offices and fields in Kayseri, Bursa, Istanbul and Izmir-Aliağa, we collected 2014 kilograms of plastic caps to provide wheelchairs to paralyzed people due to spinal cord.

Blood Donation

In order to meet the blood need that arose as a result of the earthquake in our country and to respond to the decrease in blood stocks, we supported the Red Crescent by donating blood with our colleagues.

Awareness Project About Women's Cancers

Throughout the Cancer Week between April 1-7th, we offered free screening and diagnosis services to our employees' spouses and female employees at Bursagaz, Kayserigaz and Enervis to raise awareness about women's cancers.

Charity Run

As SOCAR Türkiye Volunteers, we ran in the 45th İstanbul Marathon to the benefit of the Spinal Cord Paralytics Association of Turkey (TOFD) and helped provide 15 battery-powered wheelchairs. Furthermore 13 SOCAR Türkiye Volunteers from Kayserigaz ran to support LÖSEV in the 3rd International Kayseri Half Marathon held in Kayseri. Donations collected in the marathons supported students who overcame leukemia to achieve their dream education.



हिंदी Social Projects

"Make a Wish" Campaign in collaboration with EÇEV

The dreams of 293 children were turned into reality in the project organized to fulfill the New Year wishes of disadvantaged children within the context of the project which we carried out as SOCAR Türkiye Volunteers in cooperation with the Aegean Contemporary Education Foundation (EÇEV). As part of the project, we delivered the gifts we collected during a visit to Yamanlar Education Center in December to children in need.







Animal Protection Projects

Collaboration with HEPAD (Her Eve Bir Pati Derneği)

We cooperated with the Her Eve Bir Pati Derneği (HEPAD) to adopt the protected cats and dogs at the Retirement Animal Farm in Bursa. We contribute to this process by sharing the information of our pet friends, looking for a home, every month in the Animal Adoption section on our in-house intranet application SOHO. We further built 10 kennels for the dogs living on the farm and donated 330 kilograms of pet food.

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SOCAR Türkiye Company Information

| Accounting period which the report pertains to | 01.01.2023-31.12.2023 | |
|------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------|
| Company title | SOCAR Turkey Enerji Anonim Şirketi | Milli |
| Trade registry number | 609880 | |
| | Ayazağa Mah. Azerbaycan Cad. Vadistanbul SOCAR Plaza 1D Blok Apt. No: 3 E/1 Sarıyer/ İSTANBLII | Total |
| Head office contact information and website | T: +90 212 305 00 00 F: +90 212 305 01 00 W: www.socar.com.tr | Total |

2. Financial Indicators

SOCAR Türkiye's total assets had reached out to TRY 313,738 million as of the end of 2023.

| Million TRY | 2021 | 2022 | 2023 |
|----------------------------|---------|---------|---------|
| Total Assets (million TRY) | 119,355 | 214,257 | 313,738 |
| Total Sales Revenue | 89,446 | 266,359 | 156,907 |

Economic Value Created at SOCAR Türkiye in 2023 Economic and Administrative performance (TRY)

| | 2021 | 2022 | 2023 |
|------------------------------------------------------------------------------------|------------------|-------------------|-------------------|
| Revenue ¹² | 89,445,889,932 | 266,359,496,664 | 156,906,668,872 |
| Renewable Energy etc. Revenue from Sustainable Product Categories ¹³ | 120,090,959 | 267,076,640 | 287,640,680 |
| Economic Value Distributed ¹⁴ | (84,152,378,526) | (267,081,001,245) | (165,082,454,532) |
| Economic Value Retained ¹⁵ | 5,293,511,406 | (721,504,581) | (8,175,785,660) |

3. CORPORATE GOVERNANCE

3.1. SOCAR Turkey Enerji A.Ş. BOARD OF DIRECTORS

| | SOCAR TURKEY ENERJİ ANONİM ŞİRKETİ | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|------------|---------------|------------|------------|--|
| Position Board of Directors Date of Date of Appointment to Representative Appointment as a Board of Directors Representative | | | | | | |
| Chairman | State Oil Company of the Azerbaijan Republic | 30.06.2021 | Rovshan Najaf | 13.04.2022 | 30.06.2024 | |
| Member | Kanan Najafov | 20.08.2021 | - | - | 30.06.2024 | |
| Member | Zaur Gurbanov | 20.08.2021 | - | - | 30.06.2024 | |
| Member | Farruh Gasimov | 30.06.2021 | - | - | 30.06.2024 | |
| Member | Elshad Nasirov | 30.06.2021 | - | - | 30.06.2024 | |
| Member | Anar Mammadov | 09.10.2023 | - | - | 30.06.2024 | |
| Member | Anvar Gasimov | 14.09.2021 | - | - | 30.06.2024 | |

3.2. SOCAR Turkey Enerji A.Ş. SIGNATURE AUTHORITIES

| Scope of Authority | Signature Circular No.14 Signature Authorities | Representative |
|--------------------|---------------------------------------------------|----------------|
| 1. Degree | State Oil Company of the Azerbaijan Republic | Rovshan Najaf |
| 1. Degree | Anar Mammadov | - |
| 1. Degree | Farruh Gasimov | - |
| 1. Degree | Elchin İbadov | - |
| 1. Degree | Teymur Abasguliyev | - |
| 1. Degree | Ramil Babayev | - |
| 1. Degree | Mehmet Celal Savaş | - |

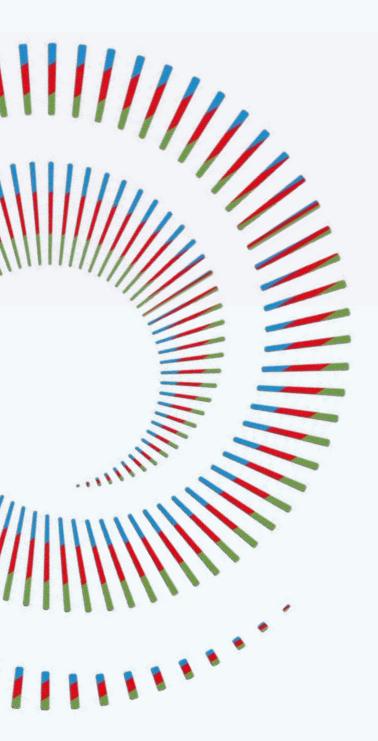
¹² Revenue were calculated by summing net sales and financial returns on investments/financial gains from investments.
 ¹³ Revenue from sustainable product categories has been reorganized for the last three years taking into account renewable energy sales data (rooftop solar panel projects, green electricity sales, I-REC certificates, sales of electricity generated from Petkim WPP) carried out by the Refinery and Petrochemicals and Gas Business Unit.
 ¹⁴ Distributed Economic Value is the sum of consolidated operating expenses, total tax and similar liabilities paid, dividend payments and employee benefits (wages, fringe benefits etc.).
 ¹⁵ Economic Value Retained equals to Income - Economic Value Distributed.

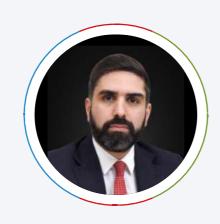
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3.3. Members of the Board of Directors





Rovshan Najaf Chairman of the Board of Directors

Rovshan Najaf held his bachelor's degree from the Department of International Economic Relations at the Azerbaijan State University of Economics in 2001 and completed a postgraduate degree program with honors in 2003. He then successfully completed a master's degree program in Economic Policy Management and International Energy Management and Policy at Columbia University in the USA between 2007 and 2008, as part of SOCAR's overseas scholarship program. Rovshan Najaf also holds a PhD in the field of economics. Mr. Najaf worked as a consultant and chief advisor at the Investment Policy Office of the Ministry of Economic Development, the Investments and International Economic Cooperation Department of the Republic of Azerbaijan between 2003 and 2007. He then served as the Head of Investment Contracts Department in the SOCAR Investments Department between 2008 and 2009. Between 2009 and 2010, he served as the Head of the Department of Foreign Economic Relations and as an Assistant to the Minister at the Ministry of Economic Development. Between 2010 and 2018, he worked as the Assistant General Manager and General Manager at the Azerbaijan Investment Company. By a decree issued by the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, on 11 May 2018 he was appointed as the Head of the Department of Innovative Development and Electronic State Affairs of the Presidential Administration of the Republic of Azerbaijan. He was subsequently appointed as the Chairman of the Board of the Financial Monitoring Service of the Republic of Azerbaijan by a presidential decree on 28 August 2019 and later appointed as the Deputy of the Minister of Economy of the Republic of Azerbaijan by another presidential decree dated 11 February 2020. Mr. Najaf was subsequently appointed as the 1st Deputy of the Minister of Economy of the Republic of Azerbaijan by a presidential decree on 24 December 2021. Later, he was appointed as the First Deputy Chairman and as the Chairman by proxy of the State Oil Company of the Azerbaijan Republic, and as Chairman of SOCAR by a presidential decree of the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, on 10 February 2022. Mr. Najaf was recently appointed as the Chairman of the State Oil Company of the Republic of Azerbaijan by a presidential decree on 21 July 2022.

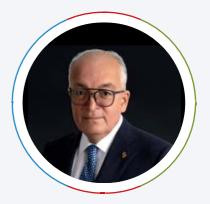


Anar Mammadov Chairman of the Board of Directors

Anar Mammadov was born in Baku in 1971. He completed his medical education at Azerbaijan Medical University. He then graduated from Baku State University, Department of Law. He received a PhD on oil supply, logistics and trade at the College of Petroleum Studies in England and then his master's degree in Business Administration in the TRIUM Global Executive MBA Program.

He managed Avista, the company he founded, between 1995 and 1998. He worked as a regional director at Milio International between 1998 and 2007. He served as CEO for Arxiel Carbonexis between 2007 and 2009, at SOCAR Georgia between 2009 and 2014, and at SOCAR Greece between 2014 and 2016. After being assigned as the CEO of Petkim in 2016, he was appointed as the President of Refinery and Petrochemical Business Unit of SOCAR Türkiye in November 2019.

Mammadov, who was awarded the Taraggi (Progress) Medal by the President of Azerbaijan in 2018, has more than 15 years of experience in the oil and energy industry. In addition, he fluently speaks English, Russian and Greek.



Elshad Nasirov

Board Member

Elshad Nasirov graduated from the Moscow State Institute of International Relations before continuing his studies at the Moscow Academy Institute of Oriental Studies.

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 Azerbaijan gained its independence, he became a member of the United Nations Azerbaijan Diplomatic Delegation in 1992.

He joined SOCAR in 1997 and served as the General Manager of Marketing and Operations. He was appointed as the Vice President of Investment and Marketing at SOCAR in 2005. He is currently responsible for SOCAR's investments in the oil and gas industry in Georgia, Türkiye, Ukraine, Switzerland and Malta as well as in many other countries. He further led the Southern Gas Corridor and other investment projects in this role.

Elshad Nasirov has been a Board Member of SOCAR Turkey Enerji A.Ş. since 2020 and has also been the Vice President of the Azerbaijan Football Federations Association (AFFA) since 2004.

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Kanan Najafov Board Member

Born in 1975, Kanan Najafov graduated from the Department of International Law and International Relations at Baku State University in 1997 before going on to graduate with a degree in International Business Law from the College of Law in the University of Washington in 1999. He then graduated from the Department of Business Administration at the Wharton School in Pennsylvania in 2003. He started his career as an operations specialist in the Azerbaijan Office of the World Bank in 1996 and then worked in the Washington and Baku offices of the global law firm, Baker Botts, in 1999. He was responsible for commercial analysis and business development at BP PIc's London and Aberdeen offices between 2003 and 2008. He then worked as an investment analyst at Exane BNP Paribas and Citigroup and also as the Vice President at Citigroup between 2008 and 2012. He worked as the Senior Executive Officer in charge of Strategy and then as the Deputy CEO at NOBEL OIL between 2012 and 2015. Kanan Najafov was involved in private business over the next five years, before serving as the Chairman of the Board of the Ministry of Economy's Business Development Fund in 2020. He was appointed as the Deputy Chairman of SOCAR by the decree of the President of the Republic of Azerbaijan on 11 August 2021.

Zaur Gurbanov Board Member

He was born in 1982 in Mingachevir. Zaur Gurbanov served in the Azerbaijan Armed Forces and in peacekeeping operations between 2000 and 2005. He graduated from the Business Organization and Administration Department at the Odlar Yurdu University in 2010 and received a master's degree in Finance from the Azerbaijan University of Economics in 2012. He served in various domestic and foreign companies between 2005 and 2010. He held the positions of senior employee, senior consultant, manager, senior manager and director at the international audit and consultancy firm Ernst & Young between 2010 and 2020. He has been working as the Deputy CEO of Azerbaijan Investment Holding since 2020. He was appointed as the Deputy Chairman of SOCAR by the decree of the President of the Republic of Azerbaijan on 11 August 2021. He currently serves as a member of the Audit Board at Azerbaijan Caspian Sea Shipping, Azerbaijan Airlines and Baku Metropolitan also by decree of the President of the Republic of Azerbaijan.



Farruh Gasimov Board Member

Farruh Gasimov graduated from the Faculty of Law at Baku State University and then received his PhD at the Moscow Public and Law Institute.

Between 1985 and 1991, he worked as a lecturer and an assistant professor at the Baku University of Public Administration and Political Sciences. Since 2006, Gasimov has been serving as the Vice President of the SOCAR Law Department and as a board member of SOCAR Turkey Enerji A.Ş. He served as a Board Member of Petkim Petrokimya Holding A.Ş. Between 2009 and 2020 and as a Board Member of STAR Rafineri A.Ş. between 2012 and 2020. Gasimov's responsibilities include chairing the Early Detection of Risks Committee and serving as a Member of the Corporate Governance and Sustainability Committee affiliated to the Board of Directors of SOCAR Turkey Enerji A.Ş.



Anvar Gasimov

Board Member

Born in 1978 in Baku, Azerbaijan, Anvar Gasimov studied Accounting and Auditing at the Azerbaijan University of Economics between 1994 and 1998. He received his master's degree in Accounting and Auditing at the same university in 2001. He then completed his education with a degree in Economics of the Energy Industry from University of Reading in the UK in 2007. He has been attending the PhD program since 2020.

Gasimov started his career as an accountant at SOCAR in 1996. He then worked as an accountant and senior accountant in the SOCAR Overseas Investments department between 1999 and 2003; later as an accountant at the SOCAR Corporate Center between 2003 and 2009 and as the Head of the Joint Projects between 2009 and 2012. He served as the Vice President of the SOCAR Economy and Accounting Department from 2012. Gasimov who was appointed as an Advisor to SOCAR President in 2021, speaks fluent English, Russian and Turkish and an intermediate level of Italian.

Anvar Gasimov is also a member of the CGMA (Chartered Global Management Accountants) of CIMA (The Chartered Institute of Management Accountants). He holds the Honorary Edict and Progress Medal awarded by the President of Azerbaijan.

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3.4. Number of Board Meetings Held During the Year and the Attendance Rate of Board Members

The Board of Directors is organized to provide the highest level of impact and effectiveness. In this regard, utmost care is taken to comply with the law and other legislation. The Board of Directors, the highest management body within SOCAR Türkiye, consists of seven members, including the chairman and six members. Board meetings are scheduled to be held four times a year. The duties of the Chairman of the Board of Directors and the CEO are carried out by different individuals. The CEO is not a member of the Board of Directors. The meetings of the Board of Directors are held at the company headquarters or at a suitable location with the physical participation of the individuals concerned. In 2023, the rate of participation in the meetings stood at 100%. The Board of Directors takes its decisions with the affirmative votes of at least four members. Committees were established at various levels in order to effectively carry out the activities of the Board of Directors and executive activities with a common view. In this context, the Corporate Governance and Sustainability Committee, the Audit Committee, the Early Detection of Risk Committee, the Nomination and Remuneration Committee continue their activities under the Board of Directors.

3.5. Committees

SOCAR Türkiye Board of Directors' Committees

- Corporate Governance and Sustainability Committee

- Early Detection of Risk Committee
- Remuneration Committee
- Audit Committee

Executive Committees

- Group Risk Management Committee
- Group Crisis Management Committee
- Group Ethics and CSR Committee
- Group Talent Committee
- Group Sustainability Committee

Business Unit Committees

- Refinery and Petrochemicals Business Unit Committees

- Business Unit Executive Committee
- Risk Management Committee
- Değer Benim Decision Committee
- Investment Committee
- Purchasing and Supply Chain Management Committee
- HSE Committee
- Maintenance/Turnaround Committee

Gas Business Unit Committees

- Business Unit Executive Committee
- Risk Management Committee
- HSE Steering Committee
- Purchasing Committee
- "I am the Value (Değer Benim) Committee"
- Investment and Operations Committee

3.5.1. The Board of Directors' Committees

Committee Organization and Committees

The Board of Directors, the top management body of SOCAR Turkey Enerji A.Ş., consists of 7 members in total, including the Chairman and 6 members. CEO (General Manager) is not a member of the Board of Directors and there are several committees established at various levels to ensure effective coordination between the Board of Directors and executive operations. These committees consist of the Audit Committee, Early Detection of Risk Committee, Corporate Governance and Sustainability Committee and Remuneration Committee, which report directly to the Board of Directors.

Audit Committee

The Audit Committee is responsible for overseeing the effectiveness and adequacy of SOCAR Türkiye's internal control systems, the functioning of the accounting and reporting systems and the integrity of the information produced by these systems. They also oversee the effectiveness and appropriateness of independent audit processes and internal audit mechanisms and make recommendations and suggestions when necessary. The Audit Committee consists of at least two nonexecutive members elected by the Board of Directors from among its own members and convenes at least four times periodically throughout the year. SOCAR Türkiye Internal Audit Function pursues its activities in line with the annual audit plan approved by the Audit Committee, in accordance with international professional practice standards and codes of ethics, and reports to the audit committee. The Internal Audit Function, which carries out review and consultancy projects in addition to the annual audit plan, periodically shares the outputs of its operations with the Audit Committee. The Internal Audit Function participates in the Audit Committee meetings and has direct access to the Audit Committee. The Audit Committee is further responsible for monitoring the effectiveness of the internal control system, the effectiveness of the accounting system and the accuracy of financial reports, reviewing the results of operations and significant financial changes, conducting the independent audit process effectively and in accordance with the legislation, the effectiveness of the SOCAR Türkiye Code of Conduct, assessing the risks and monitoring the implementation of measures and informing the Board of Directors about these processes.

Corporate Governance and Sustainability Committee

On behalf of the Board of Directors, the Corporate Governance and Sustainability Committee makes recommendations and suggestions for initiatives that will ensure SOCAR Türkiye's commitment to the highest corporate governance standards and contribute to the development of corporate governance. The Corporate Governance and Sustainability Committee is responsible for evaluating and reporting SOCAR Türkiye's compliance with corporate governance principles. In this context, it reviews the corporate governance practices of all committees and provides suggestions and recommendations to the Board of Directors.

In the first guarter of each year, employees' wage increases are The Committee focuses on sustainable practices and aims to improve the reviewed in accordance with factors such as their performance, market company's sustainability performance by overseeing the implementation position, and whether they are in a critical role or not. General wage of sustainable policies and practices. The Committee aims to strengthen increases are realized based on the parameters determined by SOCAR SOCAR Türkiye's position in the market and promote long-term success Türkiye EXCOM, market conditions, budget and the decision of the Remuneration Committee. The data that will constitute input for the by promoting good corporate governance and sustainable development. The Committee provides suggestions and recommendations for the wage increase include factors such as individual performance, budget, nomination of members of all committees reporting to the Board of market conditions and internal balance and is determined by the SOCAR Directors, the development of corporate governance practices regarding Türkiye Corporate HR Team, evaluated in accordance with the procedure the remuneration of Board members and senior executives, and to ensure and submitted for approval. Market conditions are taken into account in that these practices are applied fairly to all employees. It also monitors wage positioning using Willis Towers Watson and Korn Ferry Hay Group sustainability issues at board level and ensures appropriate governance. salary surveys. For market comparisons, companies from more than 30 Provides advice and guidance on sustainability strategy. different industries are referred in accordance with SOCAR Group policy. The Corporate Governance and Sustainability Committee reports its The studies are presented to the Remuneration Committee and the activities to the Board of Directors once a year. operational process is progressed after receiving the approval.

Early Detection of Risk Committee

Early Detection of Risk Committee provides consultancy and suggestions to the Board of Directors about the early detection and assessment of all kinds of risks that may affect our company, calculating the impact and probabilities thereof, management and reporting these risks in accordance with the company's corporate risk taking profile, implementation of the necessary actions regarding the identified risks and taking them into consideration in decision-making mechanisms and establishing effective internal control systems accordingly. In this context, target-based risk assessments are made for the purpose of ensuring the necessary actions to be taken in a timely manner to achieve the targets through potential impact analyzes and probability calculations and allowing the relevant resources to be used based on these criteria.

Besides monitoring our risks and opportunities at regular intervals, it supports decision-making processes from a risk perspective by making situation-specific risk assessments at strategic investment demands that we may encounter in business processes, critical stages of projects and decision moments that may significantly affect operations. The Early Detection of Risk Committee held 2 meetings in 2023 where the performance and risk management activities of the committee were evaluated and presented the necessary reports to the Board of Directors.

Remuneration Committee

The Remuneration Committee is responsible for the development of corporate governance practices regarding the nomination and remuneration of the members of the Board of Directors and senior management candidates and executives. The committee also ensures the approval of the remuneration policy and related practices. The committee aims to align the company's compensation policies and practices with industry standards and support the long-term success of the organization and meets at least once a year.

3.5.2. Executive Committees

They evaluate the recommendations of the committees that support corporate governance activities and present them to the Board of Directors. These committees, which focus on the recommendations submitted by all committees reporting to the CEO, meet monthly under the chairmanship of the CEO.

- Group Risk Management Committee
- Group Crisis Management Committee
- Group Ethics and CSR Committee
- Group Talent Committee
- Group Sustainability Committee

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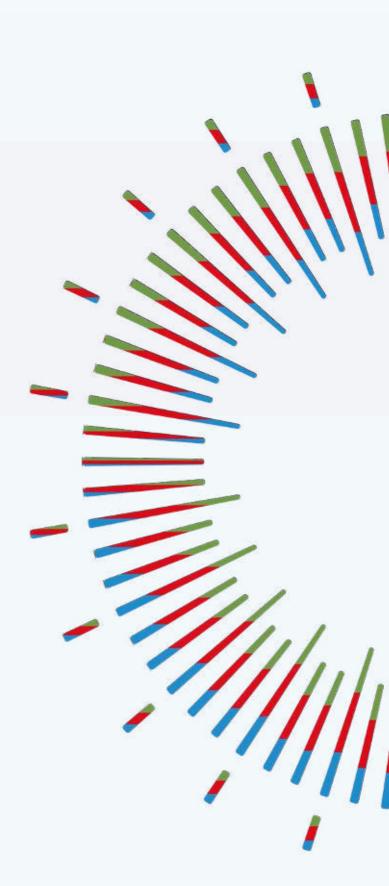
3.6. Senior Management



Elchin İbadov

After graduating from the University of Illinois in Chicago, Elchin Ibadov started working as a Research Specialist at the World Trade Centre in Chicago in 2002. Beginning with 2003, he held various positions at PwC over a period of 11 years. Elchin Ibadov, who was serving as the Finance Director and the CFO at STAR Rafineri between 2014 and 2019, was appointed as the CFO of Petkim in November 2019. Simultaneously, he served as the Deputy Chief of Financial Affairs off the Head of the Refining and Petrochemical Business Unit which covers companies which are significant for the Turkish economy such as STAR Rafineri, Petkim, SOCAR Akaryakıt Depolama and SOCAR Petrol Ticaret. Attaching importance to continuous education and development, Ibadov has authored and translated a number of textbooks on economics, accounting, finance, International Financial Reporting Standards and financial auditing in addition to the professional trainings and certificate programs which he completed at the Harvard Business School. Ibadov is also a permanent member of international financial and auditing organizations such as ACCA, ACFE and the IIA. Ibadov has been serving as the CEO of SOCAR Türkiye since February 2023.





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Kanan Mirzayev Head of Refinery and Petrochemicals Business Unit

After completing his education at the Department of Finance at the Azerbaijan State University of Economics, Kanan Mirzayev received a master's degree at the Department of Industrial Enterprises Management at Aston University in the UK. Upon continuing his education in the UK, Mirzayev was awarded a Senior Executive Diploma in the field of Business Administration from the Chartered Management Institute (CMI). He then completed the Leadership Development program at the Harvard Business School between 2019 and 2020.

After working in various international projects and SOCAR companies between 2004 and 2011, Mirzayev took on various duties in areas such as business administration, occupational health and safety and quality. Starting with 2011, he assumed certain positions as the Occupational Health, Safety and Environment Manager in the Baku Wind Energy Project, then as a Business Analyst in the SOCAR Investment Department, a Senior Business Analyst and Deputy CEO at SOCAR Energy Greece, Deputy General Manager of Strategy and Business Development at Petkim, then as the Vice President of Business Excellence in the Refinery and Petrochemicals Business Unit and as the Head of SOCAR Türkiye Strategy Department.

Mirzayev has been serving as the Head of SOCAR Türkiye Refinery and Petrochemicals Business Unit and Petkim's General Manager since September 2023.

Fuad İbrahimov Head of Natural Gas Business Unit

Fuad İbrahimov graduated from the Department of International Relations, Faculty of Political Sciences at İstanbul University and received a post graduate degree from the Energy Management program at France's ESCP Business School. He then successfully completed the Leadership program in IESE Business School of Spain. İbrahimov, who started his career in Türkiye in 2003, continued his professional development with a number of commercial, strategic, business development and investment areas.

After working in various fields for over 10 years in Türkiye, Azerbaijan and the United Arab Emirates, İbrahimov joined the SOCAR Türkiye family as the Group Director of the Petrochemicals Trade in 2017. He then assumed various managerial duties in the petrochemicals, refinery business units and holding headquarters. He started his duty in the Natural Gas Business Unit in October 2021.



Teymur Abasquliyev Head of Financial Affairs

Teymur Abasguliyev graduated from the Departments of International Relations and Law at Baku State University with bachelor's and master's degrees.

He started his professional career in 1994 at the Centre for Strategic and International Studies. Working as a senior manager and partner at PricewaterhouseCoopers, he managed a number of projects for various multinational companies and local market leaders in the central and Eastern Europe region between 1996 and 2013.

Abasguliyev who has been working as the Head of Group Financial Affairs at SOCAR Turkey Enerji A.Ş. since 2013, has been a member of the UK's Association of Certified Public Accountants (Fellow Chartered and Certified Accountants: FCCA) since 2002.



Mikayil Yusifov

Head of Communications and Public Relations

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

He started his professional career in 2008 as the director of the Azerbaijan-NATO school operating under the Ministry of Foreign Affairs of the Republic of Azerbaijan. Until 2013, he worked as the Protocol Branch Manager at the Central Bank of Azerbaijan. At the same time, he also worked as a lecturer in the fields of International Relations, Security and Political Science at the Hazar University between 2009 and 2013.

Yusifov, who then resumed his career as a Protocol Manager, Private Secretary and then as a Management Office Director at SOCAR Turkey Enerji A.Ş. since 2013, was appointed as the Head of Corporate Services at SOCAR Turkey Enerji A.Ş. in 2018. Since October 2020, he has been serving as the Head of Communications and Public Relations.

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Naila Mammadova

Head of Human Resources and Corporate Services

Naila Mammadova, who started her career in Azerbaijan's Azercell Telecom company in 2000, has been working in various industries in Türkiye such as Telecommunications, Retail and FMCG since 2013. She assumed global, regional and local leadership roles, especially in international companies such as TeliaSonera Eurasia, Metro Cash & Carry and pladis.

Mammadova, who then resumed her career as a Group Organizational Development Coordinator and Group Corporate Human Resources Director respectively at SOCAR Turkey Enerji A.Ş. since 2018, was appointed as the Head of Human Resources and Corporate Services of Türkiye Enerji A.Ş. in 2024.

She has also been serving as the Chairman of the Board of Directors of SOCAR Gemi Acenteliği Anonim Şirketi since September 2023.

Shahin Ismayilbayli Head of Legal Affairs, Compliance and Corporate Governance

Şahin Ismayilbayli, who graduated from the Azerbaijan Presidential Academy of Public Administration, Faculty of Political Management, Department of Law subsequently received a master's degree (MBA) from ADA University and Maastricht School of Management. Ismayilbayli, who started working as a lawyer at SOCAR's Corporate Center in 2008, then assumed various positions as department head and deputy manager in the Legal Department.

He was appointed as Head of Strategic Development in 2021. Ismayilbayli, who managed various projects in 2022 and also assumed an active role in SOCAR's target operating model transformation project (as Impact team leader), served as the Director of the Corporate Governance Center. In 2023, he was appointed as SOCAR's Vice President of Legal Affairs and Compliance. Since January 2024, he has been serving as the Head of Legal Affairs, Compliance and Corporate Governance at SOCAR Turkey Energi A.Ş.

Ismayilbayli further serves as a Board Member in several SOCAR Group companies in different business lines of the SOCAR Group.



Ömür Önk

Head of Strategy and Sustainability Directorate

After receiving a bachelor's degree at Marmara University, Department of Business Administration in English, Önk started his professional career at KPMG Türkiye. After working in the audit and consultancy departments at KPMG, he gained experience in private equity, investment banking, mergers and acquisitions, project finance, strategy and business development at Alkhair Capital, Unlu & Co and Global Investment Holding, respectively.

Önk, who received the CFA (Chartered Financial Analyst) title in 2013, further completed the INSEAD MBA program in 2015.

He served as a CFO at Revo Capital between 2018-2019. He joined SOCAR Turkey Energi A.Ş. in 2019 and provided assistance to the acquisition of EWE Holding and its integration into the SOCAR group as the proxy CFO of the Gas Business Unit. Önk, who joined Millenicom, one of the SOCAR Group companies, as CFO in 2020, was then promoted to the position of Millenicom General Manager in February 2022. Since January 2024, he has been serving as the Head of Strategy and Sustainability at SOCAR Turkey Energi A.Ş.



Akın Börekçi

Head of Digital Transformation & Information Technologies

Akın Börekçi, who started his career in the field of information technologies for the Blue Stream and Baku-Tbilisi-Ceyhan Pipeline Project in 2001, subsequently continued his career in finance, retail, technology and IT integrator companies, respectively. Börekçi, who has continued his career at SOCAR Türkiye since 2011, assumed significant roles during the TANAP and STAR Rafineri projects and carried out the IT transition process of SOCAR Depolama company.

Throughout the integration process, he involved in the establishment of the central information technologies team and infrastructure covering all SOCAR Türkiye subsidiaries including PETKİM, STAR Rafineri, SOCAR Depolama, SOCAR Ticaret, Bursagaz and Kayserigaz. Akın Börekçi, who successfully completed the major transformation projects carried out after the integration, has been serving as the Head of Digital Transformation and Information Technologies at SOCAR Turkey Enerji A.Ş. as of 2024.

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3.7. Organization, Capital and Shareholding Structure of the Company

SOCAR TURKEY ENERJİ A.Ş. CAPITAL AND SHAREHOLDING STRUCTURE

| TITLE AND ADDRESS OF THE SHAREHOLDER | CAPITAL AMOUNT | NUMBER OF SHARES OWNED |
|----------------------------------------------------------------------------------------------------------|-------------------|---------------------------|
| State Oil Company of the Republic of Azerbaijan (Azerbaycan Respublikasının Dövlet Neft Şirketi) (SOCAR) | 7,750,915,000 TRY | 7,750,915,000 |
| Sermaye Investments Limited | 890,574,713 TRY | 890,574,713 |
| TOTAL | 8,641,489,713 TRY | 8,641,489,713 |

3.8. Information on Privileged Shares

The company holds no privileged shares.

3.9. Information on Reciprocal Cross Holdings in which the Direct Participation Rate in the Capital Exceeds 5%

Information on Reciprocal Cross Holdings in which the Direct Participation Rate in the Capital Exceeds 5%

| Title of the Company | Direct Participation Rate (%) |
|-----------------------------------------------------|-------------------------------|
| RAFİNERİ HOLDİNG A.Ş. | 80 |
| SOCAR TURKEY ELEKTRİK YATIRIMLARI HOLDİNG A.Ş. | 75 |
| SOCAR TURKEY PETROKİMYA A.Ş. | 99.99 |
| SOCAR PETROKİMYA YATIRIMLARI A.Ş. | 100 |
| SOCAR TURKEY FİBER OPTİK A.Ş. | 100 |
| SCR MÜŞAVİRLİK VE İNŞAAT A.Ş. | 100 |
| SOCAR ALİAĞA LİMAN İŞLETMECİLİĞİ A.Ş. | 100 |
| SOCAR TURKEY AKARYAKIT DEPOLAMA A.Ş. | 100 |
| SOCAR TURKEY HAVACILIK A.Ş. | 49 |
| SOCAR TURKEY ORTAK YÖNETİM HİZMETLERİ A.Ş. | 100 |
| SOCAR TURKEY DOĞAL GAZ YATIRIM A.Ş. | 100 |
| SOCAR TURKEY ARAŞTIRMA GELİŞTİRME VE İNOVASYON A.Ş. | 100 |
| TANAP DOĞAL GAZ İLETİM A.Ş. | 7 |
| BOS ENERJİ YATIRIM VE TİCARET A.Ş. | 50 |
| Petlim Limancılık Ticaret A.Ş. | 6.53 |

3.10. Material Rights and Benefits Provided to Members of the Board of Directors and Senior Executives

The financial rights and benefits provided to senior executives consisting of the members of the Board of Directors, the CEO and presidents are summarized below. Details of the procedures and principles regarding total rewarding practices are included in the relevant procedures of SOCAR Türkiye.

Members of the Board of Directors

Members of the Board of Directors may also consist of executives from SOCAR Azerbaijan, independent members and senior managers of the SOCAR Türkiye group companies. The financial benefits provided to the members of the Board of Directors are determined in accordance with the decisions taken by the General Assembly within the framework of current legislation.

Apart from exceptional companies, no fixed fee is paid for membership to Members of the Board of Directors who hold senior executive positions at any SOCAR Türkiye group company. Along with all employees, managers (whether or not they are members of the Board of Directors) may be paid performance bonuses within the scope of their duties throughout the financial year by taking into account the targets and criteria determined at the beginning of the year. To qualify for the specified payment, the key performance indicators (KPIs) of the companies should meet the performance targets. Criteria and weights may vary from one year to another to reflect business priorities and may include a balance of key operational and financial measures. (These may include strategic, environmental, social or governance factors or factors related to customer satisfaction, employee engagement or other sustainabilityrelated criteria.)

Senior Executives

SOCAR Türkiye adopts a balanced remuneration policy within the company and a competitive remuneration policy abroad. The pillars of this remuneration policy are based on market data. In order to compete strongly in terms of talent and qualifications, we closely follow the developments in global and local markets and take the right position in terms of wages and rewarding. The rewarding provided to senior managers comprises of two main components: "Fixed (Base) Wage" and "Variable Wages". Fixed wages to be paid to senior managers are determined in accordance with international standards and legal obligations taking into account the remuneration policies applicable in the market, the size of the Company, long-term goals and individual's positions.

An annual "Performance Bonus" is paid in addition to the fixed wage. The performance bonus budget is determined by the Board of Directors whereas the principles regarding the distribution of the bonus are regulated by the Remuneration Committee, which is a subcommittee of the Board of Directors, taking into account the company's performance. The amount to be distributed as a bonus is also decided on by the Remuneration Committee taking into account the company's performance and the budget. In calculating of the individual bonuses of senior executives, various weightings are attached to the corporate performance evaluation, business unit performance evaluation and individual performance evaluation during the relevant working year, with the weighted total determining the bonus. This approach ensures that the bonus is linked to performance and aligned with the company's overall financial objectives. Decisions on the individual remuneration (fixed and variable wages) of senior executives are further approved by the Remuneration Committee.

3.11. Lawsuits Filed against the Company and Potential Consequences

As of 31.12.2022, there are no lawsuits filed against the Company that may affect the financial status and activities of the Company.

3.12. Administrative and Judicial Sanctions, If Any, Applied to the Company and the Members of the Board of Directors as a Result of Practices Contravening Provisions of the Legislation

No significant penalties or sanctions were applied to members of the governing body as a result of practices contravening the provisions of the legislation in 2023.

3.13. Corporate Governance Practices – Statement of Compliance with Corporate Governance Principles

As the company is not open to the public, no compliance statement has been issued in this context. However, a Corporate Governance Principles Compliance Report was prepared upon the request of the banks. from the CEO

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3.14. General Evaluation of the Board of Directors on the Company's Achievement of its Operational and Financial Performance Goals

Message

a) Our company demonstrated a successful operational and financial performance in 2023 and, as a result, its EBITDA was realized as TRY 17,674 million in 2023, just close to the TRY 18,923 million value of 2022. The company demonstrated that it was able to maintain maximum levels of profitability under the current conditions by making the most of the market conditions in the industry.

b) Gross profit margin, which was 1% in 2022, was similarly realized as 1% in 2023.

KEY FINANCIAL INDICATORS

| | 2021 | 2022 | 2023 |
|-------------------------------|--------|---------|---------|
| Turnover (million TRY) | 89,446 | 266,359 | 156,907 |
| Gross Profit Margin* | 8% | 1% | 1% |
| EBITDA (million TRY) | 6,998 | 18,923 | 17,674 |
| Net Financial Debt/EBITDA (%) | 0.68 | 0.47 | 0.50 |

c) There were no cases of unrequited capital of the Company during the accounting period. Our company's financial position is strong on the back the profitability it derives from its main activities. As a result, there was no requirement to improve the financial situation of the Company. The company demonstrated that it was able to maintain maximum levels of profitability under the current conditions by making the most of the market conditions in the industry.

3.15. Dividend Distribution Policy

Dividend Distribution Policy regulates SOCAR Türkiye's procedures and principles regarding dividend distribution. SOCAR Türkiye may distribute profits within the framework of the Turkish Commercial Code, Income Tax Law, Corporate Tax Law and other relevant legislation and regulations, as well as articles of its articles of association regarding the determination and distribution of dividends.

Primary aim is to reach the optimum capital structure in order to both maximize cash distribution to shareholders and to ensure that SOCAR Türkiye remains financially stable in the long term. SOCAR Türkiye aims to distribute maximum amount of dividends to its shareholders in cash, taking into account the market environment, long-term strategies, operating performance, cash flow outlook, investment and financial issues, financing regulations and restrictions to which SOCAR Türkiye is subject and long-term sustainability. However, the distributable dividends calculated in accordance with the relevant provisions of the legislation to which SOCAR Türkiye is subject and the articles of association can be distributed in cash, provided that the legal (tax) records of the distributable funds (the sum of the current year's net profit and previous years' profits, if any) are within this scope. In case the prior year's profit figure is not positive after adding the prior year's profits/losses to the current period's profit in accordance with the financial statements prepared based on legal records, SOCAR Türkiye cannot distribute any dividends.

Therefore, SOCAR Türkiye has adopted the principle of distributing dividends at a rate that will not negatively affect its financial situation and meet the expectations of its shareholders at the highest level.

The amount of dividends to be distributed within SOCAR Türkiye, the method of distribution and the date of distribution will be approved and decided by the General Assembly. Unless otherwise decided by the General Assembly, dividend distribution will be made within 1 (one) month following the date of the General Assembly. Dividends distributed cannot be taken back except for the matters specified in Article 512 of the Turkish Commercial Code. In accordance with Article 507 of the Turkish Commercial Code, each shareholder reserves the right to participate in the net dividends decided to be distributed for the period in proportion to his/her share in accordance with the relevant legislation and the provisions of the articles of association. SOCAR Türkive's articles of association does not contain any privileges regarding participation in dividend distribution. For other matters not regulated in the policy, the provisions of the articles of association and the Turkish Commercial Code will apply.

The Dividend Distribution Policy was approved by the CEO in 2023 and will be further submitted to the General Assembly for approval in 2024. It will then enter into force on the date when approved by the General Assembly.

3.16. Developments Regarding Investments, Benefits from Incentives and Extent of Any Benefit

SOCAR Turkey Enerji A.Ş. does not hold any incentive certificates for its investments as of 31 December 2023. However SOCAR Türkiye subsidiaries (Petkim, STAR Rafineri, SOCAR Depolama, SOCAR Fiber, SOCAR Terminal, Bursagaz and Kayserigaz) benefit from the incentives stipulated by the legislation.

CORPORATE RISK MANAGEMENT PRACTICES

4. Risk Management

The Company conducts its activities in a transparent, accountable, fair and responsible manner. The Board of Directors creates internal control systems, including risk management, information systems and processes, which can minimize the effects of risks that may affect the Company's stakeholders, especially the shareholders, by taking into account the opinions of the relevant Board of Directors' committees.

Risk Management Policy determines the risk identification and management approach of SOCAR Türkiye and the responsibilities of the Board of Directors, Management and other employees within the Company regarding risk management. The policy aims to embed the need for risk management as part of the Company culture, where a shared understanding of risk enables well-informed decision-making, and to define the principles to which SOCAR Türkiye adheres to achieve risk management objectives.

In order to systematically manage corporate risk management activities, the Company has categorized risks into 6 main categories based on the 'SOCAR Türkiye Risk Appetite Statement' document. The HSE risks include compliance risks, reputation risks, operational risks, financial risks and strategic risks.

HSE Risks

Risks specific to HSE were also prioritized by the Board of Directors. Risks in this category primarily involve human life and health, but also the environment, biodiversity, society, operational safety and other similar issues. In this context, a specific risk management process has been developed to respond in a timely and effective manner to risks arising from climate change, which may be triggered by global trends and sectoral needs.

In addition to the traditional risk registry list, SOCAR Türkiye has created an Environmental, Social and Governance Risk Registry List where sustainability risks are analyzed in line with global concepts such as the Paris Climate Agreement, the European Green Deal and Net Zero Carbon, as well as industrial needs. The requirements of the ISO 31000 Risk Management System Standard were taken into consideration when creating this list.

Compliance Risks

Based on the fact that there is no risk appetite by the Board of Directors for non-compliance with local legislation, regulations and other regulatory items, initiatives have been taken to establish several governance structures within the Company.

Different governance mechanisms, control environments and organizational structures have been developed to ensure compliance with internal regulations, policies and procedures. It is aimed to develop the established approaches by deepening and broadening over time.

A number of projects have been initiated to provide strict assurance regarding Compliance with the Legislation. Sanction-obligation matching has been completed by determining all legal obligations and sanctions (Compliance Universe) that we are subject to regarding the legislation and notifying them to the relevant departments. This Compliance Universe, prepared for each department, is reviewed quarterly by the relevant departments and necessary assessments and interventions are performed accordingly. Compliance with the legislation is reported quarterly in the light of these data. These studies, which were already carried out manually, were systematized with the digitalization project carried out in 2023. The project required to carry out and report compliance with the legislation through a digital system was completed by the end of 2023.

Competition Compliance 2023 Program has been prepared. Within the scope of this program, studies on the online Competition Law module to be integrated into the Company's e-learning system have been completed. On-site inspection simulations were conducted. An internal information note has been published regarding the issues to be taken into consideration during the on-site inspection. A briefing was prepared in order to reinforce the behavior of the Company employees in accordance with Competition Law and to briefly highlight the actions that the legislation defines as contrary to Competition Law, and announced to all Company employees via e-mail on 03.11.2023. The internal disciplinary procedure has been updated. Questions regarding Competition Law have been added to the Know&Win section of the SOCAR Türkiye Rewarding Platform. Throughout this process, working group meetings are held periodically and studies to increase the level of knowledge and awareness are carried out accordingly.

^{*} Our company achieved record profitability after COVID in 2021, and there was a decrease in profitability mainly due to commercial goods sales costs and energy costs in 2022 and 2023. In IFRS reports, a decrease in profitability was observed especially in production companies operating with stocks due to inflation accounting, which came into effect in 2022. In the petrochemical sector, in 2023, when profit margins narrowed and geopolitical fluctuations were experienced, the management's efficiency-enhancing initiatives, operational and financial decisions, and especially the integration of Petkim and STAR Refinery played an important role in the financial results achieved by the company. Our company demonstrated successful operational and financial performance in 2023, and as a result, the EBITDA value was close to 18,923 million TRY in 2022 and was realized as 17,674 million TRY in 2023. Despite the exchange rate and inflation effects in the sector, the company has shown that it can maintain m ximum profitability levels under current conditions by taking full advantage of market conditions

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Reputation Risks

Reputational risks are inherently included in the main risk categories. With regard to the management of reputational risks, the Board of Directors has clearly stated at the highest level that there is no risk appetite for any decision, activity or actions which could harm the brand value of the Company. Brand value is always considered as a priority issue in the implementation of any process within the company.

In addition to the aforementioned, necessary governance mechanisms have been established to prevent bribery, misconduct, abuse and human rights violations that may have a negative impact on reputation as a result of the Company's operations.

Prioritizing the protection of the rights of the company's large and small investors and not allowing any grievance to occur is one of the priority topics considered within the reputation risks.

Operational Risks

Risk Control Matrices have been developed that provide a risk-based control environment, which is very important for the effectiveness and efficiency of the overall resilience of the institution. Risk registry lists were created by interviewing risk owners, and risk identification, analysis, follow-up and monitoring processes were carried out.

Within the scope of operational risks, studies are carried out on the management of human resources, information technologies and security risks. Operational risk studies, which basically aim to manage operations in a safe manner, also aim to comply with laws and regulations and protect physical assets.

During operations, the Company pays utmost attention to risks that may jeopardize environmental and occupational health, continuously monitors laws and regulations and provides training to personnel. In addition, emergency response plans are developed, and drills are conducted to ensure the shortest and most effective response in emergencies. Sample analyzes are carried out in order to monitor compliance with laws and regulations of the wastes generated as a result of production and are monitored on a daily and instant basis. During the periodic audits carried out throughout the year, the incident detection and notification forms created on the system are used to determine whether environmental, occupational health and safety risks are caused by people, processes or systems, and necessary corrective actions are taken. Therefore, operations are made safer.

Risks in the field of human resources are also monitored in order to realize the Company's goals and strategies, to keep employee satisfaction at the highest level and to increase corporate loyalty. Efforts in this area are carried out in line with the principle of employee orientation, which is also among the Company's values. Professional information is provided to employees through trainings in various fields, and employee motivation is increased through activities organized for employees. Sustainable actions that can be taken to retain talent, ensure the succession of the key personnel and manage employee engagement risks have been evaluated and implemented accordingly.

The Company continuously invests in the field of information technologies and tries to manage the risks that may arise in this field both with its own personnel and by receiving consultancy when necessary. In program changes and revisions, studies are carried out with consultancy and the suggestions from the consultants are implemented as soon as possible. Periodic backups are made, and measures are taken to prevent loss of corporate information.

The Security Department, which operates to ensure security throughout the Company, carries out deterrent and preventive activities with the measures it takes and the practices it implements in compliance with the Security Management Standard and relevant laws and regulations. In addition, technology is utilized effectively, and sufficient tools and equipment are available. The training and training of security personnel is given importance and activities in this field are periodically carried out and audited. In addition to the security measures taken, the Company's assets are also secured with comprehensive insurances.

Financial Risks

Within the scope of financial risks, the Company manages interest rate, currency rate, credit and liquidity risks. National and international economic developments are continuously monitored, and necessary measures are implemented by taking into account the impact of economic developments on assets and liabilities.

In order to manage interest rate risk, the amount, maturity and interest rates of interest rate sensitive assets and liabilities are carefully monitored and balanced in favor of the Company.

The Company conducts high volume of foreign currency transactions both in the purchase and sale of goods. For this reason, foreign exchange transactions are strictly monitored within the relevant directorate. Foreign exchange rate risks are managed mainly through on-balance sheet transactions. The approach to managing credit risk ensures that there are no unmanageable transactions. No risk is taken and full assurance is provided. The Company attaches importance to asset-liability balance in the management of liquidity risks and monitors liquidity on a daily basis to avoid maturity mismatches and payment problems. Credit risk management policies and systems to facilitate the collection of receivables are actively utilized. This method increases the liquidity of receivables and at the same time guarantees them.

Strategic Risks

Strategic risks consist of different categories of risks that may pose an obstacle to the Company's short-, medium- and long-term strategies.

A risk management process has been developed specifically for strategic risk management. The process is based on an analytical model that enables the calculation and forecasting of the aggregated impact of strategic risks on relevant objectives. The purpose of strategic risk management is to ensure the success of the strategy and data-based decision making.

This approach supports strategy management to develop and successfully implement plans and tactics that are in line with the corporate governance structure and business processes by utilizing the Company's resources effectively and efficiently.

In addition, in case of specific demands on investment decisions, the addition of a risk management perspective aims to align with current strategic priorities and enhance the value chain.

In addition to those mentioned above, we further carry out activities that support a positive risk culture such as publishing quick tips on risk management, risk trainings, exams, maturity assessment surveys and risk bulletins within the scope of Risk Awareness Activities in order to support risk management processes at SOCAR Türkiye and raise our employees' awareness on risk culture.

5. Internal Audit

At SOCAR Türkiye, the Internal Audit Department affiliated to the Group Audit, Risk and Compliance Directorate, performs assurance and consultancy activities based on the authority granted by SOCAR Türkiye's Board of Directors and the Audit Committee in line with the Internal Audit Regulation approved by the Board of Directors of SOCAR Turkey Enerji A.Ş. ("SOCAR Türkiye" or "the Company" or "the Group"). Internal audit provides independent, objective assurance and consultancy to the activities of group companies. The Internal Audit Department is responsible for the planning, execution and reporting of internal audit activities in accordance with the generally accepted International Internal Auditing Standards published by the "Institute of Internal Auditors -IIA" and relevant local legislation. The duties and responsibilities of the Internal Audit Department include the elimination of the deficiencies revealed as a result of the relevant audit performed. ensuring that the senior management takes the necessary measures to strengthen the control environment, following the actions taken, examining and reporting the suspicion of abuse, negligence etc. that require special investigation, communicated through the ethics hotline and through channels such as senior management. In 2023, internal audits were carried out with a team of 14 people in İstanbul, İzmir, Bursa and Kavseri.

Operations in 2023

- In line with the audit plan scheduled for 2023, 26 process audits were performed. In addition to the audits, 25 inspections and projects were carried out, and consultancy activities were carried out in line with the requests of senior management.
- Efforts were made to follow up and complete the actions that were reported after the internal audit, and function-based reports were prepared for the senior management regarding the status of the actions after each quarter. The process for tracking the actions, which we previously carried out manually and every quarter, was digitalized by moving it to JIRA software for the Refinery and Petrochemical Business Unit within the scope of the pilot scheme as of the 4th quarter of 2023.
- In the independent quality assurance assessment conducted by KPMG in 2023, the highest score was obtained by complying with all 52 standards determined by the IIA.
- In 2022 and 2023, the Information and Communication Security Guide Compliance Audit for companies, determined by the Presidential Digital Transformation Office as critical infrastructure, was carried out by outsourcing audit services from KPMG Türkiye. Information Technology auditors within the Internal Audit team aim to create value by completing the required certification process (ISO 27001/2022 Transition Training) and conducting audits for 2024 and subsequent years. Risks and Opportunities Table

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Performance Indicators

Operational Performance

| Petkim | 2021 | 2022 | 2023 |
|---------------------------------------------------------------|------------------|------------------|------------------|
| The Rate of Meeting Türkiye's Need for Petrochemical Products | 16% | 12% | 11% |
| Annual Gross Production Capacity | 3.6 | 3.6 | 3.6 |
| Total Production | 3.3 million tons | 2.2 million tons | 2.3 million tons |
| Capacity Utilization Rate | 93% | 63.9% | 66.1% |
| Total Employees | 2,385 | 2,335 | 2,374 🗸 |

| STAR Rafineri | 2021 | 2022 | 2023 | |
|--------------------------------------------|-------------------|-------------------|-------------------|--|
| Türkiye's Processed Crude Oil Supply Ratio | 25% | 25% | 20% | |
| Annual Crude Oil Processing Capacity | 11 million tons | 11 million tons | 13 million tons | |
| Total Production | 10.6 million tons | 11.9 million tons | 12.5 million tons | |
| Capacity Utilization Rate | 101% | 113.1% | 117% | |
| Nelson Refinery Complexity | 9.2 | 9.2 | 9 | |
| White Product Efficiency | 84% | 88% | 87.6% | |
| Total Employees | 1,081 | 1,129 | 1,134 🗸 | |

| SOCAR Depolama | 2021 | 2022 | 2023 |
|----------------------|------------------------|------------------------|------------------------|
| Number of Terminals | 5 | 5 | 5 |
| Fuel Product Storage | 530,000 m ³ | 530,000 m ³ | 532,746 m ³ |
| LPG Storage Capacity | 45,000 m ³ | 45,000 m ³ | 45,019 m ³ |
| Total Employees | 77 | 83 | 82 🗸 |

| SOCAR Ar-Ge ve İnovasyon | 2021 | 2021 2022 | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Installed Area (m ²) | 1,200 | 1,200 | 1,200 |
| Number of Researchers | 22 | 24 | 38 |
| Patent | 15 | 19 | 20 |
| Shareholding Structure | 100% SOCAR Turkey Enerji A.Ş. | 100% SOCAR Turkey Enerji A.Ş. | 100% SOCAR Turkey Enerji A.Ş. |

| SCR Müşavirlik | 2023 | |
|------------------------------|----------------------------------------------|--|
| Total Employees | 26 | |
| Shareholding Structure | %100 SOCAR Turkey Enerji A.Ş. | |
| Portfolio Size Owned | 86,265 m ² | |
| | | |
| SOCAR Petrol Ticaret | 2023 | |
| Total Employees | 74 | |
| Total Number of Gas Stations | 113 | |
| Number of Gas Stations Owned | 13 | |
| Export Volume/Amount | 1,225 thousand tons/1,041 Million US Dollars | |

| SCR Müşavirlik | 2023 | | |
|-----------------------------------------|-------------------------------|--|--|
| Total Employees | 26 | | |
| Shareholding Structure | %100 SOCAR Turkey Enerji A.Ş. | | |
| Portfolio Size Owned | 86,265 m ² | | |
| | | | |
| | | | |
| SOCAR Petrol Ticaret | 2023 | | |
| SOCAR Petrol Ticaret Total Employees | 2023 74 | | |
| | | | |
| Total Employees | 74 | | |

| Bursagaz | 2021 | 2022 | 2023 |
|-----------------------------------------------|-----------|-----------|-----------|
| Number of Independent Units | 1,115,137 | 1,154,938 | 1,198,907 |
| Number of Gas Users | 1,029,412 | 1,070,059 | 1,113,940 |
| Total Employees | 279 | 244 | 252 |
| Natural Gas Supply (Billion Sm ³) | 3.38 | 2.34 | 2.27 |
| Grid Lenght (km) | 7,182 | 7,356 | 7,562 |
| Satisfaction Rate (%) | - | 93.72 | 96.16 |

| Kayserigaz | 2021 | 2022 | 2023 |
|-----------------------------------------------|---------|---------|---------|
| Number of Independent Units | 599,568 | 630,037 | 666,955 |
| Number of Gas Users | 586,403 | 613,286 | 647,792 |
| Total Employees | 147 | 153 | 160 |
| Natural Gas Supply (Billion Sm ³) | 0.75 | 0.77 | 0.74 |
| Grid Lenght (km) | 5,553 | 6,095 | 6,639 |
| Satisfaction Rate (%) | - | 91.19 | 99.3 |

| SOCAR Türkiye Doğal Gaz Yatırım | 2023 |
|---------------------------------|------|
| Total Employees | 427 |

| SOCAR Enerji Ticaret | 2021 | 2022 | 2023 |
|------------------------------|------|------|------|
| Trade and Sales Volume (TWh) | 19 | 17 | 21.2 |
| Total Turnover (Billion TRY) | 5 | 20 | 26 |

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| SOCAR Fiber | 2021 | 2022 | 2023 |
|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Line Length Approx. (km) | 1,850 | 1,850 | 1,850 |
| Route Covered | 20 provinces and 67 districts | 20 provinces and 67 districts | 20 provinces and 67 districts |
| Investment Cost (Million US Dollars) | 55 | 55 | 55 |
| Shareholding Structure | %100 SOCAR Turkey Enerji A.Ş. | %100 SOCAR Turkey Enerji A.Ş. | %100 SOCAR Turkey Enerji A.Ş. |

| Port Operations (SOCAR Terminal and PETLIM) | 2021 | 2022 | 2023 |
|---------------------------------------------|------------------------|------------------------|------------------------|
| Site | | | |
| Handling Capacity | 1,500,000 TEU | 1,500,000 TEU | 1,500,000 TEU |
| Site Stacking Capacity | 25,000 TEU | 25,000 TEU | 25,000 TEU |
| Refrigerated Container | 830 (380V) | 830 (380V) | 830 (380V) |
| Total Area | 420,000 m ² | 420,000 m ² | 420,000 m ² |
| Equipment Park / Capacity | | · | |
| STS | 3 pieces/65 tons | 3 pieces/65 tons | 3 pieces/65 tons |
| RTG / Capacity | 10 pieces/41 tons | 10 pieces/41 tons | 10 pieces/41 tons |
| Full Container Stacking Equipment (RS) | 3 pieces/45 tons | 3 pieces/45 tons | 3 pieces/45 tons |
| Empty Container Stacking Equipment (RS) | 3 pieces/9 tons | 3 pieces/9 tons | 3 pieces/9 tons |
| Tow truck | 26 pieces/65 tons | 26 pieces/65 tons | 26 pieces/65 tons |
| Forklift (FL) / Capacity | 8 pieces/3 tons | 8 pieces/3 tons | 8 pieces/3 tons |
| Forklift (FL) / Capacity | 4 pieces/5 tons | 4 pieces/5 tons | 4 pieces/5 tons |
| Forklift (FL) / Capacity | 1 pieces/16 tons | 1 pieces/16 tons | 1 pieces/16 tons |
| Forklift (FL) / Capacity | 1 pieces/28 tons | 1 pieces/28 tons | 1 pieces/28 tons |
| Forklift (FL) / Capacity | 1 pieces/33 tons | 1 pieces/33 tons | 1 pieces/33 tons |

| Millenicom | 2023 |
|-------------------------|------------------------------------------|
| Total Internet Capacity | 665 Gbps |
| Market Share | 1.93 (BTK Q3 report, excluding Turksat) |
| Shareholding Structure | %100 SOCAR Turkey Doğal Gaz Yatırım A.Ş. |
| Total Employees | 85 |

| SOCAR Gemi Acentalığı | 2023 | | |
|----------------------------------|-------------------------------|--|--|
| Number of Ships Provided Service | 711 | | |
| Total Employees | 2 | | |
| Shareholding Structure | %100 SOCAR Turkey Enerji A.Ş. | | |

| SOCAR Broker |
|---------------------------------------------------------------|
| Total Employees |
| Number of Insurance Companies Concluded Agreements in Türkiye |
| Number of Reinsurance Companies Concluded Agreements |
| Estimated Insurance and Reinsurance Commission |
| EBITDA |

| TANAP |
|-----------------------------------------------------------------------------------|
| Main Line Length (km) and Diameter |
| Highest Point Passed by Pipeline (m) |
| Deepest Point Passed by Pipeline (At Sea) (m) |
| Total amount of gas transported via TANAP ¹⁶ (billion m ³) |
| Number of Cities on the TANAP Route |
| Approximate Investment Cost (Billion USD) |
| Shareholding Structure |
| Southern Gas Corridor Company-SGC |
| BOTAŞ |
| BP Pipelines (TANAP) Limited |
| SOCAR Turkey Enerji A.Ş. |
| |

 $^{\rm 16}$ Total amount of gas carried by TANAP, as of 31 March 2024, is 60.47 billion m³.



Value Creation at SOCAR Türkiye



| 2023 |
|--------------------------------------|
| 7 |
| 23 |
| 50 and over |
| Approximately 1.9 million US dollars |
| Approximately 1 million US dollars |

| 2023 |
|-----------|
| 1,811.56" |
| 2,760 |
| -67.5 |
| 60.47 |
| 20 |
| 6.3 |
| |

| 51% |
|-----|
| 30% |
| 12% |
| 7% |

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Economic Performance

Economic Value Created

| Economic and Administrative Performance (TRY) ¹⁷ | 2021 | 2022 | 2023 | |
|--------------------------------------------------------------------------------------|------------------|-------------------|-------------------|--|
| Revenues | 89,445,890,000 | 266,359,496,664 | 156,906,668,872 | |
| Revenue from Sustainable Product Categories (Renewable Energy etc.) ¹⁸ | 120,090,959 | 267,076,640 | 287,640,680 | |
| Economic Value Distributed | (84,152,378,526) | (267,081,001,245) | (165,082,454,532) | |
| Economic Value Retained | 5,293,511,406 | (721,504,581) | (8,175,785,660) | |

| SOCAR Türkiye Tax Payments (TRY) | 2021 | 2022 | 2023 | |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Total ¹⁹ | 863,849,000 | 898,912,882 | 4,053,843,735 | |
| Earnings Before Tax ²⁰ | 1,215,811,000 | 13,722,318,350 | 8,073,056,245 | |
| Tax Paid on Cash Basis ²¹ | 863,849,000 | 898,912,882 | 4,053,843,735 | |
| Tax Benefits | 5% tax reduction (discount) for compliant taxpayers, Corporate Income Tax (CIT) Reduction, VAT exemption, Tax Incentive for Cash Capital Increase, R&D tax credit, Foreign Exchange Protected Deposit discount, 1% VAT discount on export revenues and VAT refunds were applied for all subsidiaries within the scope of taxation except TANAP. Total amount of the tax benefits is 3,903,115,972.34 TRY (including the benefits provided from these supports in the relevant year if used for corporate tax purposes). Turqality support at Petkim for RP BU companies is followed by the Finance/Incentive team and the total amount thereof is TRY 4,930,983. | 5% tax reduction (discount) for compliant taxpayers, Corporate Income Tax (CIT) Reduction, VAT exemption, Tax Incentive for Cash Capital Increase, R&D tax credit, Foreign Exchange Protected Deposit discount, 1% VAT discount on export revenues and VAT refunds were applied for all subsidiaries within the scope of taxation except TANAP. Total amount of the tax benefits is TRY 2,198,339,331.33 (including the benefits provided from these supports in the relevant year if used for corporate tax purposes). Turqality support at Petkim for RP BU companies is followed by the Finance/Incentive team and the total amount thereof is TRY 7,981,478.00. | The amount of Petkim's VAT refund is TRY 1,766,033,898.52. Total amount of Turqality support at Petkim for RP BU companies is TRY 5,767,879.00. | |

| Tax Rates | 2-year (FY22 and FY23) | 3-year (FY21, FY22 and FY23) | |
|--------------------|------------------------|------------------------------|--|
| Effective Tax Rate | 8.42% | 11.73% | |
| Cash Tax Rate | 8.42% | 11.73% | |

Environmental Performance

| Environmental Expenditures | Unit | 2021 | 2022 | 2023 |
|-----------------------------------------------------------------|------------|--------------|---------------|-----------------|
| Environmental Investments and Expenditures | US Dollars | 6,553,735.00 | 16,074,364.00 | 19,062,321.00 🗸 |
| Environmental R&D Expenses | US Dollars | 876,500.00 | 1,600,000.00 | 1,100,000.00 🗸 |
| Environmental Consultancy, Measurement and Analysis Expenses | US Dollars | 1,734,837.00 | 2,930,283.00 | 3,928,854.00 🗸 |
| Environmental Training Expenses | US Dollars | 198.68 | 103.02 | 6,056.28 🗸 |
| Environmental Penalties | US Dollars | 3,162.00 | 250,096.60 | - 🗸 |
| Environmental Training | Unit | 2021 | 2022 | 2023 |
| Total Number of Personnel | Persons | 6,078 | 4,923 | 4,532 🗸 |
| Total Training Hours | Hours | 5,933.50 | 4,674.50 | 4,936.00 🗸 |

¹⁷ The inflation rate in Türkiye has increased significantly since the beginning of 2021. In line with the cumulative effect of the inflation increase over the last three years, businesses operating in Türkiye are required to apply International Accounting Standards (IAS) 29 - Financial Reporting in Hyperinflationary Economies standard as of 30 June 2022. Adjustments were made on 31 December 2022 and 31 December 2023 in accordance with the requirements of IAS 29 "Financial Reporting in Hyperinflationary Economies" regarding the changes in the general purchasing power of the Turkish Lira. Pursuant to the requirements of IAS 29, financial statements prepared in the currency of an economy experiencing hyperinflation should be expressed in terms of the measurement unit valid at the balance sheet date, and figures in previous periods being the currency date. should be adjusted accordingly.

should be adjusted accordingly. ¹⁸ Revenue from sustainable product categories has been reorganized for the last three years taking into account renewable energy sales data (rooftop solar panel projects, green electricity sales, I-REC certificates, sales of electricity generated from Petkim WPP) carried out by the Refinery and Petrochemicals and Gas Business Unit. ¹⁹ Indicates the Supplementary Earthquake Tax paid in accordance with Law No. 7440 and the Corporate Tax payments of our companies over the income statements based on the Tax Procedure Law. The company applies the supplementary taxes and exemptions in accordance with the current tax legislation and the law. ²⁰ This is the profit figure on the financial statements that should be prepared according to IFRS. May be different from the balance sheet and income statement prepared in accordance with the Tax Procedure Law. ²¹ Indicates the Supplementary Earthquake Tax paid in accordance with Law No. 7440 and the Corporate Tax payments of our companies over the income statements based on the Tax Procedure Law. ²¹ Indicates the Supplementary Earthquake Tax paid in accordance with Law No. 7440 and the Corporate Tax payments of our companies over the income statements based on the Tax Procedure Law. ²¹ Indicates the Supplementary Earthquake Tax paid in accordance with the current tax legislation and the law.

| Energy Consumption | Unit | 2021 | 2022 | 2023 |
|----------------------------------|------|---------------|---------------|-----------------|
| Natural Gas | GJ | 31,260,544.50 | 23,910,408.17 | 20,121,862.94 🗸 |
| Fuel Gas | GJ | 17,397,214.99 | 12,403,365.59 | 13,076,369.14 🗸 |
| Combustible Gas | GJ | 16,443,021.02 | 23,751,282.40 | 27,797,172.35 🗸 |
| Aeration Gas (Vent Gas) | GJ | 40,088.10 | 18,836.07 | 3,520.98 🗸 |
| Hydrogen | GJ | 323,308.15 | 390,555.48 | 788,202.84 🗸 |
| Received Steam | GJ | 2,126,417.04 | 1,903,677.00 | 3,296,299.85 🗸 |
| Diesel | GJ | 9,194.90 | 2,554,367.79 | 3,616,367.84 🗸 |
| Gasoline | GJ | 1,128.75 | 1,998.00 | 2,089.64 |
| Total Electricity Consumed | GJ | 2,294,495.03 | 2,882,305.78 | 2,848,506.26 🗸 |
| Renewable Electricity Generation | GJ | 598,643.63 | 625,747.35 | 525,098.43 |

| Energy Consumption (Petkim) | Unit | 2021 | 2022 | 2023 |
|------------------------------------------------|------|---------------|--------------|--------------|
| Non-Renewable Energy Consumption | MWh | 10,094,666.00 | 7,905,339.00 | 8,142,910.00 |
| Non-Renewable Energy Consumption ²² | MWh | 0 | 0 | 0 |

| Energy Consumption (STAR Rafineri) | Unit | 2021 | 2022 | 2023 |
|------------------------------------|------|--------------|--------------|---------------|
| Non-Renewable Energy Consumption | MWh | 8,971,047.00 | 9,609,038.00 | 10,200,773.00 |
| Renewable Energy Consumption | MWh | 0 | 0 | 0 |

| Energy Consumption (SOCAR Depolama) | Unit | 2021 | 2022 | 2023 |
|-------------------------------------|------|----------|----------|----------|
| Non-Renewable Energy Consumption | MWh | 7,272.00 | 8,118.00 | 7,518.00 |
| Renewable Energy Consumption | MWh | 0 | 0 | 0 |

| Greenhouse Gas Emissions (Scope 1) | Unit | 2021 | 2022 | 2023 |
|---------------------------------------|-----------------------|--------------|--------------|----------------|
| Petkim | Ton CO ₂ e | 1,889,432.49 | 1,838,002.77 | 1,950,750.15 🗸 |
| STAR Rafineri | Ton CO ₂ e | 2,010,849.07 | 2,457,521.48 | 2,426,920.40 🗸 |
| SOCAR Terminal | Ton CO ₂ e | 1,829.76 | 1,745.76 | 2,136.34 |
| Bursagaz | Ton CO ₂ e | 2,055.11 | 1,706.90 | 1,513.14 |
| Kayserigaz | Ton CO ₂ e | 1,048.58 | 1,266.64 | 1,177.83 |

²² Petkim produces renewable energy through WPP and sells all of the energy generated to the main grid. For this reason, the share of renewable energy in total energy consumption is 0. On the other hand, the amount of electricity supplied from the main grid decreases as the amount of electricity generated from the wind power plant increases, depending on Petkim's power balance. This reduces Petkim's dependence on main grid electricity.

Greenhouse Gas Emissions (Scope 2)

Petkim STAR Rafineri SOCAR Terminal

Bursagaz Kayserigaz About the Report

Message from the CEO

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| Unit | 2021 | 2022 | 2023 | Water Consumption |
|---------------------------|------------|------------|--------------|-------------------------|
| | | | | Surface Water |
| Ton CO ₂ e | 92,067.21 | 29,725.58 | 16,207.32 🗸 | Groundwater |
| Ton CO ₂ e | 417,361.60 | 416,586.24 | 492,963.80 🗸 | |
| Ton CO ₂ e | 3,965.95 | 3,940.00 | 3,621.02 | Municipal Water |
| 2 | | | | Reused Water |
| Ton CO ₂ e | 570.91 | 621.51 | 633.97 | Rainwater |
| Ton CO ₂ e | 268.61 | 277.75 | 323.34 | Total Water Consumption |
| | | | | |

| Greenhouse Gas Emissions (Scope 3) | Unit | 2021 | 2022 | 2023 |
|---------------------------------------|-----------------------|-----------|-----------|-----------|
| SOCAR Terminal | Ton CO ₂ e | 24,311.59 | 17,790.63 | 18,710.30 |

| Other Greenhouse Gas (GHG) Emissions | Unit | 2021 | 2022 | 2023 |
|-----------------------------------------|-----------------------|--------|--------|--------|
| N ₂ O (SOCAR Terminal) | Ton CO ₂ e | 224.13 | 285.93 | 332.42 |

| Greenhouse Gas Density | Unit | 2021 | 2022 | 2023 |
|------------------------|------------------------------------------------|-------|-------|-------|
| Petkim | Ton CO ₂ e /Tons output | 0.586 | 0.860 | 0.858 |
| STAR Rafineri | Ton CO ₂ e /Ton UEDC | 1.238 | 1.236 | 1.230 |
| SOCAR Terminal | Ton CO ₂ e /Ton TEU | 0.08 | 0.06 | 0.06 |
| Bursagaz | Ton CO ₂ e /Million Sm ³ | 2.504 | 2.178 | 2.099 |
| Kayserigaz | Ton CO ₂ e /Million Sm ³ | 1.786 | 2.487 | 2.495 |

| Air Emissions | Unit | 2021 | 2022 | 2023 |
|---------------------|------|----------|----------|----------|
| NO _x | Tons | 2,825.02 | 2,919.33 | 2,058.34 |
| SO _x | Tons | 1,340.09 | 1,233.45 | 1,246.65 |
| СО | Tons | 864.52 | 458.92 | 492.77 |
| CH4 | Tons | 3.76 | 4.49 | _23 |
| PM | Tons | 15.84 | 94.10 | 27.99 |
| VOC | Tons | 0.93 | 0.05 | 1.05 |
| Other ²⁴ | Tons | 1.45 | 7.79 | 1.50 |

²³ There is no legal obligation regarding air emissions within the scope of Port Management.
²⁴ Sum of HAP, POP, TOC, Heavy Metals.

| Water Consumption | Unit | 2021 | 2022 | 2023 |
|------------------------------------------------------|----------------|---------------|---------------|-----------------|
| Surface Water | m ³ | 27,145,236.00 | 24,902,264.00 | 20,149,951.93 🗸 |
| Groundwater | m ³ | 88.09 | 130.29 | 86.46 |
| Municipal Water | m ³ | 13,220.06 | 9,074.04 | 11,000.02 |
| Reused Water | m ³ | - | - | - |
| Rainwater | - | 4,279.00 | 5,550.00 | 4,576.00 |
| Total Water Consumption | m ³ | 27,162,823.15 | 24,917,018.33 | 20,165,614.41 🗸 |
| | | | | |
| | Unit | 2021 | 2022 | 2023 |
| Volume of Wastewater Discharged After Treatment | m³ | 10,506,213.16 | 11,984,312.81 | 10,679,470.08 🗸 |
| Volume of Wastewater Discharged Without Treatment | m³ | 17,587.15 | 14,754.33 | 15,662.48 |

| Water Consumption | Unit | 2021 | 2022 | 2023 |
|------------------------------------------------------|----------------|---------------|---------------|-----------------|
| Surface Water | m ³ | 27,145,236.00 | 24,902,264.00 | 20,149,951.93 🗸 |
| Groundwater | m ³ | 88.09 | 130.29 | 86.46 |
| Municipal Water | m ³ | 13,220.06 | 9,074.04 | 11,000.02 |
| Reused Water | m ³ | - | - | - |
| Rainwater | - | 4,279.00 | 5,550.00 | 4,576.00 |
| Total Water Consumption | m ³ | 27,162,823.15 | 24,917,018.33 | 20,165,614.41 🗸 |
| | | | | |
| | Unit | 2021 | 2022 | 2023 |
| Volume of Wastewater Discharged After Treatment | m³ | 10,506,213.16 | 11,984,312.81 | 10,679,470.08 🗸 |
| Volume of Wastewater Discharged Without Treatment | m ³ | 17,587.15 | 14,754.33 | 15,662.48 |
| Total Wastewater Volume | m ³ | 10,523,800.31 | 11,999,067.14 | 10,695,132.56 🗸 |

| Unit | 2021 | 2022 | 2023 |
|----------------|---------------|---------------|----------------|
| m ³ | 16,639,022.84 | 12,917,951.19 | 9,470,481.85 🗸 |
| | | | |
| | | | |

| Waste Amount (Consolidated | | 20 | 21 | 20 | 22 | 20 | 23 |
|----------------------------------------------|------|-----------|-------------------|------------|-------------------|------------|-------------------|
| Figure for SOCAR Türkiye) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous |
| On-Site Storage | Tons | 2,434.76 | 1,474.10 | 1,449.24 | 468.31 | 1,031.18 | 1,483.81 |
| Reuse | Tons | 21.69 | 2,759.02 | 23.21 | 2,754.48 | 23.56 | 3,215.77 |
| Recycling | Tons | 11,272.39 | 7,854.22 | 17,829.68 | 5,879.68 | 5,715.15 | 8,872.40 |
| Recovery | Tons | 21,157.79 | 870.87 | 7,869.47 | 627.63 | 4,414.59 | 701.36 |
| Sanitary Landfill – Delivered to Landfill | Tons | 1,823.48 | 16,103.01 | 7,357.47 | 220,543.94 | 20,261.49 | 60,870.41 |
| Incineration | Tons | 579.28 | - | 984.42 | - | 1,935.20 | - |
| Total | Tons | 37,289.39 | 29,061.22 | 35,513.49 | 230,274.04 | 33,381.17 | 75,143.75 |
| TOTAL | Tons | 66,350.61 | | 265,787.53 | | 108,524.92 | |

| Waste Amount (Figure for | | 20 | 21 | 20 | 22 | 20 | 2023 | | |
|----------------------------------------------|------|-----------|-------------------|-----------|-------------------|-----------|-------------------|--|--|
| SOCAR Corporate Center) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | | |
| On-Site Storage | Tons | - | - | - | - | - | - | | |
| Reuse | Tons | - | - | - | - | - | - | | |
| Recycling | Tons | - | 8.47 | - | 13.60 | - | 8.44 | | |
| Recovery | Tons | - | - | - | - | - | - | | |
| Sanitary Landfill – Delivered to Landfill | Tons | - | 19.91 | - | 14.50 | - | 25.25 | | |
| Incineration | Tons | 0.03 | - | 0.07 | - | 0.003 | - | | |
| Total | Tons | 0.03 | 28.38 | 0.07 | 28.10 | 0.003 | 33.69 | | |
| TOTAL | Tons | 28.41 | | 28.17 | | 33.69 | | | |

Message from the CEO About SOCAR Global & SOCAR Türkiye

Highlights of 2023 at SOCAR Türkiye Corporate Governance at SOCAR Türkiye

| Amount of Wastes | | 20 | 21 | 20 | 22 | 20 | 2023 | | |
|----------------------------------------------|------|-----------|-------------------|-----------|-------------------|-------------|-------------------|--|--|
| (Petkim) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | | |
| On-Site Storage | Tons | - | - | - | - | - 🗸 | - 🗸 | | |
| Reuse | Tons | - | 2,738.42 | - | 2,754.30 | - 🗸 | 3,193.02 🗸 | | |
| Recycling | Tons | 11,258,67 | 7,683.14 | 17,822.93 | 5,760.73 | 5,713.12 🗸 | 8,824.74 🗸 | | |
| Recovery | Tons | - | - | - | - | - 🗸 | - 🗸 | | |
| Sanitary Landfill – Delivered to Landfill | Tons | 1,730.10 | 15,750.10 | 6,551.20 | 219,994.11 | 15,821.01 🗸 | 60,325.59 🗸 | | |
| Incineration | Tons | 577.14 | - | 927.68 | - | 1,889.87 🗸 | - 🗸 | | |
| Total | Tons | 13,565.91 | 26,171.66 | 25,301.81 | 228,509.14 | 23,424.00 🗸 | 72,343.35 🗸 | | |
| TOTAL | Tons | 39,737.57 | | 253,8 | 253,810.95 | | 95,767.35 🗸 | | |

| Waste Amount | | 20 | 21 | 2022 | | 2023 | |
|----------------------------------------------|------|-----------|-------------------|-----------|-------------------|-------------|-------------------|
| (STAR Rafineri) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous |
| On-Site Storage | Tons | 2,433.34 | 1,469.50 | 1,386.50 | 468.31 | 1,031.17 🗸 | 1,483.81 🗸 |
| Reuse | Tons | 21.69 | 20.60 | 9.85 | 0.18 | 6.98 🗸 | 22.75 🗸 |
| Recycling | Tons | - | - | - | - | - 🗸 | - 🗸 |
| Recovery | Tons | 20,948.90 | 832.87 | 7,562.94 | 582.55 | 4,141.59 🗸 | 527.54 🗸 |
| Sanitary Landfill – Delivered to Landfill | Tons | 93.35 | 99.73 | 767.22 | 361.54 | 4,416.50 🗸 | 349.04 🗸 |
| Incineration | Tons | - | - | 56.64 | - | 45.27 🗸 | - 🗸 |
| Total | Tons | 23,497.28 | 2,422.70 | 9,783.15 | 1,412.58 | 9,641.51 🗸 | 2,383.14 🗸 |
| TOTAL | Tons | 25,919.97 | | 11,195.73 | | 12,024.65 🗸 | |

| Waste Amount | | 20 | 21 | 2022 | | 20 | 23 |
|----------------------------------------------|------|-----------|-------------------|-----------|-------------------|-----------|-------------------|
| (SOCAR Depolama) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous |
| On-Site Storage | Tons | - | - | - | - | - 🗸 | - 🗸 |
| Reuse | Tons | - | - | - | - | - 🗸 | - 🗸 |
| Recycling | Tons | - | - | 4.00 | - | - 🗸 | - 🗸 |
| Recovery | Tons | 188.00 | 38.00 | 290.00 | - | 241.31 🗸 | 116.18 🗸 |
| Sanitary Landfill – Delivered to Landfill | Tons | - | - | 39.00 | 10.00 | 23.98 🗸 | 57.73 🗸 |
| Incineration | Tons | - | - | - | - | - 🗸 | - 🗸 |
| Total | Tons | 188.00 | 38.00 | 333.00 | 10.00 | 265.29 🗸 | 173.91 🗸 |
| TOTAL | Tons | 226.00 | | 343.00 | | 439.20 🗸 | |

| Waste Amount | | 20 | 21 | 2022 | | 2023 | |
|----------------------------------------------|------|-----------|-------------------|-----------|-------------------|-----------|-------------------|
| (SOCAR Terminal) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous |
| On-Site Storage | Tons | 1.42 | 4.60 | 62.74 | - | 0.01 🗸 | 0.004 🗸 |
| Reuse | Tons | - | - | 13.36 | - | 16.58 🗸 | - 🗸 |
| Recycling | Tons | 12.88 | 82.14 | - | - | - 🗸 | - 🗸 |
| Recovery | Tons | 20.89 | - | 16.53 | 45.08 | 31.69 🗸 | 57.64 🗸 |
| Sanitary Landfill – Delivered to Landfill | Tons | 0.03 | 231.95 | 0.049 | 163.79 | - 🗸 | 112.80 🗸 |
| Incineration | Tons | 0.01 | - | 0.03 | - | 0.06 🗸 | - 🗸 |
| Total | Tons | 35.23 | 318.69 | 92.71 | 208.87 | 48.32 🗸 | 170.44 🗸 |
| TOTAL | Tons | 353.92 | | 301.58 | | 218.76 🗸 | |

| Waste Amount | | 20 | 2021 | | 2022 | | 2023 | |
|------------------------------------------------|------|-----------|-------------------|-----------|-------------------|-----------|-------------------|--|
| (Bursagaz) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | |
| On-Site Storage | Tons | - | - | - | - | - | - | |
| Reuse | Tons | - | - | - | - | - | - | |
| Recycling | Tons | 0.68 | 79.11 | 2.64 | 104.32 | 1.98 | 37.51 | |
| Recovery | Tons | - | - | - | - | - | - | |
| Düzenli Depolama – Katı Atık Sahasına Giden | Tons | - | 1.32 | - | - | - | - | |
| Incineration | Tons | 2.10 | - | - | - | - | - | |
| Total | Tons | 2.78 | 80.43 | 2.64 | 104.32 | 1.98 | 37.51 | |
| TOTAL | Tons | 83.21 | | 106.96 | | 39.49 | | |

| Waste Amount | | 20 | 21 | 20 | 22 | 20 | 23 |
|----------------------------------------------|------|-----------|-------------------|-----------|-------------------|-----------|-------------------|
| (Kayserigaz) | Unit | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous | Hazardous | Non- Hazardous |
| On-Site Storage | Tons | - | - | - | - | - | - |
| Reuse | Tons | - | - | - | - | - | - |
| Recycling | Tons | 0.16 | 1.36 | 0.11 | 1.03 | 0.05 | 1.71 |
| Recovery | Tons | - | - | - | - | - | - |
| Sanitary Landfill – Delivered to Landfill | Tons | - | - | - | - | - | - |
| Incineration | Tons | - | - | - | - | - | - |
| Total | Tons | 0.16 | 1.36 | 0.11 | 1.03 | 0.05 | 1.71 |
| TOTAL | Tons | 1.52 | | 1.14 | | 1.76 | |

Message from the CEO About SOCAR Global & SOCAR Türkiye

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Corporate Governance at SOCAR Türkiye

Social Performance²⁵

| Total number of | | | 2022 | | | | 2023 | |
|----------------------------------------|---------|--------|--------------------|--------------------------|---------|--------|--------------------|--------------------------|
| employees by roles | Manager | Expert | Technical Staff | Operators and Foremen | Manager | Expert | Technical Staff | Operators and Foremen |
| SOCAR Türkiye Corporate Center | 38 | 75 | 4 | - | 35 | 100 | 1 | - |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 22 | 307 | 1 | - | 26 | 332 | 1 | - |
| SOCAR Ar-Ge ve İnovasyon | 2 | 20 | 11 | _ | 2 | 27 | 10 | - |
| SCR Müşavirlik | 1 | 14 | 1 | - | 1 | 14 | 1 | - |
| SOCAR Broker | 1 | 4 | - | - | 1 | 6 | - | - |
| Petkim | 14 | 265 | 309 | 1,761 | 19 | 317 | 326 | 1,712 |
| STAR Rafineri | 16 | 147 | 288 | 618 | 18 | 180 | 296 | 640 |
| SOCAR Depolama | 1 | 21 | 6 | 55 | 2 | 19 | 7 | 54 |
| SOCAR Petrol Ticaret | 3 | 70 | 4 | - | 3 | 65 | 6 | - |
| Bursagaz | 2 | 90 | 18 | 131 | 3 | 86 | 21 | 142 |
| Kayserigaz | - | 50 | 17 | 85 | 1 | 48 | 16 | 95 |
| SOCAR Enerji Ticaret | 1 | 20 | - | - | 2 | 22 | - | - |
| SOCAR Türkiye Doğal Gaz Yatırım | 7 | 64 | 2 | - | 13 | 122 | 18 | 274 |
| SOCAR Terminal | 16 | 63 | 222 | 15 | 6 | 54 | 20 | 257 |
| Millenicom | 25 | 58 | - | - | 25 | 60 | - | - |
| SOCAR Fiber | - | 1 | 2 | - | - | 1 | 2 | - |
| TOTAL | 149 | 1,269 | 885 | 2,665 | 132 | 1,393 | 725 | 3,174 |

| Total number of | | 2022 | | | 2023 | |
|----------------------------------------|--------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|-------------------------------|
| employees by age | below 30 years of age | btw 30-50 years of age | older than 50 years of age | below 30 years of age | btw 30-50 years of age | older than 50 years of age |
| SOCAR Türkiye Corporate Center | 23 | 86 | 8 | 24 | 100 | 12 |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 50 | 256 | 24 | 57 | 273 | 29 |
| SOCAR Ar-Ge ve İnovasyon | 5 | 27 | 1 | 7 | 31 | 1 |
| SCR Müşavirlik | 3 | 12 | 1 | 1 | 13 | 2 |
| SOCAR Broker | 1 | 4 | 0 | 2 | 5 | 0 |
| Petkim | 258 | 2017 | 74 | 204 🗸 | 2079 🗸 | 91 🗸 |
| STAR Rafineri | 317 | 670 | 82 | 185 🗸 | 846 🗸 | 103 🗸 |
| SOCAR Depolama | 21 | 57 | 5 | 17 🗸 | 58 🗸 | 7 🗸 |
| SOCAR Petrol Ticaret | 12 | 60 | 5 | 8 | 58 | 8 |
| Bursagaz | 45 | 189 | 7 | 42 | 202 | 8 |
| Kayserigaz | 42 | 109 | 1 | 45 | 107 | 8 |
| SOCAR Enerji Ticaret | 5 | 16 | 0 | 6 | 18 | 0 |
| SOCAR Türkiye Doğal Gaz Yatırım | 14 | 57 | 2 | 109 | 302 | 16 |
| SOCAR Terminal | 47 | 264 | 5 | 38 🗸 | 291 🗸 | 8 🗸 |
| Millenicom | 14 | 66 | 3 | 13 | 70 | 2 |
| SOCAR Fiber | 0 | 3 | 0 | 0 | 3 | 0 |
| 70741 | 857 | 3893 | 218 | 758 | 4456 | 295 |
| TOTAL | | 4968 | | | 5509 | |

²⁵ SOCAR Petrol Ticaret ait verilerde SOCAR Türkiye Havacılık, Azoil Petrolculuk ve SOCAR Marine dâhil edilmiştir

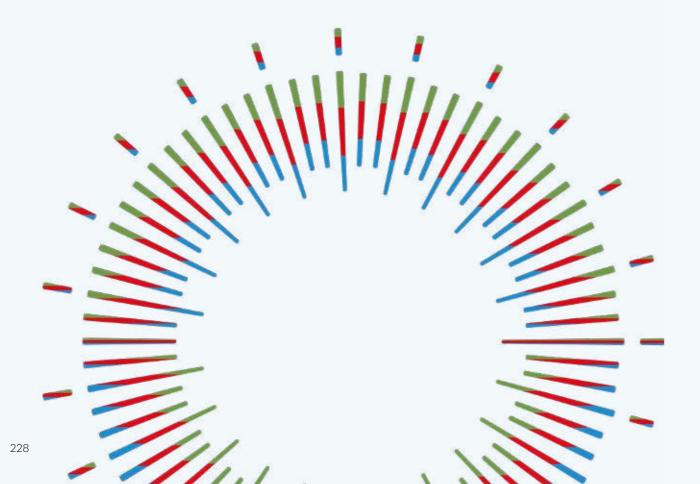


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About the Report Message from the CEO About SOCAR Global & SOCAR Türkiye

Highlights of 2023 at SOCAR Türkiye Corporate Governance at SOCAR Türkiye

| Number of dischlad ownlouses | 20 | 23 |
|-------------------------------------|------|--------|
| Number of disabled employees | Male | Female |
| SOCAR Türkiye Corporate Center | 1 | 1 |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 6 | 4 |
| SOCAR Ar-Ge ve İnovasyon | - | 1 |
| SCR Müşavirlik | - | - |
| SOCAR Broker | - | - |
| Petkim | 39 | 8 |
| STAR Rafineri | 22 | 7 |
| SOCAR Depolama | - | - |
| SOCAR Petrol Ticaret | 2 | - |
| Bursagaz | 5 | 1 |
| Kayserigaz | 2 | 1 |
| SOCAR Enerji Ticaret | - | - |
| SOCAR Türkiye Doğal Gaz Yatırım | 6 | 2 |
| SOCAR Terminal | 8 | 2 |
| Millenicom | 1 | - |
| SOCAR Fiber | - | - |
| | 92 | 27 |
| TOTAL | 11 | 19 |



| Employee Detation by Cander | 20 | 22 | 2023 | | |
|-------------------------------------|------|--------|--------|--------|--|
| Employee Rotation by Gender | Male | Female | Male | Female | |
| Number of newly recruited employees | 301 | 94 | 325 | 155 | |
| Number of leaving employees | 305 | 61 | 208 🗸 | 56 🗸 | |
| Employee turnover rate | 6,1% | 1,2% | 3,8% 🗸 | 1,0% 🗸 | |

| | | 2022 | | 2023 | | | |
|-------------------------------------|--------------------------|---------------------------|-------------------------------|--------------------------|---------------------------|-------------------------------|--|
| Employee Rotation by Age | below 30 years of age | btw 30-50 years of age | older than 50 years of age | below 30 years of age | btw 30-50 years of age | older than 50 years of age | |
| Number of newly recruited employees | 206 | 187 | 2 | 252 | 225 | 3 | |
| Number of leaving employees | 113 | 172 | 81 | 37 | 190 | 37 | |
| Employee turnover rate | 2.3% | 3.5% | 1.6% | 0.7% | 3.4% | 0.7% | |

| Total number of ampleuses by reader | 20 | 22 | 2023 | | |
|-------------------------------------|-------|--------|---------|--------|--|
| Total number of employees by gender | Male | Female | Male | Female | |
| SOCAR Türkiye Corporate Center | 78 | 39 | 83 | 53 | |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 203 | 127 | 217 | 142 | |
| SOCAR Ar-Ge ve İnovasyon | 19 | 14 | 21 | 18 | |
| SCR Müşavirlik | 13 | 3 | 13 | 3 | |
| SOCAR Broker | 1 | 4 | 1 | 6 | |
| Petkim | 2,171 | 178 | 2,165 🗸 | 209 🗸 | |
| STAR Rafineri | 979 | 90 | 1,032 🗸 | 102 🗸 | |
| SOCAR Depolama | 77 | 6 | 76 🗸 | 6 🗸 | |
| SOCAR Petrol Ticaret | 55 | 22 | 54 | 20 | |
| Bursagaz | 198 | 43 | 208 | 44 | |
| Kayserigaz | 129 | 23 | 136 | 24 | |
| SOCAR Enerji Ticaret | 12 | 9 | 13 | 11 | |
| SOCAR Türkiye Doğal Gaz Yatırım | 31 | 42 | 350 | 77 | |
| SOCAR Terminal | 284 | 32 | 300 🗸 | 37 🗸 | |
| Millenicom | 49 | 34 | 47 | 38 | |
| SOCAR Fiber | 2 | 1 | 2 | 1 | |
| τοται | 4,301 | 667 | 4718 | 791 | |
| TOTAL | 4,9 | 968 | 5,5 | 09 | |

Message from the CEO About SOCAR Global & SOCAR Türkiye

Highlights of 2023 at SOCAR Türkiye Corporate Governance at SOCAR Türkiye

| | | 2023 | | | | | | | |
|-----------------------------------------------|---------|--------|--------|--------|-----------------|--------|---------------------------|--------|--|
| Total number of employees by gender and roles | Manager | | Expert | | Technical Staff | | Technician and Foremen | | |
| | Male | Female | Male | Female | Male | Female | Male | Female | |
| SOCAR Türkiye Corporate Center | 30 | 5 | 52 | 48 | 1 | - | - | - | |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 17 | 9 | 200 | 132 | - | 1 | - | - | |
| SOCAR Ar-Ge ve İnovasyon | 2 | - | 14 | 13 | 5 | 5 | - | - | |
| SCR Müşavirlik | 1 | - | 11 | 3 | 1 | - | - | - | |
| SOCAR Broker | 1 | - | - | 6 | - | - | - | - | |
| Petkim | 19 | - | 192 | 125 | 273 | 53 | 1681 | 31 | |
| STAR Rafineri | 17 | 1 | 123 | 57 | 258 | 38 | 634 | 6 | |
| SOCAR Depolama | 2 | - | 13 | 6 | 7 | - | 54 | - | |
| SOCAR Petrol Ticaret | 3 | - | 45 | 20 | 6 | - | - | - | |
| Bursagaz | 3 | - | 53 | 33 | 16 | 5 | 136 | 6 | |
| Kayserigaz | 1 | - | 26 | 22 | 16 | - | 93 | 2 | |
| SOCAR Enerji Ticaret | 2 | - | 11 | 11 | - | - | - | - | |
| SOCAR Türkiye Doğal Gaz Yatırım | 11 | 2 | 59 | 63 | 16 | 2 | 264 | 10 | |
| SOCAR Terminal | 4 | 2 | 26 | 28 | 18 | 2 | 252 | 5 | |
| Millenicom | 17 | 8 | 30 | 30 | - | - | - | - | |
| SOCAR Fiber | - | - | - | 1 | 2 | - | - | - | |
| 70741 | 113 | 19 | 825 | 568 | 619 | 106 | 3,114 | 60 | |
| TOTAL | 1: | 32 | 1,3 | 93 | 7: | 25 | 3,1 | 74 | |

| SOCAR Türkiye | 20 | 22 | 2023 | | |
|--------------------------------------------|--------|------|--------|------|--|
| SOCAR TURNye | Female | Male | Female | Male | |
| Total Employees | 689 | 4600 | 829 | 4764 | |
| Number of junior managers | 118 | 285 | 159 | 325 | |
| Number of middle level managers | 40 | 230 | 66 | 264 | |
| Number of senior executives | 9 | 33 | 10 | 40 | |
| Number of directors on the Executive Board | 1 | 9 | 1 | 7 | |
| Total number of Board members of companies | 4 | 37 | 11 | 37 | |

| Maternity Leave and Rate of Returns to Work | 20 | 22 | 2023 | | |
|-----------------------------------------------------------------------------------------------------------------------------------------|------|--------|-------|--------|--|
| (persons/year) | Male | Female | Male | Female | |
| Total number of employees entitled to maternity leave | 259 | 28 | 256 🗸 | 31 🗸 | |
| Total number of employees taking maternity leave | 259 | 28 | 256 🗸 | 31 🗸 | |
| Total number of employees returning to work after maternity leave ends | 256 | 24 | 257 🗸 | 32 🗸 | |
| Total number of employees who returned to work after maternity leave ends and are still working 12 months after returning to work | 316 | 20 | 250 🗸 | 22 🗸 | |

| Total hours of training provided to employees | 2023 | | | | | |
|-----------------------------------------------|-------------|------------|-------------|--|--|--|
| Total hours of training provided to employees | Male | Female | Total | | | |
| SOCAR Türkiye Corporate Center | 4,033.7 | 2,817.6 | 6,851,3 | | | |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 10,996.7 | 7,638.9 | 18,635.6 | | | |
| SOCAR Ar-Ge ve İnovasyon | 1,339.0 | 1,309.3 | 2,648.3 | | | |
| SCR Müşavirlik | 676.0 | 20.0 | 696.0 | | | |
| SOCAR Broker | 23.5 | 185.5 | 209.0 | | | |
| Petkim | 100,197.6 🗸 | 12,186.1 🗸 | 112,383.7 🗸 | | | |
| STAR Rafineri | 45,089.6 🗸 | 6,028.5 🗸 | 51,118.1 🗸 | | | |
| SOCAR Depolama | 3,298.7 🗸 | 253.5 🗸 | 3,552.2 🗸 | | | |
| SOCAR Petrol Ticaret | 2,726.8 | 430.0 | 3,156.8 | | | |
| Bursagaz | 3,683.4 | 1,033.5 | 4,716.9 | | | |
| Kayserigaz | 2,576.5 | 631.5 | 3,208.0 | | | |
| SOCAR Enerji Ticaret | 537.5 | 282.5 | 820.0 | | | |
| SOCAR Türkiye Doğal Gaz Yatırım | 6,664.1 | 2,422.7 | 9,086.8 | | | |
| SOCAR Terminal | 12,741.0 🗸 | 2,659.0 🗸 | 15,400.0 🗸 | | | |
| Millenicom | - | - | - | | | |
| SOCAR Fiber | 78.0 | 93.5 | 171.5 | | | |
| TOTAL | 194,662 | 37,992 | 232,653.9 | | | |

| | | 20 | 23 | | |
|-------------------------------------------|---------|----------|-----------------|---------------------------|--|
| Total hours of training provided by roles | Manager | Expert | Technical Staff | Technician and Foremen | |
| SOCAR Türkiye Corporate Center | 1,622.5 | 5,228.8 | - | - | |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 1,816.0 | 16,819.6 | - | - | |
| SOCAR Ar-Ge ve İnovasyon | 140.0 | 2,508.3 | - | - | |
| SCR Müşavirlik | 24.0 | 672.0 | - | - | |
| SOCAR Broker | 25.5 | 183.5 | - | - | |
| Petkim | 1,252.5 | 21,068.9 | 20,123.5 | 69,938.9 | |
| STAR Rafineri | 962.5 | 14,762.8 | 12,493.8 | 22,899.0 | |
| SOCAR Depolama | 117.0 | 405.5 | 664.2 | 2,365.5 | |
| SOCAR Petrol Ticaret | 179.3 | 2,977.5 | - | - | |
| Bursagaz | 112.5 | 2,157.2 | 942.2 | 1,505.0 | |
| Kayserigaz | 22.0 | 1,488.8 | 627.9 | 1,069.3 | |
| SOCAR Enerji Ticaret | 54.5 | 765.5 | - | - | |
| SOCAR Türkiye Doğal Gaz Yatırım | 653.5 | 4,159.1 | 528.4 | 3,745.8 | |
| SOCAR Terminal | 1,525.0 | 5,074.5 | 8,333.0 | 467.5 | |
| Millenicom | - | - | - | - | |
| SOCAR Fiber | - | 93.5 | 78.0 | - | |
| TOTAL | 8,507 | 78,365 | 43,791 | 101,991 | |
| TOTAL | | 232 | ,654 | | |

| SOCAR TÜRKİYE 2023 |
|--------------------|
| Integrated Report |

Message from the CEO

About SOCAR Global & SOCAR Türkiye

Highlights of 2023 at SOCAR Türkiye

Corporate Governance at SOCAR Türkiye

| Total number of employees trained on anti-corruption policies and codes of conduct as of the reporting period | 2023 |
|---------------------------------------------------------------------------------------------------------------|------|
| SOCAR Türkiye Corporate Center | 42 |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 73 |
| SOCAR Ar-Ge ve İnovasyon | 5 |
| SCR Müşavirlik | - |
| SOCAR Broker | 2 |
| Petkim | 125 |
| STAR Rafineri | 56 |
| SOCAR Depolama | 2 |
| SOCAR Petrol Ticaret | 2 |
| Bursagaz | 29 |
| Kayserigaz | 12 |
| SOCAR Enerji Ticaret | 5 |
| SOCAR Türkiye Doğal Gaz Yatırım | 39 |
| SOCAR Terminal | 95 |
| Millenicom | - |
| SOCAR Fiber | - |
| TOTAL | 487 |

| Number of Employees attending in the workshop on Equal Opportunity, Diversity and Inclusion | 2023 |
|---------------------------------------------------------------------------------------------|------|
| Petkim | 4 |
| SOCAR Türkiye Corporate Center | 7 |
| SOCAR Türkiye Ortak Yönetim Hizmeti | 6 |
| STAR Rafineri | 1 |
| SOCAR Türkiye Doğal Gaz Yatırım | 3 |
| BURSAGAZ | 1 |
| SOCAR Enerji Ticaret | 1 |
| TOTAL | 23 |

| | | SOCAR Türkiye | | | | | | |
|----------------------------|------|---------------|------|--|--|--|--|--|
| HSE Complaint Mechanism | 2021 | 2022 | 2023 | | | | | |
| Total Complaints | 0 | 0 | 0 | | | | | |
| Total Complaints Addressed | 0 | 0 | 0 | | | | | |
| Total Complaints Resolved | 0 | 0 | 0 | | | | | |

| Occupational Accident | | SOCAR | | | РЕТКІМ | | | STAR RAFINERI | | |
|-------------------------------------------------------------------------|---------|---------|---------|-----------|-----------|-------------|-----------|---------------|-------------|--|
| Statistics (SOCAR Türkiye Employees) | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | |
| Number of Accidents ²⁶ | 0 | 0 | 0 | 8 | 12 | 3 🗸 | 6 | 2 | 1 🗸 | |
| Number of Fatal Accidents | 0 | 0 | 0 | 0 | 1 | 0 🗸 | 0 | 0 | 0 🗸 | |
| Number of Recordable Work-Related Illnesses | 0 | 0 | 0 | 0 | 0 | 0 🗸 | 0 | 0 | 0 🗸 | |
| Number of Days Lost Due to Incidents | 0 | 0 | 0 | 323 | 0 | 0 🗸 | 0 | 0 | 0 🗸 | |
| Total Hours Worked | 841,131 | 769,193 | 852,486 | 4,469,506 | 4,640,009 | 4,531,857 🗸 | 2,582,460 | 2,137,323 | 2,181,436 🗸 | |
| Total Recordable Incident Rate (TRIR) (per 200,000 working hours) | 0.00 | 0.00 | 0.00 | 0.36 | 0.56 | 0.13 🗸 | 0.46 | 0.19 | 0.09 🗸 | |
| Occupational Disease Rate (per 200,000 working hours) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 🗸 | 0.00 | 0.00 | 0.00 🗸 | |

| Occupational | SOC | AR DEPOI | AMA | BU | IRSAGAZ ² | 27 | KA | YSERİGA | Z ²⁷ | SOC | AR TERM | İNAL |
|----------------------------------------------------------------------------------|---------|----------|---------|-----------|----------------------|---------|---------|---------|-----------------|---------|---------|---------|
| Accident Statistics (SOCAR Türkiye Employees) | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Number of Accidents ²⁶ | 0 | 0 | 0 🗸 | 1 | 1 | 1 | 2 | 1 | 0 | 1 | 1 | 0 🗸 |
| Number of Fatal Accidents | 0 | 0 | 0 🗸 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 🗸 |
| Number of Recordable Work-Related Illnesses | 0 | 0 | 0 🗸 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 🗸 |
| Number of Days Lost Due to Illnesses | 0 | 0 | 0 🗸 | 0 | 117 | 43 | 24 | 35 | 0 | 45 | 55 | 0 🗸 |
| Total Hours Worked | 143,765 | 171,868 | 187,654 | 1,134,375 | 846,840 | 890,136 | 525,197 | 493,021 | 521,659 | 569,663 | 597,081 | 634,561 |
| Total Recordable Incident Rate (TRIR) (per 200,000 working hours) | 0.00 | 0.00 | 0.00 🗸 | 0.18 | 0.24 | 0.22 | 0.76 | 0.41 | 0.00 | 0.35 | 0.67 | 0.00 🗸 |
| Occupational Disease Rate (per 200,000 working hours) | 0.00 | 0.00 | 0.00 🗸 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 🗸 |

²⁶ Injuries requiring intervention beyond the First Aid.
²⁷ SOCAR Enerji Ticaret and SOCAR Doğal Gaz Yatırım A.Ş Data have been integrated within Bursagaz and Kayserigaz data.

Message from the CEO About SOCAR Global & SOCAR Türkiye

Highlights of 2023 at SOCAR Türkiye

Corporate Governance at SOCAR Türkiye

| Occupational Accident | | SOCAR | | | PETKİM STAR RAFİNERİ | | | Rİ | |
|-------------------------------------------------------------------------|---------|---------|---------|-----------|----------------------|-----------|-----------|-----------|-----------|
| Statistics (SOCAR Türkiye Contractors) | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Number of Accidents ²⁸ | 0 | 1 | 1 | 12 | 8 | 14 | 9 | 3 | 4 |
| Number of Fatal Accidents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Recordable Work-Related Illnesses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Hours Worked | 137,680 | 171,816 | 196,288 | 3,737,814 | 6,756,949 | 6,345,576 | 1,909,791 | 2,786,087 | 2,016,736 |
| Total Recordable Incident Rate (TRIR) (per 200,000 working hours) | - | 1.16 | 1.02 | 0.64 | 0.24 | 0.44 | 0.94 | 0.21 | 0.40 |

| Occupational | SOC | AR DEPOI | AMA | BU | JRSAGAZ ² | 19 | KA | YSERİGA | Z ²⁹ | SOC | AR TERM | İNAL |
|----------------------------------------------------------------------------------|---------|----------|---------|---------|----------------------|---------|---------|---------|-----------------|---------|---------|---------|
| Accident Statistics (SOCAR Türkiye Contractors) | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 | 2021 | 2022 | 2023 |
| Number of Accidents ²⁸ | 0 | 0 | 0 | 0 | 3 | 0 | 4 | 2 | 2 | 1 | 0 | 3 |
| Number of Fatal Accidents | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of Recordable Work-Related Illnesses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Hours Worked | 386,858 | 357,523 | 456,313 | 375,131 | 374,196 | 399,968 | 156,186 | 351,076 | 320,170 | 156,186 | 351,076 | 320,170 |
| Total Recordable Incident Rate (TRIR) (per 200,000 working hours) | - | - | - | - | 1.60 | - | 5.12 | 1.14 | 1.25 | 0.53 | - | 1.37 |

| ²⁸ Injuries requiring intervention beyo | ond the First Aid. |
|----------------------------------------------------|--------------------|
|----------------------------------------------------|--------------------|

²⁹ SOCAR Energi Ticaret and SOCAR Doğal Gaz Yatırım A.Ş Data have been integrated within Bursagaz and Kayserigaz data.

OHS Expenditures (US Dollars,\$) 2021 Expenditures within the Scope of OHS 5,251,190 Health, Safety and Environment Trainings Total Training Hours Provided to SOCAR Türkiye Employees Number of Suppliers Subjected to HSE Assessment Number of Suppliers³⁰ Number of Contractors SOCAR Türkiye Number of Suppliers Number of Domestic Suppliers Number of Foreign Suppliers Total Number of Suppliers Percentage of Domestic Suppliers Percentage of Procurement Budget Allocated to Domestic Suppliers ³⁰ It is the number of one-on-one assessments performed by the HSE Team. All suppliers are evaluated within the scope of HSE by the Purchasing team.



| SOCAR Türkiye | | | | | |
|---------------|-----------|--|--|--|--|
| 2022 | 2023 | | | | |
| 5,587,933 | 5,662,126 | | | | |

| 2023 | | | |
|----------------------------------|--|--|--|
| Duration of the Training (hours) | | | |
| 171,871.60 🗸 | | | |

| SOCAR Türkiye | | | | | |
|---------------|------|--|--|--|--|
| 2022 | 2023 | | | | |
| 42 | 72 | | | | |

| 2023 |
|-------|
| 3,860 |

| SOCAR Türkiye | | | | |
|---------------|------|--|--|--|
| 2022 | 2023 | | | |
| 2236 | 2022 | | | |
| 235 | 250 | | | |
| 2471 | 2272 | | | |
| 90% | 89% | | | |
| 85% | 75% | | | |

About SOCAR Global & SOCAR Türkiye

Corporate Governance at SOCAR Türkiye

GRI Content Index

| STATEMENT OF USE | SOCAR Türkiye has reported in accordance with the GRI Standards for the period 01.01.2023-31.12.2023. |
|--------------------------------------|-------------------------------------------------------------------------------------------------------|
| GRI 1 USED | GRI 1: Foundation 2021 |
| APPLICABLE GRI SECTOR STANDARD(S) | GRI 11: Oil and Gas Industry 2021 |

For the Content Index –Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

The service was performed on the Turkish version of the report.

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|-------------------------------|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------|
| GENERAL DISCL | OSURES | | | |
| | 2-1 Organizational details | About SOCAR Türkiye | | |
| | 2-2 Entities included in the organization's sustainability reporting | About the Report | | |
| | 2-3 Reporting period, frequency and contact point | About the Report | | |
| | 2-4 Restatements of information | | There is no information rearranged from previous reports. | |
| | 2-5 External assurance | Limited Assurance Report | | |
| | 2-6 Activities, value chain and other business relationships | About SOCAR Türkiye | | |
| | 2-7 Employees | We are Together with our Human Resources Performance Indicators | | |
| GRI 2: General Disclosures | 2-8 Workers who are not employees | Interaction with Stakeholders Responsible Supply Chain | | |
| 2021 | 2-9 Governance structure and composition | Corporate Governance Structure Board of Directors and Senior Management Committees | | |
| | 2-10 Nomination and selection of the highest governance body | Corporate Governance Structure Board of Directors and Senior Management Committees | | |
| | 2-11 Chair of the highest governance body | Corporate Governance Structure Board of Directors and Senior Management Committees | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate Governance Structure Board of Directors and Senior Management Committees | | |
| | 2-13 Delegation of responsibility for managing impacts | Corporate Risks, Business Continuity and Crisis Management at SOCAR Türkiye | | |

| GRI STANDARD | DISCLOSURE | LOCATION |
|---------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| GENERAL DISCL | OSURES | |
| | 2-14 Role of the highest governance body in sustainability reporting | Sustainability at SOCAR Türk |
| | 2-15 Conflicts of interest | Anti-Bribery and Anti-Corruption |
| | 2-16 Communication of critical concerns | Corporate Risks, Business Continuity and Crisis Manage at SOCAR Türkiye |
| | 2-17 Collective knowledge of the highest governance body | Board of Directors and Senio Management Committees |
| | 2-18 Evaluation of the performance of the highest governance body | Board of Directors and Senio Management Committees |
| | 2-19 Remuneration policies | Board of Directors and Senio Management Committees |
| | 2-20 Process to determine remuneration | Board of Directors and Senio Management Committees |
| GRI 2: General Disclosures 2021 | 2-21 Annual total compensation ratio | |
| 2021 | 2-22 Statement on sustainable development strategy | Sustainability & Sustainabilit Strategy at SOCAR Türkiye |
| | 2-23 Policy commitments | Current Policies |
| | 2-24 Embedding policy commitments | Current Policies |
| | 2-25 Processes to remediate negative impacts | Corporate Risks, Business Continuity and Crisis Manage at SOCAR Türkiye |
| | 2-26 Mechanisms for seeking advice and raising concerns | Business Ethics and Integrity |
| | 2-27 Compliance with laws and regulations | About the Report |
| | 2-28 Membership associations | Memberships and Collaborat |
| | 2-29 Approach to stakeholder engagement | Interaction with Stakeholders |
| | 2-30 Collective bargaining agreements | Human Resources Approach |

Value Creation at SOCAR Türkiye





SECTOR STANDARD OMISSION REFERENCE NUMBER rkiye gement or or or or Confidentiality Constraints As SOCAR Türkiye group companies, employee salary data is not shared due to reasons such as being a stateowned company, employee privacy concerns, compliance with the Personal Data Protection Law (KVKK), and not all entities being publicly traded. tv gement ations rs

| SOCAR TÜRKİYE 2023 Integrated Report | About the Report | Message from the CEO | About SOCAR Global & SOCAR Türkiye | Highlights of 2023 at SOCAR Türkiye | Corporate Governance at SOCAR Türkiye | |
|-----------------------------------------|---------------------|-------------------------|---------------------------------------|----------------------------------------|------------------------------------------|--|
| | . [| | | | , i i i i i i i i i i i i i i i i i i i | |

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------|-----------------------------------------|
| MATERIAL TOPIC | cs | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics3-2 List of material topics | Sustainability Strategy Our Sustainability Priorities Our Sustainability Priorities | | |
| CLIMATE RISKS | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Biodiversity | | 11.4.1 |
| | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Biodiversity | | 11.4.2 |
| GRI 304: Biodiversity 2016 | 304-2 Significant impacts of activities, products and services on biodiversity | Biodiversity | | 11.4.3 |
| | 304-3 Habitats protected or restored | Biodiversity | | 11.4.4 |
| s c v | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Biodiversity | | 11.4.5 |
| ENERGY EFFICIE | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Energy Efficiency | | 11.1.1 |
| | 302-1 Energy consumption within the organization | Energy Efficiency Performance Indicators | | 11.1.2 |
| CDI 202. En annu | 302-2 Energy consumption outside of the organization | Energy Efficiency Performance Indicators | | 11.1.3 |
| GRI 302: Energy 2016 | 302-3 Energy intensity | Energy Efficiency Performance Indicators | | 11.1.4 |
| | 302-4 Reduction of energy consumption | Energy Efficiency Performance Indicators | | |
| | 302-5 Reductions in energy requirements of products and services | Energy Efficiency Performance Indicators | | |
| TRANSITION TO | A LOW-CARBON ECONO | MY AND CARBON TECHNOLOGIE | S | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Together for Strong Economic Performance | | 11.2.1 11.11.1 11.14.1 11.21.1 |
| GRI 201: Economic | 201-1 Direct economic value generated and distributed | Sustainable Economic Value Created Performance Indicators | | 11.14.2 11.21.2 |
| Performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | Corporate Risks, Business Continuity and Crisis Management at SOCAR Türkiye | | 11.2.2 |

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|----------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| TRANSITION TO | A LOW-CARBON ECONO | MY AND CARBON TECHNOLOGI | ES | |
| GRI 201: Economic | 201-3 Defined benefit plan obligations and other retirement plans | Employee Engagement and Wellbeing | | |
| Performance 2016 | 201-4 Financial assistance received from government | Performance Indicators | | 11.21.3 |
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | | Confidentiality Constraints As SOCAR Türkiye group companies, employee salary data is not shared due to reasons such as being a state- owned company, employee privacy concerns, compliance with the Personal Data Protection Law (KVKK), and not all entities being publicly traded. | |
| | 202-2 Proportion of senior management hired from the local community | Committees | | 11.11.2 11.14.3 |
| GRI 203: Indirect Economic | 203-1 Infrastructure investments and services supported | We Are Together for Sustainable Production | | 11.14.4 |
| Impacts 2016 | 203-2 Significant indirect economic impacts | Together for Strong Economic Performance | | 11.14.5 |
| AIR QUALITY | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Air Quality | | 11.1.1 11.2.1 11.3.1 |
| | 305-1 Direct (Scope 1) GHG emissions | Air Quality Performance Indicators | | 11.1.5 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | Air Quality Performance Indicators | | 11.1.6 |
| | 305-3 Other indirect (Scope 3) GHG emissions | Air Quality Performance Indicators | | 11.1.7 |
| GRI 305: Emissions 2016 | 305-4 GHG emissions intensity | Air Quality Performance Indicators | | 11.1.8 |
| 2010 | 305-5 Reduction of GHG emissions | Air Quality Performance Indicators | | 11.2.3 |
| | 305-6 Emissions of ozone-depleting substances (ODS) | Air Quality | ODS emissions are not calculated. | |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Air Quality Performance Indicators | | 11.3.2 |

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|-------------------------------------------------------------------------------------------------------------------------------------------------|
|-------------------------------------------------------------------------------------------------------------------------------------------------|

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|-----------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------|
| CIRCULAR ECON | IOMY AND WASTE | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities We Are Together for Sustainable Production Circular Economy and Waste | | 11.5.1 11.8.1 |
| | 301-1 Materials used by weight or volume | We Are Together for Sustainable Production | | |
| GRI 301: Materials 2016 | 301-2 Recycled input materials used | | Studies on the use of recycled input materials are ongoing. | |
| Materiais 2016 | 301-3 Reclaimed products and their packaging materials | We Are Together for Sustainable Production | | |
| | 306-1 Waste generation and significant waste- related impacts | Circular Economy and Waste | | 11.5.2 |
| GRI 306: Waste | 306-2 Management of significant waste-related impacts | Circular Economy and Waste | | 11.5.3 |
| 2020 | 306-3 Waste generated | Circular Economy and Waste Performance Indicators | | 11.5.4 |
| | 306-4 Waste diverted from disposal | Circular Economy and Waste Performance Indicators | | 11.5.5 |
| | 306-5 Waste directed to disposal | Circular Economy and Waste Performance Indicators | | 11.5.6 |
| GRI 306: Waste 2016 | 306-3 Waste generated | Circular Economy and Waste Performance Indicators | | 11.8.2 |
| WATER QUALITY | AND WASTEWATER MA | NAGEMENT | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Water Quality and Wastewater Management | | 11.6.1 |
| | 303-1 Interactions with water as a shared resource | Water Quality and Wastewater Management | | 11.6.2 |
| | 303-2 Management of water discharge-related impacts | Water Quality and Wastewater Management | | 11.6.3 |
| GRI 303: Water and Effluents 2018 | 303-3 Water withdrawal | Water Quality and Wastewater Management Performance Indicators | | 11.6.4 |
| | 303-4 Water discharge | Water Quality and Wastewater Management Performance Indicators | | 11.6.5 |
| | 303-5 Water consumption | Water Quality and Wastewater Management Performance Indicators | | 11.6.6 |

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------|
| RISK AND CRISI | S MANAGEMENT | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Corporate Risks, Business Continuity and Crisis Management at SOCAR Türkiye | | |
| OHS | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Occupational Health Safety and Environment Approach | | 11.9.1 |
| | 403-1 Occupational health and safety management system | Occupational Health Safety and Environment Approach | | 11.9.2 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Occupational Health Safety and Environment Approach Performance Indicators | | 11.9.3 |
| | 403-3 Occupational health services | Occupational Health Safety and Environment Approach | | 11.9.4 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Occupational Health Safety and Environment Approach | | 11.9.5 |
| GRI 403: Occupational | 403-5 Worker training on occupational health and safety | Occupational Health Safety and Environment Approach Performance Indicators | | 11.9.6 |
| Health and Safety 2018 | 403-6 Promotion of worker health | Occupational Health Safety and Environment Approach | | 11.9.7 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health Safety and Environment Approach | | 11.9.8 |
| | 403-8 Workers covered by an occupational health and safety management system | Occupational Health Safety and Environment Approach | | 11.9.9 |
| | 403-9 Work-related injuries | Occupational Health Safety and Environment Approach | | 11.9.10 |
| | 403-10 Work-related ill health | Occupational Health Safety and Environment Approach Performance Indicators | | 11.9.11 |

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| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| EMPLOYEE ENG | AGEMENT AND WELLBEI | NG | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities We are Together with our Human Resources | | 11.7.1 11.10.1 11.11.1 11.13.1 |
| | 401-1 New employee hires and employee turnover | Human Resources Approach Performance Indicators | | 11.10.2 |
| GRI 401: Employment 2016 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Engagement and Wellbeing | | 11.10.3 |
| | 401-3 Parental leave | Gender Equality Performance Indicators | | 11.10.4 11.11.3 |
| GRI 402: Labor/ Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | Human Resources Approach | | 11.7.2 11.10.5 |
| | 405-1 Diversity of governance bodies and employees | Gender Equality | | 11.11.5 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-2 Ratio of basic salary and remuneration of women to men | | Confidentiality Constraints As SOCAR Türkiye group companies, employee salary data is not shared due to reasons such as being a state-owned company, employee privacy concerns, compliance with the Personal Data Protection Law (KVKK), and not all entities being publicly traded. | 11.11.6 |
| GRI 406: Non- discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Business Ethics and Integrity | There were no cases of discrimination during the reporting period. | 11.11.7 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Human Resources Approach | There are no activities and suppliers where freedom of association and collective bargaining may be at risk during the reporting period. | 11.13.2 |
| COMPLIANCE W | ITH HUMAN RIGHTS PRI | NCIPLES | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Compliance with Human Rights Principles | | 11.12.1 11.15.1 11.16.1 11.17.1 11.18.1 |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Compliance with Human Rights Principles | There are no activities and suppliers with risks in terms of child labour. | |

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| COMPLIANCE W | ITH HUMAN RIGHTS PRI | NCIPLES | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Compliance with Human Rights Principles | There are no activities or suppliers with a significant risk of forced or compulsory labour cases. | 11.12.2 |
| GRI 410: Security Practices 2016 | 410-1 Security personnel trained in human rights policies or procedures | | There are no security personnel trained in human rights policies or procedures. | 11.18.2 |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | | There are no cases of violations involving the rights of local people. | 11.17.2 |
| GRI 413: Local Communities | 413-1 Operations with local community engagement, impact assessments, and development programs | | Percentage of operations where local community engagement, impact assessments and development programmes are in place is not available. | 11.15.2 |
| 2016 | 413-2 Operations with significant actual and potential negative impacts on local communities | | There are no activities with significant actual or potential negative impacts on local communities. | 11.15.3 |
| EMPLOYEE TRAI | NING AND TALENT DEVE | LOPMENT | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities Employee Training and Talent Development | | 11.7.1 11.10.1 11.11.1 |
| | 404-1 Average hours of training per year per employee | Employee Training and Talent Development | | 11.10.6 11.11.4 |
| GRI 404: Training and | 404-2 Programs for upgrading employee skills and transition assistance programs | Employee Training and Talent Development | | 11.7.3 11.10.7 |
| Education 2016 | 404-3 Percentage of employees receiving regular performance and career development reviews | Employee Training and Talent Development | | |

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|-----------------------------------------|---------------------|-------------------------|--|---------------------------------------|--|-------------------------------------|--|------------------------------------------|
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| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|-----------------------|----------------------------------------------|----------------------------------|--------------------------------|-------------------------------------|
| SUSTAINABLE E | CONOMIC VALUE | | | |
| | 0.014 | | | 11.10.1 |
| GRI 3: Material | 3-3 Management of | Our Sustainability Priorities | 11.12.1 | |
| Topics 2021 | material topics | Responsible Supply Chain | | 11.14.1 |
| GRI 204: | 204-1 Proportion of | | | |
| Procurement | spending on local | Responsible Supply Chain | | 11.14.6 |
| Practices 2016 | suppliers | Performance Indicators | | 11.14.0 |
| 1 14011003 2010 | | | | |
| 0.01.000 | 308-1 New suppliers that were screened using | Deepensible Supply Chain | | |
| GRI 308: | environmental criteria | Responsible Supply Chain | | |
| Supplier | | | | |
| Environmental | 308-2 Negative | | There are no negative impacts | |
| Assessment | environmental impacts | | of the supply chain on the | |
| 2016 | in the supply chain and | | environment in the reporting | |
| | actions taken | | period. | |
| | 414-1 New suppliers | | | 11.10.8 |
| GRI 414: | that were screened using | Responsible Supply Chain | | 11.12.3 |
| Supplier Social | social criteria | | | 11.12.0 |
| Assessment | 414-2 Negative social | | There are no negative social | |
| 2016 | impacts in the supply | | impacts of the supply chain in | 11.10.9 |
| | chain and actions taken | | the reporting period. | |
| BUSINESS ETHIC | CS AND INTEGRITY | | | |
| | | | | 11.3.1 |
| | | Our Custoir shilitu Driaritian | | |
| GRI 3: Material | 3-3 Management of | Our Sustainability Priorities | | 11.19.1 |
| Topics 2021 | material topics | Business Ethics and Integrity | | 11.20.1 |
| | | Tax Approach | | 11.21.1 |
| | | | | 11.22.1 |
| | 205-1 Operations | | | |
| | assessed for risks related | Anti-Bribery and Anti-Corruption | | 11.20.2 |
| | to corruption | | | |
| | 205-2 Communication | | | |
| GRI 205: Anti- | and training about anti- | Anti-Bribery and Anti-Corruption | | 11.20.3 |
| corruption 2016 | corruption policies and | And Bibery and And Condption | | 11.20.0 |
| | procedures | | | |
| | 205-3 Confirmed | | There were no cases of | |
| | incidents of corruption | Anti-Bribery and Anti-Corruption | corruption during the | 11.20.4 |
| | and actions taken | | reporting period. | |
| | 206-1 Legal actions for | | There were no lawsuits | |
| GRI 206: Anti- | anti competitive behavior, | | related to anti-competitive | |
| competitive | anti-trust, and monopoly | Business Ethics and Integrity | behaviours and activities | 11.19.2 |
| Behavior 2016 | practices | | during the reporting period. | |
| | | | 0 1 0 0 1 0 0 1 | |
| | 207-1 Approach to tax | Tax Approach | | 11.21.4 |
| | 207-2 Tax governance, | | | |
| | control, and risk | Tax Approach | | 11.21.5 |
| | management | | | 11.21.0 |
| GRI 207: Tax | | | | |
| 2019 | 207-3 Stakeholder | | | |
| | engagement and | Tax Approach | | 11.21.6 |
| | management of concerns | | | |
| | related to tax | | | |
| | 207-4 Country-by- | Annual Report | | 11.21.7 |
| | country reporting | | | 1121.1 |
| GRI 415: Public | 415-1 Political | | No political contributions are | 11.00.0 |
| | | | made. | 11.22.2 |

| GRI STANDARD | DISCLOSURE | LOCATION | OMISSION | SECTOR STANDARD REFERENCE NUMBER |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| BUSINESS ETHI | CS AND INTEGRITY | | | |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | | There is no percentage of specific product and service categories where health and safety impacts are assessed for improvement. | 11.3.3 |
| | 416-2 Incidents of non- compliance concerning the health and safety impacts of products and services | | There are no incidents of non- compliance. | |
| | 417-1 Requirements for product and service information and labeling | | There are no types of product and service information required by labelling procedures and no products subject to these information requirements. | |
| GRI 417: Marketing and Labeling 2016 | 417-2 Incidents of non- compliance concerning product and service information and labeling | | There are no incidents of non- compliance. | |
| | 417-3 Incidents of non-compliance concerning marketing communications | | There are no incidents of non- compliance. | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | | There are no complaints. | |
| DIGITALIZATION | AND TECHNOLOGICAL | DEVELOPMENT | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | Our Sustainability Priorities We Are Together for Continuous Transformation and Innovation | | |

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Glossary of Technical Terms

| R&D | Research and Development |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LDPE | Low Density Polyethylene |
| CCR (Continuous Catalyst Regeneration) | A process in which the catalyst is continually renewed and maintained its effectiveness |
| EIA | Environmental Impact Assessment |
| Value Chain | The sum of all stages and value-added activities that a product or service goes through from raw material to reaching the final consumer. |
| Digital Transformation | The process of improving and transforming business processes, services and interactions using digital technologies. |
| Circular Economy | Unlike the linear economic model, it is an economic system approach that aims to use resources efficiently, minimize waste production and extend the life of products. |
| IPPC | Integrated Pollution Prevention and Control |
| Energy Transformation | The transition of energy systems from fossil fuels to sustainable and renewable energy sources, a transformation process towards improving energy efficiency and low-carbon technologies. |
| EOQ | The European Organization for Quality |
| ESG | Environmental, Social and Governance |
| Ethylene | A petrochemical product used as a basic building block in the production of plastics and other organic compounds, such as polyethylene. |
| EBITDA | Earnings Before Interest, Taxes, Depreciation and Amortization |
| DRC | Disaster Recovery Center |
| FSRU | Floating Storage and Regasification Unit is a customized vessel used to receive liquefied natural gas (LNG), store, regasify it and then transfer it to the gas network. |
| Fuel Gas | A flammable gas mixture usually used for purposes such as heating or power generation. |
| GRF | Gas Reference Prices; Turkish Natural Gas Reference Prices, observed particularly in the Turkish Spot Gas Market, a reference that determines the daily price of natural gas traded. |
| GRI | An organization that provides globally accepted standards for measuring and reporting the sustainability performance of organizations. |
| HCU (Hydrocracking) | A cracking process using hydrogen that transforms heavy oil fractions into lighter and more valuable products. |
| HGU | Hydrogen Generation Unit is a unit of plant used to produce hydrogen gas by methods such as the electrolysis of water. |
| HP Steam | High Pressure Steam |
| | |

| Occupational Health and Safety |
|----------------------------------------------------------------------------------------------|
| International Accounting Standards Board |
| International Energy Agency |
| International Finance Corporation |
| International Financial Reporting Standards |
| International Labor Organization |
| International Marine Contractors Association |
| International Renewable Energy Certificate |
| International Standards Organization |
| Information Technologies-Operational Technol |
| Health, Safety and Environment |
| The set of processes and strategies aimed at r operations. |
| A semi-quantitative risk analysis method that a reduce risks in industrial processes. |
| Key Performance Indicator |
| Liquefied Natural Gas |
| Low Pressure Steam |
| The International Convention for the Preventio |
| Circulation of Methyldiethanolamine, an amine |
| Process Safety Management of Change |
| Medium Pressure Steam |
| A situation in which the amount of greenhouse through emission reduction and carbon remov |
| |

ologies reducing or eliminating carbon emissions released during economic evaluates the effectiveness of individual layers of protection designed to on of Pollution from Ships ne solution used to remove acid gases in gas processing plants. se gases an organization releases into the atmosphere is balanced val, resulting in net zero emissions.

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Annex-1: SOCAR Integrated Report 2023 -**Reporting Principles**

These reporting principles (the "Principles") provide information on the methodologies for the preparation, calculation and reporting of data for the indicators of SOCAR Turkey (the "Group" or "SOCAR") within the scope of limited assurance in the SOCAR Turkey Integrated Report 2023 ("Integrated Report").

These indicators include social, environmental, and economic indicators. It is the responsibility of the Group's management to ensure that appropriate procedures are in place to prepare these indicators, in all material respects, in accordance with the Principles.

The information contained in these Principles the fiscal year ending December 31, 2023 and the relevant operations under the responsibility of SOCAR Turkey as detailed in the "Key Definitions and Scope of Reporting" section and covers all activities carried out in STAR Rafineri, Petkim Petrokimya, SOCAR Türkiye Terminal ve SOCAR Türkiye Depolama. The indicators that include subcontractors are specified in the "Basic Definitions and Scope of Reporting" section, and subcontractors are not included in the indicators that are not specified.

General Reporting Principles

The following principles have been considered in the preparation of this guidance document:

- In the preparation of information to emphasize to users of information the basic principles of relevance and reliability of information,
- In reporting information emphasizing the principles of comparability/consistency of information with other data, including previous year, and the principles of understandability/transparency providing clarity to users.

Key Definitions and Scope of Reporting

For the purpose of this report, the Group makes the following definitions:

| Туре | Indicator | Des |
|---------------|--------------------------------------|---------------------------------------------------------|
| Environmental | Waste Management (tons/year) | |
| Indicators | Total Waste Amount (tons) | Rep gen clas with MO Forn Env Info |
| | Amount of Hazardous Waste (tons) | Rep Gro MO Mor Env Info |
| | Amount of Non-Hazardous Waste (tons) | Rep Gro Wa Env the |
| | Amount of Reused Waste (tons) | Rep reus peri Forr Urb reco |

Glossary of Technical Terms

| OSHA | Occupational Safety and Health Administration |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| P&iD | Process and Instrumentation Diagram |
| PFI | Periodic Field Inspections |
| Polypropylene (PP) | A light and durable type of plastic produced from propylene. |
| PSSR | Pre-Startup Safety Review |
| RCA | Root Cause Analysis |
| WPP | Wind Power Plant |
| ROI | Return on Investment |
| RTLS | Real Time Location System |
| CWMS | Continuous Wastewater Monitoring Systems |
| SASB | Sustainability Accounting Standards Board |
| CEMS | Continuous Emission Measurement Systems |
| Carbon Border Adjustment Mechanism (CBAM) | A regulatory carbon tax or fee imposed on products imported into that region to encourage lowering carbon emissions. |
| SLA | Service Level Agreement |
| NGO | Non-Governmental Organizations |
| Sustainable Development Goals (SDGs) | A development agenda set by the United Nations consisting of 17 goals aimed at ending global poverty, protecting the planet and ensuring peace and prosperity for all by 2030. |
| Hazard and Operability Analysis (HAZOP) | A detailed technique used to systematically conduct a risk assessment of the safety and operational effectiveness of a facility or process. |
| UN WEPs | An initiative developed by the United Nations and the Alliance for the Economic Empowerment of Women, which sets out a set of principles that are implemented to promote women's empowerment and gender equality in business. |
| UNGC | A United Nations-led initiative that calls on the business world to take social and environmental responsibility within the framework of ten core principles. |
| WEF | World Economic Forum |
| YEK-G | Renewable Energy Resource Guarantee System |
| Green Finance | Economic activities that finance projects with environmental benefits and sustainable development goals. |

scription

presents the total amount of hazardous and non-hazardous waste nerated by the Group's operations during the reporting period. Wastes ssified according to their hazardous characteristics in accordance th the Turkish Waste Management Regulation are monitored through OTAT (Mobile Waste Tracking System) records, Waste Declaration rms and Monthly Activity Reports on the portal of the Turkish Ministry of vironment, Urbanization and Climate Change (Integrated Environmental ormation System).

presents the total amount of hazardous waste generated by the oup's operations during the reporting period. It is monitored through OTAT (Mobile Waste Tracking System), Waste Declaration Forms and onthly Activity Reports on the portal of the Republic of Turkey Ministry of vironment, Urbanization and Climate Change (Integrated Environmental ormation System) and the unit of monitoring, recording and reporting is ۱S.

presents the total amount of non-hazardous waste generated by the oup's operations during the reporting period. It is monitored through aste Declaration Forms and Monthly Activity Reports on the Ministry of vironment portal (Integrated Environmental Information System), and e unit of monitoring, recording and reporting is tons.

presents the total amount of hazardous and non-hazardous waste ised by Petkim Petrochemicals and STAR Refinery during the reporting riod. Reused wastes, which are monitored through Waste Declaration rms submitted to the Republic of Turkey Ministry of Environment, panization and Climate Change, Monthly Activity Reports and internal ords, are tracked in kilograms and reported in tons.

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Туре

Environmen

Indicators

Corporate Governance at SOCAR Türkiye

| Туре | Indicator | Description |
|--------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| nvironmental | Waste Management (tons/year) | |
| Indicators | Amount of Recycled Waste (tons) | Represents the amount of hazardous and non-hazardous waste generated by Petkim Petrochemicals as a result of operations and recycled off-site during the reporting period. Wastes monitored through MOTAT (Mobile Waste Tracking System) records on the portal of the Republic of Turkey Ministry of Environment, Urbanization and Climate Change (Integrated Environmental Information System), Waste Declaration Forms and internal records are tracked in kg and reported in tons. |
| | Amount of Recovered Waste (tons) | Represents the amount of hazardous and non-hazardous wastes generated by STAR Refinery, SOCAR Turkey Terminal and SOCAR Turkey Storage as a result of operations and recovered on-site and off-site during the reporting period. Wastes monitored through MOTAT (Mobile Waste Tracking System) records, Waste Declaration Forms and internal records on the portal of the Republic of Turkey Ministry of Environment, Urbanization and Climate Change (Integrated Environmental Information System) are tracked in kg and reported in tons. |
| | Amount of Waste Disposed by Landfill (tons) | Represents the amount of waste generated by the Group during the reporting period as a result of its operations and sent for disposal at the landfill site. Wastes monitored through MOTAT (Mobile Waste Tracking System) records, Waste Declaration Forms and internal records on the portal of the Republic of Turkey Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System) are monitored in kg and reported in tonnes. |
| | Amount of Waste Disposed by Incineration (tons) | Represents the amount of hazardous and non-hazardous waste generated by the Group during the reporting period as a result of its operations and sent to the relevant disposal facilities upon off-site incineration. Wastes monitored through MOTAT (Mobile Waste Tracking System) records, Waste Declaration Forms and internal records on the portal of the Republic of Turkey Ministry of Environment, Urbanisation and Climate Change (Integrated Environmental Information System) are monitored in kg and recorded in tennos |
| | Water Management (m³/year) | reported in tonnes. |
| | Surface Water (m ³) | Represents the total amount of water supplied by the Group from the dam for production operations and domestic use during the reporting period. Surface water withdrawal is monitored through the daily shift records of the manual meters located at the entrance of the facility and the Monthly Activity Reports of the Republic of Turkey Ministry of Environment, Urbanization and Climate Change and is reported in m ³ units. |
| | Treated Water Discharge (m³) | Represents the total amount of wastewater generated as a result of the Group's water-using activities during the reporting period and treated by the wastewater treatment plant. It is monitored through wastewater treatment plant outlet meters and the Ministry of Environment, Urbanization and Climate Change, Real Time Remote Wastewater Monitoring System and Monthly Activity Reports and is reported in m ³ units. |
| | Untreated Water Discharge (m ³) | Represents the total amount of wastewater generated as a result of the Group's water-using activities during the reporting period and discharged to nature by the wastewater treatment plants without being treated by any method. It is monitored through wastewater treatment plant outlet meters and the Ministry of Environment, Urbanization and Climate Change, Real Time Remote Wastewater Monitoring System (RWMS) and Monthly Activity Reports and is reported in m ³ units. |
| | Net Water Consumption (m ³) | Represents the amount of water consumed in m ³ units, which is obtained by subtracting the amount of treated wastewater discharged to nature in the same period from the total amount of water obtained from nature to meet the domestic and industrial water needs of the group during the reporting period. |

| Indicator | De |
|----------------------------------|------|
| Energy Consumption (GJ) | |
| | Re |
| | by |
| Natural Gas Consumption (GJ) | Na |
| | pro |
| | to e |
| | Re |
| | in e |
| Fuel Gas Consumption (GJ) | cor |
| | rep |
| | cor |
| | Rep |
| | PE |
| Ventilation Gas Consumption (GJ) | cor |
| | and |
| | to e |
| | Rep |
| | Pet |
| | Me |
| Hydrogen Consumption (GJ) | rep |
| , | bal |
| | for |
| | ene |
| | Rep |
| | rep |
| Purchased Steam (GJ) | fror |
| | for |
| | uni |
| | Rep |
| | wit |
| | ele |
| Total Electricity Consumed (GJ) | rec |
| | rep |
| | ene |
| | Rep |
| | ord |
| | oth |
| Diesel Consumption (GJ) | by |
| | GJ |
| | cor |
| | ma |
| | Rep |
| | sub |
| | Ref |
| Flammable Gas (GJ) | SOU |
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epresents the total amount of natural gas consumed as energy source PETKİM Petrochemicals and STAR Refinery during the reporting period. atural gas, which is tracked in Sm3 unit on invoices received from service oviders, is reported in GJ unit. Thermal constants used for the transition energy-based reporting are provided by the natural gas service provider. epresents the amount of fuel gas consumed by PETKİM Petrochemicals

ethylene production processes during the reporting period. Fuel gas insumption is manually monitored in tons by meters in the facility and ported in GJ units. Chromatograph analysis is used for the thermal instants used for the transition to energy-based reporting.

epresents the amount of ventilation gas (refinery gas) consumed by ETKİM Petrochemicals during the reporting period. Ventilation gas onsumption is manually monitored in tons by meters located in the facility and reported in GJ units. For the thermal constants used for the transition energy-based reporting, chromatograph analysis is used.

epresents the total amount of Hydrogen produced by Petkim etrochemicals as a reaction product of natural gas and steam in the ethane reforming unit and read on the process output meters during the porting period. Hydrogen consumption is tracked in tons using the mass alance method and reported in GJ units. Universal constants are used r the thermal analysis used to transition from mass-based monitoring to nergy-based reporting.

epresents the amount of steam purchased by STAR Refinery during the porting period. Steam is tracked in ton units through invoices received om service providers and reported in GJ units. For the calculations used r the transition from mass-based monitoring to energy-based reporting, niversal thermal constants are used according to steam characterization.

epresents the total amount of electricity purchased by the companies ithin the reporting scope during the reporting period. Purchased ectricity, which is tracked through service provider invoices and invoices ceived from EPİAŞ Transparency Platform, is tracked in KWh and ported in GJ. Universal constants are used for calorific values used for nergy conversion.

epresents the amount of diesel fuel consumed in the reporting period in der to meet the energy needs of the generators, forklift equipment and her energy consuming thermal production/distribution equipment owned the group. Consumed diesel fuel is monitored in tons and reported in J units through process unit meters and invoices. Universal conversion instants are used for the thermal analysis used for the transition from ass-based monitoring to energy-based reporting.

epresents the amount of gaseous, flammable and combustible bstances below 20°C that are produced by Petrochemicals and STAR efinery as a by-product of their operations and consumed as an energy urce during the reporting period. Flammable gas consumption is onitored in ton units through the meters in the facility and reported in GJ lits. For the thermal constants used for the transition to energy-based porting, in-plant chromatograph analysis is used.

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Indicator

Туре

Message from the CEO

Description

About the

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Corporate Governance at SOCAR Türkiye

| | Туре | Indicator | Description |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| | Social | Education & Development | |
| s arising from stationary combustion, and leaks, chemical use and ations carried out by the group preenhouse gas emissions, which | Indicators | Environmental Trainings (#) | Represents the environmental The Group's H through the tra |
| Communiqué on Monitoring and ons and monitored through the ords, are reported in tonCO ₂ . enhouse gas emissions resulting | | Environmental Trainings (hours) | Represents the Group to its en a personnel ba platform and to |
| on and the consumption of steam | | Occupational Health and Safety | |
| ig the reporting period. The d in KWh through invoices and nount of steam purchased is nvoices. Scope 2 Greenhouse | | Total Number of Recordable Accidents (#) | Represents the employees dur and prevented through notific |
| e with the Communiqué on as Emissions and reported in | | Number of Fatal Accidents (#) | Represents the "fatal occupati and Safety Law to the Social S |
| vere notified to the an Resources Data e age groups under | | Number of Days Lost due to Occupational Disease (#) | Represents the employees we diseases that the scope of th |
| er of employees reported through the Group's Human employees whose coordance with the Labor Law | | Total Recordable Accident Rate (per 200,000 working hours) | monitored thro Represents the employees due prevented the notifications m working hours |
| ale and male erminated in riod to the total s of 31.12.2023. | | Occupational Illness Rate (per 200,000 working hours) | Represents the of "occupation Safety Law No to the Social S period. |
| mployees who are entitled to | | Total Working Hours (hours) | Represents the reporting peric platform. |
| who are entitled labor law and the their leave during | | Hours of Training Received by Employees on OHS-E (hours) | Represents the environment-re reporting perio training specif |

| Environmental | Greenhouse Gas Emissions (tons CO ₂ e/year) | | | | |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| Indicators | Scope 1 Greenhouse Gas Emissions (tons CO ₂ e/ year) | Represents greenhouse gas emissions arising from stationary combustion, mobile combustion, equipment losses and leaks, chemical use and production processes during the operations carried out by the group during the reporting period. Scope 1 greenhouse gas emissions, which are calculated in accordance with the Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions and monitored through the Ministry Audit Report and internal records, are reported in tonCO ₂ . | | | |
| | Scope 2 Greenhouse Gas Emissions (tons CO ₂ e/ year) | Represents the amount of indirect greenhouse gas emissions resulting from the Group's electricity consumption and the consumption of steam purchased for electricity generation during the reporting period. The amount of electricity purchased is tracked in KWh through invoices and EPIAŞ Transparency Platform, and the amount of steam purchased is tracked in tons through service provider invoices. Scope 2 Greenhouse Gas Emissions are calculated in accordance with the Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions and reported in tons $CO_2e/year$. | | | |
| Social | Employee Demographics | | | | |
| Indicators | Employees by Age (person/year) | Represents the number of SOCAR employees who were notified to the Social Security Institution through the Group's Human Resources Data Platform during the reporting period, according to the age groups under 30, between 30 and 50, and over 50. | | | |
| | Number of Employees by Gender (person/year) | Represents the breakdown of the total number of employees reported as of the end of the year, which is monitored through the Group's Human Resources data platform, by gender. | | | |
| | Employee Rotation | | | | |
| | Number of Employees Left by Gender (#) | Represents the number of male and female employees whose employment contracts were terminated in accordance with the Labor Law during the reporting period. | | | |
| | Employee Turnover Rate by Gender (%) | Represents the percentage of the total number of female and male employees whose employment contracts have been terminated in accordance with the labor law within the reporting period to the total number of female and male employees of the Group as of 31.12.2023. | | | |
| | Maternity Leave and Return to Work | | | | |
| | Total Number of Employees entitled to Maternity Leave (#) | Represents the number of male and female employees who are entitled to paternity and maternity leave in accordance with the labor law during the reporting period. | | | |
| | Total Number of Employees on Maternity Leave (#) | Represents the number of male and female employees who are entitled to paternity and maternity leave in accordance with the labor law and the number of male and female employees who have used their leave during the reporting period. | | | |
| | Total Number of Employees Returning to Work After the End of Maternity Leave (#) | Represents the number of male and female employees who were entitled to paternity and maternity leave in accordance with the labor law, who used their leave and returned to work after the end of their leave during the reporting period. | | | |
| | Total Number of Employees Who Returned to Work After the End of Maternity Leave and Continued to Work 12 Months After Returning to | Represents the number of male and female employees who were entitled to paternity and maternity leave in accordance with the labor law, used their leave and continued to work for 12 months after the end of their | | | |

leave.

Work (#)

the total number of employees who participated in tal trainings provided by the Group during the reporting period. Human Resources are monitored on a personnel basis training tracking platform and training attendance records.

the total hours of environmental training provided by the employees during the reporting period. These are tracked on basis through the Group's Human Resources training tracking training attendance records.

the number of injury incidents that occurred to the Group during a work-related activity during the reporting period ed them from performing their work, which were followed up ifications made to the Social Security Institution.

the number of Group employees who fall under the definition of ational accident" within the scope of the Occupational Health Law No. 6331, which is followed up through notifications made I Security Institution during the reporting period.

the days during the reporting period when the Group were absent from the workplace as a result of occupational at fall within the definition of "occupational disease" within f the Occupational Health and Safety Law No. 6331 and are hrough notifications made to the Social Security Institution.

the ratio of the total number of injury incidents that occurred to during a work-related activity during the reporting period and nem from performing their work, which are monitored through s made to the Social Security Institution, to the total number of irs during the reporting period.

the ratio of the number of people who fall under the definition onal disease" within the scope of the Occupational Health and No. 6331, and who are monitored through notifications made I Security Institution, to the total working hours of the reporting

the total working hours realised by the group during the riod, monitored through the group's Human Resources

the total number of hours of process safety, first aid and -related trainings provided to group employees during the riod, primarily the mandatory occupational health and safety cified in the Occupational Health and Safety Law No. 6331.

About SOCAR Global & SOCAR Türkiye

Data Preparation

1. Environmental Indicators

Scope 1 Greenhouse Gas Emissions (ton CO₂e/yıl)

Scope-1 emissions refer to the amount of emissions resulting from stationary combustion and processes. Scope-1 emissions are included in the greenhouse gas inventory of fuel gas, natural gas, diesel fuel, diesel fuel, flaring of other petroleum products and emissions generated by source conversions.

Emissions from stationary combustion and processes are calculated and monitored in accordance with the Regulation on Monitoring Greenhouse Gas Emissions.

Formula:

Emission Amount (tonCO₂eq) = Activity Data * Emission Factor * Oxidation Factor * GWP

Activity Data = Consumption Amount * Net Calorific Value (TJ)

Oxidation Factor= 1

Emission Factor and Net Calorific Value:

Emission factors and lower heating values for natural gas are obtained from the natural gas supplier in the relevant locations. Emission factors for light naphtha, coke, fuel gas, off gas, tail gas, vent gas, flare gas, diesel and other petroleum products are based on the results of gas chromatography analysis (GC-Gas chromatography) and are calculated in-house. Although they vary by refinery, the consolidated values in Table 1 are taken into account.

Emission Factors and Net Calorific Values included in the calculation of Scope 1 emissions for refineries are as follows:

Table: 1

| Source Streams | Emission Factor | Net Calorific Value (GJ/Ton) |
|--------------------------|-----------------------------------------------|------------------------------|
| Natural Gas | 55.46 – 55.55 (ton CO ₂ /TJ) | 49.04 - 49.68 |
| Light Naphtha | 72.70 (ton CO ₂ /TJ) | 45.01 |
| Fuel Gas | 37.31 – 56.06 (ton CO ₂ /TJ) | 49.26 - 67.04 |
| Off Gas | 3 (tCO ₂ /t) | - |
| Tail Gas | 0.03 (tCO ₂ /1000Nm ³) | - |
| Ventilation Gaz | 24.88 – 26.16 (ton CO ₂ /TJ) | 0.32 – 0.35 |
| Flare Gaz | 3.93 tCO ₂ /1000Nm ³ | - |
| Motorin | 72.30 (ton CO ₂ /TJ) | 43.33 |
| Other Petroleum Products | 73.30 (ton CO ₂ /TJ) | 40.19 |

Scope 2 Greenhouse Gas Emissions (ton CO₂e/yıl)

Formula:

Scope 2 Greenhouse Gas Emissions (tons CO_e/year) = Purchased Electricity (MWh/year) * Emission Factor (tonsCO_/MWh)

Scope 2 Greenhouse Gas Emissions (tons CO,e/year) = Purchased Steam (MWh/year) * Emission Factor (tonsCO,/MWh)

The electricity emission factor was calculated by taking into account the regions where the facilities within the scope (STAR Refinery and Petkim Petrochemicals) are located and based on the data published by the Republic of Turkey Ministry of Energy and Natural Resources, and the emission factor value was taken as 0.439 tonCO₂/MWh.

*T.C. Enerji ve Tabii Kaynaklar Bakanlığı Türkiye Ulusal Elektrik Şebekesi Emisyon Faktörü (2022)

The vapor emission factor was calculated by taking into account the regions where the facilities in the scope (STAR Refinery and Petkim Petrochemicals) are located and based on the data published by the Department of Environment, Food & Rural Affairs (DEFRA), and the emission factor value was taken as 0.171 tons CO₂eq/MWh.

*UK Government GHG Conversion Factors for Group Reporting (2023)

2. Social Indicators

Total Recordable Accident Rate

Formula:

Total Recordable Accident Rate = Total number of recordable accidents * 200,000/ Total working hours

Occupational Disease Rate

Formula:

Occupational Disease Rate = Total number of occupational diseases * 200,000/ Total working hours

Average Hours of Training Provided

Formula:

Average Training Hours = Total training hours given / Total number of people trained

Restatements

The measurement and reporting of verified data inevitably involves a degree of estimation. Where there is a change of more than 5% in the data at the partnership level, a restatement of opinion may be considered.

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Limited Assurance Report to the Board of Directors of SOCAR Turkey Enerji A.Ş.

We have been engaged by the Board of Directors of SOCAR Turkey Energi A.Ş. ("Socar Turkey") and subsidiaries (collectively referred to as the "Group") to perform a limited assurance engagement in respect of the Selected Sustainability Information (the "Selected Information") listed below and stated in the Socar Turkey Integrated Report 2023 (the "Integrated Report") for the year ended 31 December 2023.

Selected Information

The scope of the Selected Information for the year ended 31 December 2023, which is subject to our limited assurance work, set out in the pages 116,130,133,143,144,216,220,221,222,223,224,225,227,229,230,231,233 and 235 of the Integrated Annual Report with the sign "✓" is summarized below:

Environmental Indicators

Waste Management (tons/year)

- \boxtimes Total Waste Amount (tons)
- \boxtimes Amount of Hazardous Waste (tons)
- Amount of Non-Hazardous Waste (tons)
- Amount of Reused Waste (tons)
- Amount of Recycled Waste (tons)
- \boxtimes Amount of Recovered Waste (tons)
- \boxtimes Amount of Waste Disposed by Landfill (tons)
- Amount of Waste Disposed by Incineration (tons)

Water Management (m3/year)

- \boxtimes Surface Water (m3)
- \boxtimes Treated Water Discharge (m3)
- Untreated Water Discharge (m3)
- Net Water Consumption (m3)

Energy Consumption (GJ)

- X Natural Gas Consumption (GJ)
- \boxtimes Fuel Gas Consumption (GJ)
- \boxtimes Ventilation Gas Consumption (GJ)
- Hydrogen Consumption (GJ)
- \boxtimes Purchased Steam (GJ)
- Ø Total Electricity Consumed (GJ)
- \boxtimes Diesel Consumption (GJ)
- \boxtimes Flammable Gas (GJ)

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. Kılıçali Paşa Mah. Meclis-i Mebusan Cad. No:8 İç Kapı No:301 Beyoğlu/İstanbul *T*: +90 212 326 6060, *F*: +90 212 326 6050, <u>www.pwc.com.tr</u> Mersis Numaramız: 0-1460-0224-0500015



Greenhouse Gas Emissions (tons CO₂e/year)

- \boxtimes Scope 1 Greenhouse Gas Emissions (tons CO2e/year)
- \boxtimes Scope 2 Greenhouse Gas Emissions (tons CO2e/year)

Social Indicators

Employee Demographics

- \boxtimes Employees by Age (person/year)
- Number of Employees by Gender (person/year) \boxtimes

Employee Rotation

- \boxtimes Number of Employees Left by Gender (#)
- X Employee Turnover Rate by Gender (%)

Maternity Leave and Return to Work

- Total Number of Employees entitled to Maternity Leave (#)
- 冈 Total Number of Employees on Maternity Leave (#)
- X
- Ø Continued to Work 12 Months After Returning to Work (#)

Education & Development

- \boxtimes Environmental Trainings (#)
- \boxtimes Environmental Trainings (hours)

Occupational Health and Safety

- Ø Total Number of Recordable Accidents (#)
- Number of Fatal Accidents (#)
- Number of Days Lost due to Occupational Disease (#)
- \boxtimes Total Recordable Accident Rate (per 200,000 working hours)
- X Occupational Illness Rate (per 200,000 working hours)
- X Total Working Hours (hours)
- Ø Hours of Training Received by Employees on OHS-E (hours)

Our assurance was with respect to the Selected Information marked with " in the in the Integrated Report, and we have not performed any procedures with respect to earlier periods or any information other than Selected Information marked with " in the Integrated Report and, any other elements included in the Integrated Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Group to prepare the Selected Information is set out in section. Socar Turkey Integrated Report 2023 – Reporting Principles (the "Reporting Principles") on pages 249,250,251,252,253,254 and 255 of the Integrated Report.

Total Number of Employees Returning to Work After the End of Maternity Leave (#) Total Number of Employees Who Returned to Work After the End of Maternity Leave and

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The Group's Responsibility

The Group is responsible for the content of the Integrated Report and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure nonfinancial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our Responsibility

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000"), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410 "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410") issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 and ISAE 3410. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- accuracy of certain calculations;
- Information prepared by the Group and;
- undertook analytical procedures over the reported data.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Group's Selected Information for the year ended 31 December 2023, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

understood the process for collecting and reporting the Selected Information. This included analyzing the key processes and controls for managing and reporting the Selected Information; evaluated the source data used to prepare the Selected Information and checked the mathematical

performed limited testing on a sample basis for the compilation and preparation of the Selected

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Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Group as a body, to assist the Board of Directors in reporting Group's performance and activities related to the Selected Information. We permit the disclosure of this report within the Integrated Report for the year ended 31 December 2023, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of SOCAR Turkey Enerji A.Ş. as a body and SOCAR Turkey Enerji A.Ş. for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

Selma Canbul Çorum, SMMM Independent Auditor

Istanbul, 8 August 2024







