## SOCAR TÜRKİYE ESG-FOCUSED RISK AND OPPORTUNITIES

Threat/Opportunity Area	Subject of Risk	Threat Definition	Short-Term	Effects of the Threat Medium-Term	Long-Term	Opportunity Description	Short-Term	Effects of Opportunity Medium-Term	Long-Term	Climate Connection of Risk/Opportunity (Physical-Transition)*	Severity of Risk (Low-Medium-High-Critical)	Short	Measures and Actions Taken to Manage Medium Long	Related Capital Item	Related Material Issue
	Real sector's need to adapt to climate change	Climate change, the effects of which have been felt more in recent years, is expected to cause greater physical damages both in the world and in Türkiye in the coming period. Therefore, it is necessary to raise awareness and support the capacity development of real sector firms to manage this risk. Increasing demand for low-carbon products and services also affects this risk. The fact that the Climate Law and related legislation have not yet been published and sectoral approaches have not been clarified in Türkiye also affects this risk. According to the National Contribution Intent submitted by Türkiye to the secretariat of the United Nations Framework Convention on Climate Change, Türkiye is committed to reduce its greenhouse gas emissions by 41%. Factors affecting this risk include the fact that the base year and the amount of greenhouse gas reductions by companies to be selected in the legislation to be established in line with this target given by Türkiye have not yet been clarified.	compliance with the regulation may adversely affect the reputation of	may adversely affect the competitiveness of the institution and cause its costs to increase. This can reduce the profitability of the company and	non-compliance with the legislation can adversely affect the reputation of the company and impose a great financial burden. This can strain the organization's ability to continue its operations and negatively impact future business opportunities. In addition, the revocation of permits and licenses may also entail the obligation to cease or modify the company's	Green energy supply opportunities give rise to a strategy that aims to reduce greenhouse gas emissions by replacing fossil fuels with environmentally friendly and sustainable energy sources. This strategy includes the expansion and use of renewable energy Green energy is seen as an effective tool for reducing greenhouse gas emissions because, unlike fossil fuels, these sources do not release harmful gases into the atmosphere and therefore contribute to the fight against climate change. This approach also offers economic opportunities, as the green energy sector often opens up new areas for employment and innovation, as well as stimulating the development of energy efficiency and renewable energy technologies.	model	Reducing greenhouse gas emissions by using the opportunity of green energy supply	<ul> <li>Reducing environmental impact by focusing on renewable energy production and expanding the energy portfolio</li> <li>Reducing fluctuations in energy supply and increasing energy security by making energy supply more balanced and flexible with the use of various energy sources</li> </ul>	Transition	Medium	<ul> <li>We share the Green Service Dashboard and set targets and KPI cards for green service products.</li> <li>We continue solar energy business development projects within the scope of Petkim RES SPP HYBRID and R&amp;P SPP Projects. In this context, the following ER requests have been created:</li> <li>MUH-2022-540, Hybrid SPP Investment in WPP site MUH-2022-532, Renewable SPP investments MUH-2022-532, Renewable SPP investments MUH-2022-510, WPP Site Additional Wind Turbine Investment</li> <li>We stay in touch with the Ministry of Environment, Urbanization and Climate Change, EMRA and GAZBIR and follow the processes closely.</li> <li>Under the leadership of the working group we have formed within the company, we are implementing cooperation studies with the Ministry of Environment, Urbanization and Climate Change in order to match the mitigation targets with the realities of the sector.</li> <li>We are working on the inclusion of the management of the additional costs of the Carbon Border Tax regulation in our company strategies.</li> <li>We plan to draw up sustainability roadmaps. We are preparing a roadmap that includes topics such as the evaluation of sustainable fuel production by processing renewable raw materials or wastes, the examination of renewable energy sources, and plastic recycling. We are working on the carbon emission target and the annual reduction in emissions in line with the 2050 zero emission targets.</li> <li>In order for the company to achieve its short, medium and long-term goals, we evaluate and prioritize the projects in the Strategic Plan and implement the appropriate projects after appropriate resource planning.</li> </ul>	<ul> <li>in the selection of our technology tools and related techniques while creating investment plans.</li> <li>First of all, we aim to reduce both our natural resource consumption and greenhouse gas emissions with our operational improvement and energy efficiency efforts. In line with this goal, we aim to start Energy Margin Improvement studies in 2024 and plan new projects that need</li> <li>SPP in dam areas on hamwater pools the energy production, building HEPP on the ot time benefiting from wave energies. We afforestation works in the dam area.</li> <li>We are planning to add a Turbo expander to the other provide the energy production.</li> </ul>	<ul> <li>at will provide renewable</li> <li>Natural Capital</li> <li>Iam line, and at the same are also planning to start</li> </ul>	<ul> <li>Digitalization and Technological Development</li> <li>Transition to a Low Carbon Economy and Carbon Technologies</li> </ul>
COURNUCE	Sustainable corporate reputation and stakeholder loyalty and trust	Reputational damage may cause the company to lose its social prestige, reduce demand for its products and services, and adversely affect its competitiveness. In this context, this risk can be eliminated through various activities and incentives that can gain the trust of stakeholders.	<ul><li>investors.</li><li>Dissatisfaction of customers, employees, business partners and other</li></ul>	downturn.			<ul> <li>community welfare</li> <li>Productivity increase, cost reduction, competitive advantage, employee and customer satisfaction and loyalty increase with the creation of business improvement and innovation opportunities</li> </ul>		<ul> <li>Increased investor confidence with a sustainable corporate reputation increases investment in the company and increases its long-term growth potential by improving financial performance</li> <li>Strengthening the environment of trust with business partners and suppliers with a sustainable corporate reputation increases cooperation opportunities and supports the long-term success of business partnerships.</li> </ul>	Transition	Medium	<ul> <li>the emission reduction targets required by local and international regulations and relevant laws on the products and processes of our companies. We aim to determine investment, feasibility and strategy programs in order to become more competitive in the face of the limit emission values, taxes and additional financial obligations specified in the regulations.</li> <li>We benefit society by investing in corporate, social and environmental responsibility projects.</li> <li>We carry out our processes within the framework of the corporate policies and procedures we have established.</li> <li>We create an environment of trust for our stakeholders by creating a participatory, timely, transparent and two-way communication</li> </ul>	<ul> <li>Within the scope of the Green Procurement Policy we have prepared, we plan to observe social, economic and environmental requirements in supplier selection.</li> <li>We plan to update our processes with a sustainability and ESG perspective.</li> <li>In our purchases, we aim to disseminate practices that support</li> </ul>	Social Capital     Human Capital     Financial Capital     Intellectual Capital     Intellectual Capital	<ul> <li>Business Ethics and Integrity</li> <li>Risk and Crisis Management</li> <li>Sustainable Economic Value</li> </ul>
	The path to the committed targets	The risk of loss of reputation is expressed by stakeholders in the event that strategic, financial, etc. targets prepared intensively within the organization are not achieved.	stakeholders can cause loss of trust and reputation.	reputation and relationships.	<ul> <li>earnings, cash flows, and financial condition.</li> <li>Financial and operational performance may be damaged and investors' confidence may be shaken.</li> <li>There may be a risk of falling into a disadvantageous position in matters that require competitive advantage, such as new project proposals.</li> <li>There is a possibility that R&amp;D and innovation studies will be adversely affected.</li> </ul>	<ul> <li>It is aimed to work more efficiently and effectively by reviewing existing processes and creating innovation and innovation opportunities. This goal involves the implementation of new technologies and methods and the development of innovative solutions.</li> <li>With the increase in competitive advantage with the developed employee competencies, the focus is on the learning and development of the employees, and thus the talent pool is strengthened in accordance with the qualifications required by the organization.</li> <li>The sustainable financial model aligns profitability, growth and value creation goals with sustainability principles. In this way, the organization combines financial, environmental, and social performance to drive long-term success and stakeholder value.</li> </ul>	<ul> <li>increase the overall competitiveness of the company by increasing the skills and knowledge of employees. More competent and knowledgeable employees can work more efficiently and positively impact the company's business results.</li> <li>Reviewing existing processes and creating opportunities for innovation and innovation can increase the efficiency and competitiveness of the company. More effective and innovative business processes can reduce costs, improve quality, and increase customer satisfaction.</li> </ul>	competencies can strengthen the company's marketing strategies and customer relations. More skilled and knowledgeable employees can provide better service to customers and improve the company's competitiveness.	term sustainability and resilience of the company. Sustainable financial practices can reduce risks, keep costs under control, and increase the company's long-term growth potential.	Transition	Low	<ul> <li>carbon footprint in our purchases.</li> <li>We aim to maintain internal and legal standards by inspecting our long-term contractors in the RPBU field with the OHS and Quality teams.</li> <li>We regularly monitor customer and employee feedback and evaluate our performance in line with our targets.</li> <li>* We organize training and development programs to increase the skills and competencies of our employees and include them in our strategic goals.</li> <li>We carry out our work through a comprehensive corporate risk management model in order to achieve the strategic goals of the company and to systematically manage risks and opportunities.</li> <li>We conduct target-based risk assessments, impact analyses and probability calculations to achieve strategic goals through the risk management process managed by Risk Committees.</li> <li>We periodically review our strategic goals and revise them when necessary, increasing our chances of adapting to changing conditions faster and achieving our goals.</li> </ul>		<ul> <li>Human Capital</li> <li>Financial Capital</li> <li>Intellectual Capital</li> <li>Intellectual Capital</li> </ul>	Risk and Crisis Management     Employee Training and Talent Development     Employee Engagement and Wellbeing     Sustainable Economic Value
	Disasters and Business Continuity	Natural disasters, climate change and other environmental factors that may adversely affect the Company's operations and business continuity.		Gas distribution line infrastructure works, which will require additional	<ul><li>reconstruction and investment costs for the company.</li><li>As a result of the negative impact on business continuity, social</li></ul>	<ul> <li>Disaster and business continuity plans should be ready in advance</li> <li>Earthquake resistance of the company, facilities and infrastructure</li> </ul>	<ul> <li>The readiness of disaster and business continuity plans in advance ensures that the company is prepared for crisis situations and reveals the effects of rapid response, reduction of legal and operational risks, ensuring business continuity, and protecting employee safety.</li> <li>The company can ensure business continuity by ensuring that the facilities and infrastructure are earthquake resistant. This brings reliability and stability to operations.</li> </ul>		Preparing disaster and business continuity plans in advance positively affects reputation.	Physical	High	<ul> <li>as of July 2023 as Socar Türkiye, a comprehensive Earthquake Program has been designed within the framework of Business Continuity Crisis Management studies. With this program, we aim to make the locations where we operate resistant to the expected large and destructive earthquakes. Within the scope of the earthquake program, there are working areas such as operational and organizational continuity, disaster communication, supplier continuity, technology continuity, and reputation management. Maturity analyses were carried out through field visits to Petkim, STAR, STAD, Bursagaz and meetings with critical operation units, and development project proposals were put forward to reach the current maturity level and the targeted level. Response plans have been prepared for locations at risk of destructive earthquakes.</li> <li>Crisis Drills: We carry out exercises at strategic and operational level within the framework of natural disaster scenarios in order to strengthen the reaction muscles to the crisis.</li> <li>In 2022, by establishing radio towers and infrastructure to cover the entire peninsula, a system that complies with Ex standards and can communicate jointly throughout the peninsula in case of emergencies in the Aliağa Special Industrial Zone domain. Active warning systems and emergency management systems are in place throughout the peninsula to detect emergencies immediately and ensure the safe shutdown of all facilities. In addition to the facilities, we also have systems and marine vehicles to ensure coastal safety. We have a trained and professional team that can provide 24/7 service to intervene in possible pollution on the sea surface, as well as materials, equipment and marine vehicles to respond to marine pollution with the capacity to serve the entire peninsula.</li> <li>In case of emergency, we have communication systems to ensure fast</li> </ul>	As part of financial resilience strategies, we regularly review insurance     We aim to continue our social responsibility	region. • Financial Capital	Risk and Crisis Management     Employee Engagement and Wellbeing
												<ul> <li>and direct communication with the relevant business units, emergency personnel, neighboring organizations, key local stakeholders, public institutions responsible for emergencies such as AFAD and fire brigade.</li> <li>We check emergency equipment periodically.</li> <li>With the WORKS application, we are working on digitizing the tracking system of emergency response equipment.</li> <li>We create and frequently review emergency plans within the scope of emergency preparedness and legal regulations.</li> <li>We carry out earthquake, fire, search and rescue, terrestrial spill and marine pollution response drills at regular intervals.</li> <li>We carry out employee trainings.</li> <li>We carry out drills and social responsibility projects in schools related to disasters.</li> <li>(We carry out earthquake and fire drills in schools, Bursagaz Search and Rescue Team, AFAD Disaster Awareness Training for Emergency Teams. Due to the earthquake disaster that occurred in 2023, our teams were assigned to the region and carried out search and rescue activities.)</li> </ul>			
	Compliance with Business Ethics, Social, Environmental and Other Legislation	social and environmental issues is expressed. Risks arising from non- compliance with legislation due to the lack of compliance of Information	company may be subject to financial penalties or sanctions in case of	in company value may be encountered. <ul> <li>There may be a decrease in the trust of existing and potential customers,</li> </ul>	There may be negative effects on the financial situation due to loss of reputation.	<ul> <li>Providing competitive advantage by customers and investors approaching companies with social and environmental sensitivity more positively contributes to gaining competitive advantage by enabling customers and investors to approach companies with social and environmental sensitivity more positively.</li> <li>Raising awareness of business ethics and environmental compliance through regular training for employees, adopting long-term environmental compliance strategies, and using natural resources in a sustainable way also help organizations achieve their sustainability</li> </ul>	<ul> <li>efficiency through technological solutions can reduce a company's environmental impact and reduce its operational costs. This can enable the company to meet its environmental responsibilities while also providing a competitive advantage.</li> <li>It provides a competitive advantage by customers and investors approaching companies that show social and environmental sensitivity more positively, while increasing the brand value of the company.</li> <li>Raising awareness on business ethics and environmental compliance through regular trainings for employees helps to strengthen the company culture and motivate employees. This, in turn, improves business performance and enables the company to achieve its sustainability goals.</li> </ul>	<ul> <li>communicate better with its external environment. Strong stakeholder relationships can strengthen a company's reputation and provide support in crisis situations.</li> <li>Ensuring compliance with regulations reduces the company's legal risks and provides transparency and credibility in compliance. This protects the company's reputation and prevents potential problems in the future.</li> </ul>	environmental adaptation strategies	Transition	High	<ul> <li>With Continuous Emission Measurement Systems, we monitor environmental impacts instantly and report them daily. In addition, we instantly monitor the data of the Continuous Emission Measurement Systems through the DCS system and instantly detect limit exceedances thanks to the determined alarm systems.</li> <li>With Wastewater Monitoring Systems (SAIS), we continuously monitor the compliance of the discharged wastewater with the legislative limits and ensure that it is discharged in accordance with these limits.</li> <li>We apply and regularly review the current Code of Ethics.</li> <li>We organize training activities to increase the knowledge and awareness of our employees on business ethics, human rights and anticorruption. We make ethical orientation training mandatory for all our employees at the first employment, including management.</li> <li>We receive annual compliance statements from all employees, review these statements and communicate when necessary.</li> <li>We focus on the prevention of forced and compulsory labor and child labor throughout the supply chain.</li> <li>We are ISO/IEC 27001 Certified, we carry out risk assessments, risk mitigation activities, internal and external audits annually.</li> <li>We continue to work on improving the information security culture.</li> <li>Within the scope of compliance with the KVKK legislation, we carry out the implementation of technical controls and the review of controls. We continue our efforts to have ISO 27701 Personal Data Management System Certificate. In addition, the PDP solution will be deployed for the protection of personal data (discovery, masking, etc.) of personal data in SAP HR environments.</li> </ul>	We continue our efforts to have ISO 27701 P	vironments. ersonal Data Management y and roadmap every year • Social Capital • Natural Capital • Manufactured Capital	<ul> <li>Business Ethics and Integrity</li> <li>Risk and Crisis Management</li> <li>Employee Engagement and Wellbeing</li> <li>Air Quality</li> <li>Water Quality and Wastewater Management</li> <li>Circular Economy and Waste</li> </ul>
		It refers to the risks of breaches in access to Information and Communication Technologies (ICT), integrity and confidentiality of data due to cyber-attacks.		stakeholders and employees, thus customer dissatisfaction and loss of			can improve operational efficiency and reduce costs. At the same time, it reduces environmental impact by enabling the adoption of more	to differentiate in the market. Offering innovative products and services				<ul> <li>We carry out studies by taking technical and administrative measures in order to comply with the Personal Data Protection Legislation and to ensure personal data security.</li> <li>In the selection of suppliers, we apply a checklist to measure whether the supplier candidates fulfill their obligations arising from the Personal Data Protection Legislation.</li> <li>We closely follow the legislative changes related to information security and cyber security in our country, and we contribute to the publications with our opinions and suggestions.</li> <li>We implement relevant organizational, processual, and technical controls within the scope of ISO27001 Information Security Management System.</li> <li>We organize information security awareness training for all new recruits within the scope of the orientation program. Online information security awareness is present and mandatory for all our employees. In addition, information security awareness training is provided to the employees of all our suppliers.</li> <li>We conduct phishing tests three times a year to increase the awareness and readiness of our employees.</li> <li>According to our Corporate Technical Vulnerability Management Procedure, detected vulnerabilities are rated as criticality level and monitored according to the risk score.</li> <li>Penetration tests are carried out by external companies at least once a year.</li> <li>With the Cyber Attack Simulation platform, we enable us to verify our security controls, obtain an effective proactive approach by verifying our cyber threat preparedness, identify detection gaps and reduce our</li> </ul>	We continuously measure our cyber security competencies and improve them when necessary.       We update the Information Security strategy ar plan the necessary projects and studies.	nd roadmap every year and • Manufactured Capital • Social Capital • Human Capital	<ul> <li>Digitalization and Technological Development</li> <li>Risk and Crisis Management</li> </ul>
	Information Protection and Cyber Security									Transition	High	<ul> <li>risks.</li> <li>With the threat intelligence service, threats that target, will receive or are currently targeting our organization are detected.</li> <li>With Web Vulnerability Scans (DAST) and/or Static Application Security Tests (SAST), vulnerabilities are detected and tightened before a new software is taken live. We improve our processes with Secure Software Developments.</li> <li>We actively collect and monitor logs with the Security Information and Event Management (SIEM) system.</li> <li>Security incidents are monitored by our outsourced Managed Security Service Provider (MSSP) with a 24/7 Security Operations Center (SOC), all relevant units are informed about the detections and actions are taken by the responsible units.</li> <li>The Network Detection and Response (NDR) system is used to detect suspicious or malicious activity on the network and respond to cyber threats.</li> <li>The File Integrity Monitoring (FIM) tool is used to monitor sensitive file changes on servers and alert you to unauthorized changes.</li> <li>The DB audit tool is used for database monitoring and auditing, which meets a wide range of compliance requirements while providing real-time data protection with little or no negative impact on database performance.</li> <li>We use Data Leak Prevention (DLP) systems and Sensitive Data Discovery Software and Tools to protect personal data.</li> <li>EDR system is used for endpoint detection and intervention. USB devices are restricted. Mobile Threat Defense (MTD) is used to protect against attacks made specifically for mobile devices and operating systems, such as Apple iOS and Google Android.</li> <li>We provide protection against distributed denial-of-service attacks with the DDoS Protection system.</li> </ul>			
	Organizational Sustainability	Business strategies should focus on ethical, social, environmental, cultural and economic concepts and aim to create long-term value in the company from a sustainability perspective. Risks that may occur as a result of failure to ensure sustainability effectively throughout the organization are expressed.	business partners and other stakeholders may experience dissatisfaction.		by investors.	<ul> <li>company's performance by increasing the motivation and productivity of the workforce.</li> <li>Transparently shared sustainability statements increase the company's reputation and provide an opportunity to increase trust with stakeholders.</li> <li>Efforts to adapt to rapid growth trends in the energy sector at national and international levels increase the company, while the opportunity to be included in sustainability and ESG indices</li> </ul>	<ul> <li>performance also increase.</li> <li>Transparent sharing of the company's sustainability statements increases stakeholder trust and the company's reputation. A sustainability-oriented image allows to create a positive perception by customers and investors.</li> <li>Inclusion in the sustainability and ESG indices establishes a standard for measuring the company's environmental performance while ensuring recognition of its sustainability efforts.</li> <li>Being a company of choice for recent graduates with new hires can attract talented and innovative employees and increase the company's competitiveness.</li> </ul>	company's competitiveness and creates new opportunities. An innovative and cohesive strategy strengthens the company's position in the market.		Transition	High		We focus on transparently sharing our sustainability disclosures in our reports, improving our performance and creating long-term value in our value chain. We focus on transparently sharing our susta reports, improving our performance and creating long-term value in our value chain.		<ul> <li>Sustainable Economic Value</li> <li>Risk and Crisis Management</li> <li>Business Ethics and Integrity</li> </ul>
Social	Talent attraction, retention and professional development	It is aimed to attract qualified labor force to the company and to utilize the talents in the most efficient way. In this direction, the risks that may arise for the development of employees' professional and personal knowledge and skills and behavioral competencies are expressed.	in employee engagement, motivation and performance.		endangerment of business continuity and proper execution of business	<ul> <li>effectively, while also contributing to the increase of the institution's knowledge. As a result of this culture, there is an increase in employee engagement and motivation, while business continuity is ensured in a sustainable way thanks to employee succession plans.</li> <li>In addition, making the work-life balance of employees more convenient increases employee satisfaction and contributes to the decrease</li> </ul>	<ul> <li>A strong corporate culture allows employees to collaborate better with each other, increase their motivation, and be more committed to the company's goals. This, in turn, increases business efficiency and supports the success of the company.</li> <li>Increased knowledge increases the competitive advantage of the company. Encouraging knowledge sharing among employees and creating a continuous learning environment strengthens the company's innovation and problem-solving ability.</li> <li>Ensuring business continuity allows the company to be more resilient in crisis situations. Employee succession plans quickly fill gaps in key</li> </ul>		<ul> <li>Strengthening the corporate culture in the long term ensures that the company remains more firmly committed to its core values and mission. This increases the long-term commitment of employees and ensures the stable growth of the company.</li> <li>The long-term commitment of employees protects the company's know-how and ensures business continuity.</li> </ul>	Transition	High	<ul> <li>We carry out strategic workforce planning and norm staff studies.</li> <li>We provide consultancy and information services to our employees and their families through the Avita Employee Assistance Program.</li> <li>We are working to minimize and prevent overtime.</li> <li>We create a shift arrangement for shift workers in a way that is most suitable for rest.</li> <li>We offer special excuse leave to our female employees.</li> <li>With the internal recruitment process, we increase the commitment of our employees to the organization and contribute to the advancement of their career choices within the organization.</li> <li>We are working to make wages and benefits more competitive.</li> <li>In order to increase women's representation at all levels, we are working to increase the number of women in management roles and to improve physical field conditions.</li> <li>Within the scope of the talent process, we determine the retention risk for each employee and take actions.</li> <li>We create backup plans within the scope of development plans by reviewing critical roles at the employee and senior management level.</li> <li>Rotation programs have been implemented.</li> <li>With Strategic Competency Development Programs, we make investments for our employees to gain new experiences and skills.</li> <li>The Technical Career Path Project and the CAMS Project were implemented to support our employees in their career choices and to help them develop their competencies within the company.</li> </ul>		• Human Capital	Employee Engagement and Wellbeing     Employee Training and Talent Development
	Diversity, equal opportunity and well-being within the organization	Increasing women's participation in the workforce is a driving force in the economic development and progress of countries. From this point of view, we act beyond sectoral habits and stereotypes and pursue an inclusive and egalitarian workplace as one of the priorities of our sustainability strategy.	participation, access, rights, remuneration and fringe benefits between	may be adversely affected.	In an environment where there is little diversity, job performance may be negatively affected and there may be difficulty in attracting talent.	<ul> <li>investors.</li> <li>Inclusive policies and egalitarian practices increase employee engagement and contribute to increasing business performance. Therefore, companies that focus on diversity and inclusion have the</li> </ul>	capabilities allows the company to develop innovative solutions that can be implemented immediately.	<ul> <li>and services and market share can be increased by using different perspectives and creative ideas and implementing these ideas.</li> <li>The company's brand image is strengthened, its customer base expands, and its competitive advantage increases.</li> <li>The inclusive and egalitarian structure of the company increases the likelihood of being preferred by investors in the medium term and positively affects financial performance.</li> </ul>	<ul> <li>ideas strengthens the company's innovation culture in the long run and provides sustainable competitive advantage.</li> <li>Maintaining and increasing employee engagement enables the company to face less costs in human resources management and increases long-term business performance.</li> </ul>	Transition	Medium	<ul> <li>We offer Leadership and Core Competency Development trainings to all our white-collar employees on the online platform with a cross-knowledge tool.</li> <li>Progress is monitored through the "Regular Feedback Module" with a performance management approach that focuses more on regular and open feedback, coaching and development.</li> <li>The Continuing Professional Development Program (CPD) has been launched as of January 2024. The Idea to Publication Project was launched in December 2023. The employee engagement survey will be conducted in 2024. (Scheduled for Q1 2024.)</li> <li>SOCAR Türkiye Academy was launched and work started.</li> <li>We have been a signatory of UN WEPs (Women's Empowerment Principles) since 2021. In this context, we take various actions and develop procedures.</li> <li>We offer our female employees 1 day of special excuse leave per month.</li> <li>We continue to take actions by launching the Women-Friendly Field application.</li> <li>We raise awareness of our employees on diversity with our Development Journey training programs.</li> <li>We make a positive contribution to the corporate culture by asking awareness-raising questions on award platforms.</li> <li>Our male employees whose wives give birth are entitled to 10 working days of maternity leave. Our female employees services for employees in many areas.</li> </ul>		Human Capital	Employee Engagement and Wellbeing     Employee Training and Talent Development
	Changing working conditions	Risks that may arise for the Company to re-evaluate and adapt its current working conditions in line with changing working conditions, such as the widespread use of remote working practices shaped according to the expectations and needs of employees, the development of fringe benefits or an increase in the minimum wage.	performance in teamwork due to increased workload that cannot be managed properly with remote working, adaptation problems, and	product quality and an increase in labor turnover can be observed.		can be expressed as an increase in the preference of the company by	<ul><li>immediately lead to an increase in work efficiency and reduce operational burden.</li><li>The increase in the preference of the company by the employees in the sector makes it easier to attract and retain talented employees in the</li></ul>	<ul> <li>development of talent within the company and increase motivation.</li> <li>Catching up with trends and strong brand positioning increase the company's competitiveness in the market.</li> </ul>	long-term competitive advantage.	Transition	Medium	<ul> <li>As a result of our cooperation with Korteks Academy, current situation analyzes have been made and procedures have been developed. Our needs analyses are carried out with various focus groups and surveys.</li> <li>With "Innovation at Work", traditional-hybrid-remote working models were defined for our colleagues in accordance with the working order</li> </ul>	<ul> <li>withdrawal actions are defined for each employee pool.</li> <li>Introduction of new working models; In addition to the new working model in some roles, part-time work, job share, flexible working (hour/day), etc.</li> <li>SOCAR Türkiye Values, Core Competencies and Leadership Competencies studies are initiated.</li> <li>SOCAR Türkiye Academy is established.</li> <li>Employer Branding Project and Employee Value Proposition projects will be initiated.</li> </ul>	Social Capital     Human Capital	Employee Engagement and Wellbeing     Employee Training and Talent Development
	Changes in consumer behavior	The risks that may arise due to the reshaping of consumers' lifestyles and purchasing habits due to the impact of climate change and the decrease in demand for non-environmentally friendly products in this direction are expressed.	products instead of existing products may eliminate the competitive		In line with the low demand for fossil fuels, investors may not want to provide financing to the sector.		<ul><li>rapid change and innovation within the company. This leads to an improvement in work efficiency and product development processes.</li><li>The increasing interest and demand of stakeholders increases the</li></ul>	growth and investments in the field of sustainability. <ul> <li>Reduction in consumption and management of sustainable products</li> </ul>	term sustainable competitive advantage. This increases the company's revenues and margins, as well as reinforces its leadership in sustainability.	Transition	Medium	<ul> <li>up are provided.</li> <li>Internal communication activities and events are met much more frequently in the office.</li> <li>We examine the possibilities and carry out research for the production of biocircular products.</li> <li>We carry out new low-carbon product development studies by determining engineering and investment needs.</li> <li>We are evaluating recycled naphtha, bio-feedstock usage alternatives and SAF production opportunities. In this context, input control analysis</li> </ul>	the framework of restrictive international policies for the use of these • We are evaluating the installation of SPP in	P on raw water pools that rovide renewable energy the dam area. on the dam line.	Digitalization and Technological Development     Transition to a Low Carbon Economy and Carbon Technologies
	Occupational health and safety	The main objective of the occupational health and safety (OHS) approach is to prevent health hazards and risks or to eliminate risks in the first place within the framework of standards, and to reduce them to an acceptable level when this is not possible.	decrease in the sustainability of the work, additional workload, decrease	occurrence and increase of accidents.	Business continuity may be compromised.	have access to opportunities to reduce the number of accidents/rates,	<ul> <li>Increasing the OHS awareness of employees creates a safer working environment and contributes to the prevention of accidents.</li> <li>It results in a decrease in the number of accidents and prevention of deaths, ensuring the safety of employees and increasing work efficiency.</li> </ul>	and strengthening work commitment. Thus, work efficiency and quality increase are achieved.		Transition	Medium	<ul><li>controls are carried out with video analysis technology.</li><li>SAFE OHS Management System, which consists of leadership, risk management, implementation and continuous improvement principles</li></ul>	We are planning to implement the Hazard Recognition Program. The Hazard Identification Program, which is based on the energy model, will be implemented in 2024 and integrated into the OHS Risk Management and Work Authorization procedures in order to make hazard identification systematic and consistent across all group companies. Within the framework of SOCAR Türkiye's 5-strategic objectives have been determined. Use the procedures in order to make hazard identification systematic and consistent across all group companies.	Ne will achieve the OHS	Occupational Health and Safety
	Compliance with Human Rights/ Anti-bribery and Anti-corruption		In case of non-compliance with the national and, to the extent applicable, the international legislation to which the company is a party, the company may be exposed to financial penalties or sanctions.	<ul> <li>Company / brand reputation may be adversely affected.</li> <li>There may be a negative impact on employees, a decrease in motivation and trust in the company.</li> </ul>	reputation.	It is stated to seize the opportunity to develop an independent and systematic governance mechanism with the use of the Ethics Hotline, which reports to the Board of Directors against ethical violations and situations such as bribery and corruption. Thus, it is aimed to increase the feelings of honesty and trust among the relevant stakeholders in a positive way.	<ul><li>governance mechanism, which can report against ethical violations, ensures a rapid ethical transformation within the company and contributes to the increase of trust.</li><li>A positive increase in the feelings of honesty and trust among the</li></ul>	governance mechanism contribute to the formation of a more robust ethical culture within the company. This strengthens the company's risk management and business continuity in the medium term.	strengthen the company's long-term sustainability and reputation. In the long run, this contributes to the formation of stronger relationships between stakeholders and reinforcing the company's leading position in the sector.	Transition	High	<ul> <li>Digitalization studies, HSE Communication Program, Field Inspection Program (PFI-Periodic Field Inspections), Nutrition-Friendly and Physical Activity Supporting Workplace Program, Incident/Accident Root Cause Analysis Training Program" etc.</li> <li>We have the necessary governance mechanisms in place to prevent bribery, abuse, abuse and human rights violations.</li> <li>We comply with all national and international laws and norms, including</li> </ul>		Human Capital     Social Capital	Compliance with Human Rights Principles     Business Ethics and Integrity
ENVIRONMENTAL	Greenhouse gas emissions	emissions caused by the Company's use of natural resources, electricity consumption, vehicle use, business travels, etc.	<ul><li>carbon measurements, which are subject to regulations, are above the limit.</li><li>In case of a quota for greenhouse gas emissions, there may be</li></ul>	trading system, carbon border regulation, etc., loss of margin may come	<ul><li>well as negative effects on the financial situation, may be encountered.</li><li>Inability to invest in green technologies may arise due to financial losses.</li></ul>	<ul> <li>occupational safety and environmental protection standards. This creates a significant opportunity in terms of operational safety and environmental sustainability.</li> <li>Monitoring performance more effectively by regularly measuring and reporting greenhouse gas emissions enables more effective monitoring and improvement of environmental performance, as well as helping the company achieve its environmental sustainability goals.</li> <li>It refers to the development and implementation of various strategies</li> </ul>	<ul> <li>help the company maintain its reputation in the short term.</li> <li>Prevention of gas leakage in networks increases occupational safety, ensures the safety of employees in the short term and contributes to the continuation of operations without interruption.</li> <li>Regularly measuring and reporting greenhouse gas emissions allows the company to monitor its environmental performance and take appropriate action, which helps to ensure environmental responsibility and maintain reputation.</li> <li>Reducing the negative impact on the environment contributes to the protection of natural resources and increases the company's</li> </ul>	<ul> <li>increases business continuity and strengthens operational stability in the medium term.</li> <li>Regularly measuring and reporting greenhouse gas emissions can help the company continuously improve its environmental performance and achieve its long-term sustainability goals.</li> <li>Strengthening the relationship with stakeholders increases collaborative opportunities in the medium term and strengthens the company's marketing strategies.</li> </ul>	<ul> <li>long-term conservation of natural resources and ensures the long-term environmental sustainability of the company.</li> <li>Regularly measuring and reporting greenhouse gas emissions strengthens the company's environmental leadership role in the long run and increases opportunities to invest in green technologies.</li> <li>Strengthening the relationship with stakeholders helps the company</li> </ul>	Transition	Medium	<ul> <li>We carry out Scope 1 and Scope 2 emission reporting studies.*</li> </ul>	· We follow the updates in the CBAM and ETS processes and their	Natural Capital	<ul> <li>Transition to a Low Carbon Economy and Carbon Technologies</li> <li>Energy Efficiency</li> <li>Climate Risks</li> </ul>
	Carbon pricing policies	The implementation of a carbon tax at the border envisaged under the EU Green Deal could lead to the imposition of a carbon tax on products exported from Türkiye to the EU region. Such a tax would increase the cost of products exported from Türkiye, potentially reducing their competitiveness. The risks of non-compliance with the carbon trading mechanism, which is being discussed as an alternative/supplementary to the carbon tax at the border, are expressed.	may be needed. • If the carbon emission limits are exceeded, financial penalties and	Additional costs may be incurred due to the compliance studies to be		By achieving greenhouse gas emission reduction targets and complying with regulations, bareber reputation gain, market share gain, financial input, I-REC, Gold Standard, YEK-G etc. opportunity to participate in carbon markets are expressed.	<ul> <li>reduction targets ensures the company's compliance with current legal requirements and possible criminal sanctions can be prevented.</li> <li>Reputation gain allows the company to have a positive perception in society and among stakeholders in the short term and increases customer trust.</li> <li>Market share gain reflects increased sales and provides a competitive advantage in the short term with the preference for green and sustainable products.</li> <li>Providing financial input if the greenhouse gas emission reduction target is achieved contributes to the improvement of financial performance with cost savings and incentives in the short term.</li> <li>The opportunity to participate in carbon markets provides an opportunity</li> </ul>	<ul> <li>reduction targets improves the company's environmental performance in the medium term, reinforcing its sustainability leadership.</li> <li>Reputation gain can strengthen the company's corporate reputation in the medium term, increasing brand value and supporting long-term relationships.</li> <li>Market share gain can create growth opportunities in the medium term with increasing demand from sustainability-oriented consumers and strengthen the company's marketing strategies.</li> <li>Providing financial input in the event that the greenhouse gas emission reduction target is achieved allows the company to gain a competitive advantage and increase its investments by improving its cost structure in the medium term.</li> <li>The opportunity to participate in carbon markets helps the company reduce its environmental impact and achieve its sustainability goals by</li> </ul>	<ul> <li>reduction targets strengthens the company's environmental leadership in the long run, enabling it to adapt to the green economy and helping it better prepare for future environmental risks.</li> <li>Reputation gain increases the company's perception of social responsibility in the long run, helping it to focus more on long-term sustainability strategies and strengthen stakeholder relationships.</li> <li>Market share gain ensures that the market share increases and the growth potential of the company increases with the increasing demand of sustainability-oriented consumers and investors in the long term.</li> <li>Providing financial input if the greenhouse gas emission reduction target is achieved increases the sustainability of the company's cost savings in the long run and strengthens its commitment to leaving a better environment for future generations.</li> <li>The opportunity to participate in carbon markets can support the company's long-term sustainability strategies by increasing the return on investments in environmental projects in the long run and helps the</li> </ul>	Transition	Medium	<ul> <li>Environment in order to match the mitigation targets with the realities of the sector.</li> <li>The additional costs of the Carbon Border Tax regulation are included in our company strategies.</li> <li>Plans are made to create decarbonization roadmaps by evaluating clean energy sources.Within the scope of R&amp;D, the plan to transfer know-how and technology by taking part in projects in line with the SOCAR strategy in the EU consortium on issues covering all areas of decarbonization and sustainability continues. In 2023, one project has been awarded funding, another has passed the first evaluation stage, and there are two applications pending results. (The part indicated in red text will be given as a footnote)</li> <li>We make plans to determine investment, feasibility and strategy programs in order to make the limit emission values, taxes and additional financial obligations required by national and international regulations more competitive.</li> </ul>	<ul> <li>With our operational improvement and energy efficiency efforts, we aim to reduce both our natural resource consumption and greenhouse gas emissions.</li> <li>We aim to start Energy Margin Improvement studies for this goal in 2024 and to plan new projects that need investment for the following</li> </ul>	s for the sale of excess • Financial Capital mplementation of projects	Transition to a Low Carbon Economy and Carbon Technologies     Energy Efficiency     Climate Risks
		Criteria renewed by legal regulations direct the market to produce more sustainable products. Technology is also evolving in this direction. Additional investment is required to transition to operational green technologies.			<ul> <li>in demand for fossil fuels can be seen as market share and revenue/ margin loss effects.</li> <li>Due to the inability to contribute to the carbon emission net zero target, there may be effects such as loss of prestige and reputation locally and</li> </ul>	With the transition to green technologies; Opportunities for low-cost green energy supply and reduction of greenhouse gas emissions, determination of energy efficiency initiatives, follow-up of relevant actions and seizing greenhouse gas reduction opportunities, development of technologies to improve lead time and quality, improvements in digitalization and data analysis, and increasing efficiency in the field of electricity trading are expressed.	<ul> <li>reduction of greenhouse gas emissions reduce the company's costs in the short term, improving its financial performance and reducing its environmental impact.</li> <li>Identifying energy efficiency initiatives and ensuring the follow-up of relevant actions increases operational efficiency and reduces costs by increasing energy efficiency in the short term.</li> <li>The development of technologies that improve lead time and quality</li> </ul>	<ul> <li>increases operational efficiency in the medium term, reducing costs and reducing environmental impact.</li> <li>A reduction in greenhouse gas emissions reduces the environmental impact in the medium term, helping the company achieve its sustainability goals and enhancing reputation.</li> <li>The development of low-carbon products and services and the use of recycled products can reduce the environmental impact in the medium term, reinforcing the company's sustainability leadership and strengthening customer relationships.</li> </ul>	completing the green transformation, the company's long-term financial performance improves, while providing competitive advantage and strengthening corporate reputation.			<ul> <li>scope of ISO 50001 Energy Management System.</li> <li>We continue to work on obtaining ISO 50001 certificates in our Kayserigaz and Kayserigaz companies.</li> <li>We clarify our engineering and investment needs within the scope of carrying out low-carbon new product development studies.</li> <li>After the determination of investment budgets; We plan to carry out feasibility studies of investment budgets by evaluating the low and high CO<sub>2</sub> emissions of the products and the competitive situation in the market.</li> <li>By being included in the zero waste initiative, we carry out studies within the scope of waste storage and energy recovery monitoring. (Zero Waste certificate was obtained for the Headquarters building in our Bursagaz company. Zero Waste certificate was obtained in Kayserigaz.)</li> <li>Flare Inspection, air monitoring, visual inspection and 3D mapping studies have started unmanned by drone vehicles in Petkim and STAR production areas.</li> </ul>	<ul> <li>In Petkim and STAR production areas, we plan indoor inspections, thermal mapping, thickness measurement and gas leakage inspections unmanned with drone vehicles.</li> <li>We are planning to install SPP on the roof of SOCAR Türkiye Corporate Headquarters building.</li> <li>We are planning to install SPP on the roof of the SOCAR Türkiye Archive building.</li> <li>We continue to work on green energy supply with IREC and YEK-G</li> </ul>	ets, we aim to optimize ating SPP in the dam area. Türkiye Group Companies,	Digitalization and Technological Development     Transition to a Low Carbon Economy and Carbon Technologies
	Green Technologies	As the demand for the use of low-carbon, climate-friendly products increases, intermediate and final product manufacturers will need to			If global trends are not adapted, the loss of market share may come to the fore.	Along with the development of these products, opportunities to gain competitive advantage due to the preference of customers and				Transition	High	<ul> <li>With Enterprise Content Management, we aim to create a digital business with fast and lean internal processes in SOCAR Türkiye and our group companies and to provide agility and flexibility in the overall operations of our companies. The SOCAR ECM System is an important step in the name of our digitalization process and the gathering of digital archive management and corporate memory in a single center.</li> <li>With the SOCAR e-signature project, where we prioritize digitalization, savings, sustainability and efficiency in our business processes, we carry out our signature processes in all our group companies digitally. Our signature process, which took between 21 and 30 days, was reduced to 3 working days thanks to SOCAR E-signature. Since December, nearly 1,000 e-signed documents have been created, saving time and reducing paper, printer, postage and archive costs. Thanks to e-transformation, we aim to save 500 thousand pieces of paper and 285,000 TL annually.</li> <li>Electric pool vehicles used by all SOCAR Türkiye companies have been increased and charging unit stations have been established.</li> <li>Greencheck certificate (green office) has been obtained for SOCAR Türkiye Corporate Headquarters Vadistanbul.</li> <li>SOCAR Türkiye companies have been commissioned to use digital business cards.</li> <li>With the e-sim application of all SOCAR Türkiye group companies, cargo, signature, document and approval processes have been shortened.</li> <li>Within the scope of sustainable products and services, we continue our activities for green electricity sales certified with IREC and YEK-G,</li> </ul>		Natural Capital	Transition to a Low Carbon Economy and Carbon Technologies
	Expectation of environmentally friendly and sustainable new product development	change their production processes and develop new products and services. Risks that may arise as a result of the company's inability to fully respond to the expectation of new product development are expressed. Water stress due to the increase in drought caused by climate change and the negative impact on production processes in water-intensive sectors. Increased water consumption in operations, pollution of water resources if the water used in tests and operations is discharged into the receiving environment, and failure to obtain legal permits for water extracted from nature are among the main reasons for this risk.	<ul> <li>Failure to take advantage of the positive impact as a result of emission reduction efforts may result in the burden of compliance in the face of rapidly changing environmental regulations and standards.</li> <li>Criminal sanctions arising from non-compliance with the legislation</li> </ul>		<ul> <li>The production of permits and licenses, business continuity may be jeopardized.</li> </ul>	Stakeholders for low-carbon products, to benefit from financing provided to environmentally friendly and low-carbon products, and to increase the expanding product range with low-carbon products and services are expressed. Preventing the decrease in the level by preventing the excessive consumption of dam water and feeding seawater to the mobile hose system through seawater pumps means the emergence of opportunities to increase reputational gains, operational efficiency and sustainability.	<ul> <li>Leveraging financing for environmentally friendly and low-carbon products can reduce the company's costs and improve its financial performance in the short term.</li> <li>An expanding range of low-carbon products and services expands the company's customer base and increases revenues in the short term.</li> <li>Preventing excessive consumption of dam water and preventing the level from falling contributes to the reduction of environmental impact and increase operational safety by ensuring the sustainability of water</li> </ul>	With more efficient use of water resources and reduced environmental impact, the company is expected to gain reputation.	provide competitive advantage and strengthen corporate reputation.         With increased operational efficiency and reduced environmental impact, the company is expected to consolidate its leading position in reputation gain and sustainability.	Transition	Medium	<ul> <li>of renewable power plants, Green PPA, Gold Standard and VCS carbon certification.</li> <li>We are calculating the carbon cost for some of our product groups and have completed the life cycle assessment study for C4 and ACN products. We are also considering doing it for our other products.</li> <li>We apply a standardized methodology for CO<sub>2</sub>e emission impact assessment on a project basis.</li> <li>(For CO<sub>2</sub>e emission impact assessment on a project basis, the emission impact is calculated in the project/investment request form.)</li> <li>We plan to shape our LCA studies and Product Carbon Footprint studies according to the product carbon footprint demands from our customers on a product basis.</li> <li>We carry out studies to reduce water consumption in our operations and work on alternative projects.</li> <li>We are working to reduce the rate of loss and leakage in our operations.</li> <li>We provide the necessary follow-ups to start the permit processes of the water resources that may be needed in the investments to be made</li> </ul>	<ul> <li>We plan to reduce external cooling water consumption with equipment design changes.</li> <li>We are making plans to start the wastewater recovery project.</li> <li>ER has been created for the wastewater recovery project. PRR has been created for the wastewater recovery project. PRR has been prepared and delivered by our POM team.</li> <li>We plan various awareness-raising activities on social platforms or organizations.</li> <li>We aim to calculate the water footprint throughout the company.</li> <li>We are planning to reduce water consumption by reducing boiler blowdowns and increasing condensate returns.</li> <li>We plan to carry out projects to provide water supply in case of emergency.</li> <li>Protocols have been signed with IZSU for the line to be used jointly in</li> </ul>	r by sea water treatment.	Water Quality and Wastewater Management
	Level of water stress and drought									Physical	Medium	<ul> <li>(In order to reduce external water consumption, heat exchanger cleaning requests are made during planned or opportunity shutdowns periods.</li> <li>Groundwater leaks are monitored and remedial works are carried out.</li> <li>The limit values of the treated water in the wastewater treatment plant are regularly checked and it is ensured that it complies with the legislative limits.</li> <li>We are planning to start the project of monitoring the quality of factory wastewater output with analyzers in phases.</li> <li>In order to prevent the risk of overflow that may occur in extraordinary weather events, we continue to work on the establishment of Water Retention Pools to be added to the wastewater unit.</li> <li>With the transition to the drip system and the installation of meters on the water consumption lines, consumption is controlled and wild irrigation is prevented.</li> <li>In order to reduce water consumption, we organize awareness campaigns and trainings specific to our R&amp;P business unit.</li> <li>(Informative presentations were made to the units on both water use and wastewater reduction. Our environmental group has made publications supporting the reduction of water use and water conservation with various bulletins and declarations.)</li> <li>We come together with our stakeholders on various platforms and analyze their needs and expectations.</li> <li>We ensure that targets are established in order to reduce water consumption in the entire peninsula.</li> <li>Treatment effluents are used for the production of process water or demineralized water.</li> </ul>	been taken by IZSU and line modifications have been completed, and modification works related to the part in PETKIM are continuing.		
	Extreme weather events	The frequency and impact of extreme weather events are expected to increase with climate change; and extreme weather events such as floods, forest fires and storms are expected to adversely affect the energy, production, mining, electricity distribution and logistics sectors. The risks that the Company may be exposed to if extreme weather events affect the Company's operations are described. In Türkiye, extreme precipitation and hail events, which have become more frequent in recent years due to climate change, can cause flood disasters in our operational cities of Istanbul, Izmir, Kayseri and Bursa. This may pose a risk to the Company's operations and business continuity.	<ul> <li>may increase the likelihood of property damage and injury/loss of life.</li> <li>In case of excessive rainfall, the frequency of operational disruptions may increase due to the difficulty in disposing of water in production areas.</li> <li>Failure to drain the water accumulated in the complex due to excessive rainfall and disruption of emergency responses may lead to job losses.</li> <li>There may be a decrease in water efficiency due to reasons such as increased turbidity, which is a quality indicator, and not being able to keep enough water in the dam.</li> </ul>	<ul><li>operational difficulties and productivity decrease may come to the fore.</li><li>Due to the increase in wind speed and its unstable course, there may</li></ul>	shutdowns and production disruptions.	<ul> <li>on the environment and to ensure environmental sustainability during the activities of the company. These measures include steps such as reducing waste, promoting the use of renewable energy, and reducing greenhouse gas emissions.</li> <li>It refers to the reduction of energy consumption as a result of the improvements made to increase energy efficiency in operations and thus a decrease in energy costs.</li> <li>It refers to identifying potential events that may harm the environment during the activities of the company and making risk assessments and taking preventive measures in order to prevent or minimize the effects of these events.</li> <li>It refers to the measures taken by the company to ensure operational continuity when faced with risks such as environmental factors, natural disasters or other external factors.</li> </ul>	<ul><li>adaptation to sudden energy price changes and makes the business more resilient to power outages caused by weather events.</li><li>Measures taken against events that may have a negative impact on the environment help to minimize possible damages caused by</li></ul>	<ul> <li>the environment can increase the ability of the business to cope with risks in the medium term.</li> <li>Strengthening communication with stakeholders helps the business to gain the trust of the community in the medium term and to have a better support network in crisis situations.</li> </ul>	energy efficiency practices can contribute to making it a part of the long-term sustainability strategies of the business. This can ensure that the business fulfills its environmental responsibilities and leaves a	Physical	Medium	<ul> <li>In line with the strategic emission reduction targets, the total amount of emissions and emission intensity performance have been determined as KPIs and are being monitored.* In order to prevent the risk of overflow that may occur in extraordinary weather events, efforts are underway to establish a water collection pool to be added to the Petkim wastewater unit.</li> <li>We receive consultant support for the discharge of rainwater into the sea. At the same time, we carry out cooperation projects with universities in order to renew the sea evacuation system.</li> <li>(PETLİM: We continue to cooperate with universities on the creation of a new drainage system that will enable rainwater to be sent to the sea according to the new situation that occurred after the downstream point, which was diverted after the construction of the port.</li> <li>We prepare action lists by evaluating the situation of open channels and culverts.</li> <li>Currently, the dam level is monitored online by both PETKİM and DSI. During periods of excessive rainfall, dam levels are frequently monitored.</li> <li>Dam gates are opened in a controlled manner by DSI in order to prevent flooding. We periodically notify DSI of possible dam gate leaks and dam gate maintenance.</li> </ul>		Natural Capital     Natural Capital     Natural Capital     Natural Capital	Climate Risks      Climate Risks
	Increasing average air temperatures on a global scale: labor factors	productivity are expressed, especially in sectors where the labor force is intense and work is carried out in outdoor environments (agriculture, construction and mining, etc.). It is assessed that increases in average air and water temperatures on a	to labor losses.	operational difficulties and productivity decrease may come to the fore. <ul> <li>Occupational safety risks may increase due to high temperatures.</li> </ul> Employee/customer dissatisfaction may occur due to operational	shutdowns and production disruptions.	<ul> <li>and managing business processes more effectively. Automation creates opportunities for effective management of business processes and reduction of operational costs by using various methods such as digitalization and process restructuring.</li> <li>It is also stated to make significant improvements in occupational health and safety, to identify risks in dangerous work areas and to prevent occupational accidents and occupational diseases by taking precautions.</li> </ul>	ensure that employees are in a safer working environment.	<ul> <li>completion of improvement processes, a more significant increase in efficiency is achieved.</li> <li>Improvements in the field of occupational health and safety are expected to contribute to more employee satisfaction and reduction of occupational accidents in the medium term.</li> </ul> A reduction in the negative impact on the environment in the medium term can contribute to the more sustainable development of the power generation sector.	as increasing the competitiveness of the company, deepening the occupational health and safety culture, and lower occupational accident rates can be observed.	Physical	Low	<ul> <li>health of the employees in the outdoor environment are evaluated if necessary, and working hours are regulated.</li> <li>We use OHS communication tools to increase employee awareness on the subject.</li> <li>Fully equipped Health Services and emergency plans are available in our facilities.</li> <li>We carry out studies that reduce the amount of electricity consumption with energy efficiency projects.</li> <li>The performance of cooling towers and air fans in factories is examined and profits are made in the projects.</li> <li>(Routine surveys are carried out in all fields and the determined energy projects are implemented. In addition, an application was made to the Ministry of Energy regarding the projects determined in Petkim and STAR</li> </ul>	companies in the field within the framework of OHS and to determine the working times accordingly.         We plan to draw up a roadmap by getting consultancy on energy saving and margin increase in energy.         The first phase of the work carried out to draw up a roadmap for energy saving and margin increase across Petkim and Star has been completed. Suggestions regarding the second phase of the project, heat integration analyses and margin improvement studies, have started to be submitted	Natural Capital     Human Capital     Natural Capital     Natural Capital     Financial Capital     Financial Capital	Climate Risks      Climate Risks      Climate Risks
	Resources for climate change adaptation	The physical changes that climate change will cause in our country will also create new infrastructure needs compatible with the new climate order. Many adaptation factors such as buildings resistant to disasters such as extraordinary weather events, rainfall and hail, and designing buildings, factories and facilities on the coastline according to rising water levels due to rising sea levels in the long term are expected to come to the agenda. Risks that may arise as a result of inappropriate use of climate change adaptation resources are expressed.	<ul><li>operational activities, decrease in operational efficiency, and inability to ensure security of supply may be encountered.</li><li>OHS accidents may come to the fore due to extraordinary weather</li></ul>	be carried out in order to adapt to the risks arising from climate change cause extra costs.		regulations in the future. The asset security of devices, units and buildings is monitored and evaluated due to extreme weather events, thus increasing the resilience of the institution. However, with the Master Earthquake	<ul> <li>Strengthening the strategic position of the institution through innovative developments increases the competitive advantage of the institution in the short term and enables it to gain a stronger position in the market.</li> <li>Taking precautions against risks and ensuring production continuity with improvements in the compliance process can increase business continuity and operational efficiency in the short term. This, in turn,</li> </ul>	<ul><li>the organization's ability to comply with legislation and regulatory requirements in the medium term. This contributes to reducing legal risks and protecting reputations.</li><li>Increasing the resilience of the organization by monitoring and</li></ul>	with the Master Earthquake Project ensures that the supply chain of the institution becomes more resilient in the long run. This contributes to reducing operational risks and increasing business continuity in the long run.	Physical		<ul> <li>(Alternative fuel unit costs are routinely compared with DG unit costs and reviewed by considering the alternative fuel use - planning/operation constraints in periods when it is profitable.)</li> <li>We evaluate the work to be done within the scope of our adaptation process to climate change and plan the actions to be taken within the scope of the investment.</li> <li>In order to prevent supply chain disruptions that may occur due to extraordinary weather conditions, we plan to request information and documents from the companies in our supply chain regarding applications such as risk assessment and emergency response plan.</li> <li>We create emergency response plans and organize drills in order to make the shortest and most effective intervention in emergencies.</li> <li>R&amp;P Coastal Facility Risk Assessment and Emergency Response Plan has been prepared, and exercises are organized in accordance with the plan.</li> <li>We certify all of our facilities with ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System. In line with these management standards, we evaluate the risks that may occur within the scope of extraordinary weather events.</li> <li>In order to take into account the climate change adaptation processes, we carry out evaluation and improvement studies within the scope of "Emergency Preparedness and Crisis Management", "Risk Assessment and Management" with the SAFE Management system.</li> </ul>	<ul> <li>We plan to determine the strategic and operational approach and adaptation measures against the risks of extraordinary weather events and sea level rise caused by climate change through scenario analysis studies.</li> <li>Within the scope of the Master Earthquake study, pilot development</li> </ul>	he SOCAR Türkiye 5-Year • Manufactured Capital • Financial Capital • Human Capital • Natural Capital	Climate Risks     Occupational Health and Safety     Sustainable Economic Value
	Renewable energy supply needs	and to integrate into the carbon emission trading system that Türkiye will put in place. In this context, renewable energy resources need to be utilized effectively. The risks that may arise as a result of inefficient utilization of renewable energy resources are stated below.	<ul> <li>carbon emissions and cause negative environmental impact.</li> <li>Failure to comply with the regulations within the scope of carbon emissions may result in reputational and financial losses.</li> <li>Increased effects of air, water and soil pollution can be seen.</li> <li>In case of a decrease in biodiversity and the amount of fish in the marine environment, negative effects may occur in the formation of</li> </ul>	<ul> <li>Destruction of the ecosystem and as a result, deterioration of the ecological balance may be encountered.</li> <li>Decrease in natural resources due to biodiversity / interruption of</li> </ul>	<ul> <li>result in loss of market share.</li> <li>Loss of reputation may come to the fore as a result of failure to meet carbon emission targets.</li> <li>Negative effects on the financial situation may be encountered due to loss of reputation.</li> <li>Due to the decreasing biodiversity, there may be effects such as the change in the demographic structure and the decrease in the population in the region, and therefore the shortage of trained personnel in SOCAR and its contractor companies.</li> </ul>	Standards and regulations. This alignment means that the company meets the expectations of stakeholders while achieving its sustainability goals. Our company takes various measures to ensure ecological balance and to control the right to life of living things by ensuring the continuity of natural resources. In this context, it is aimed to protect and disseminate green areas with afforestation studies. It also includes various awareness-raising activities to increase the awareness of our employees and stakeholders on this issue and to contribute to the protection of biodiversity.	<ul> <li>energy sources can reduce the operational costs of the institution in the short term. This, in turn, increases profitability and provides a competitive advantage.</li> <li>Reducing the negative impact on the environment through the use of renewable energy creates a positive image in terms of environmental sustainability and social acceptance in the short term. Thus, the trust of customers and stakeholders increases.</li> <li>Ensuring ecological balance and ensuring the continuity of natural resources contributes to the protection of natural habitats and the prevention of biodiversity in the short term. This, in turn, can have a positive impact on sustainable sourcing and business continuity for industries that rely on natural resources.</li> <li>Afforestation and the protection and dissemination of green areas can prevent habitat loss in the short term and contribute to the protection</li> </ul>	<ul> <li>Trading System ensures the institution's compliance with regulations in the medium term, reducing legal risks and ensuring future operational stability.</li> <li>Meeting stakeholder expectations with the use of renewable energy contributes to the strengthening of the institution's understanding of social responsibility and strengthening its relations with stakeholders in the medium term.</li> </ul>	Trading System increases the competitiveness of the institution in the long run and expands market opportunities by enabling the adoption of sustainability-oriented strategies.         Increasing the reputation and reliability of the company by sharing the measures taken and the field studies carried out in appropriate channels increases the leadership position of the institution in sustainability in the long run. This allows their impact on the environment and biodiversity to	Transition	Medium	<ul> <li>with the SAFE Management system.</li> <li>With the Master Earthquake study, critical procurement processes and suppliers will be determined; Pilot development studies will be carried out to make them durable.</li> <li>We inform our employees about sudden weather events and meteorological events and organize meetings about additional measures to be taken in operational areas.</li> <li>We monitor and report our Scope 1 and 2 greenhouse gas emissions and have them verified by 3rd party verification organizations. At Petkim, greenhouse gas emissions are calculated on a monthly basis.</li> <li>With the Petkim Wind Power Plant, a transition is made to the use of renewable energy resources in electricity generation.</li> <li>We are implementing studies that will provide energy efficiency with various operational moves.</li> <li>We have a Biodiversity Policy titled 'SOCAR Türkiye's Position on Biodiversity' published in 2021.</li> <li>We carry out studies on the evaluation of biodiversity in land and marine environments with the participation of experts in SOCAR Türkiye Special Industrial Zone.</li> <li>We organize sapling donation campaigns within the scope of our</li> </ul>	<ul> <li>Petkim, SPP projects that can be implemented in Çayağzı, Güzelhisar Dam and raw water pools are being evaluated.</li> <li>We are planning to establish Rooftop Solar Power Plants in order to reduce the negative impact on the environment and reduce energy costs.</li> <li>We provide relevant trainings to our employees and relevant stakeholders on the protection of biodiversity, share our relevant bulletins and increase the level of awareness.</li> <li>We share information through trainings in schools to increase the awareness of our stakeholders.</li> <li>We organize beach cleaning campaigns with the participation of our employees on the coastline, which is our working areas.</li> </ul>	Natural Capital     Financial Capital     Natural Capital     Natural Capital	Climate Risks     Energy Efficiency     Transition to a Low Carbon Economy and Carbon Technologies     Risk and Crisis Management     Climate Risks
	Biodiversity						prevent habitat loss in the short term and contribute to the protection			Transition	Medium	· We organize sapling donation campaigns within the scope of our	<ul><li>employees on the coastline, which is our working areas.</li><li>We continue to monitor biodiversity in our work areas.</li><li>We continue to monitor the afforestation areas under the responsibility</li></ul>		

## **RISK ASSESSMENT CRITERIA**

Short: 0-2 years Lorg: 5+ years Lorg: 5+ years	Maturity of Risk	Severity of Risk			
Intermediate:-2-5 years Medium High Critical	Short: 0-2 years				
Long: 5+ years	Intermediate:-2-5 years	Medium High			
	Long: 5+ years				

Risk Level	Impact Definition
Low	It partially affects the achievement of strategic goals and the flow of processes. <b>Detail definitions:</b> Issues that do not pose a significant risk from a strategic, operational, compliance, reputational, business and financial perspective.
Medium	It affects the achievement of strategic goals and the flow of processes. It poses a threat to the correct completion and/or comple- tion of the process. <b>Detail definitions:</b> * Deficiencies that do not have a significant impact on operations, workforce, or compliance at the organizational level * Situations that may have a widespread and non-significant reputational impact * Lack of control that may result in an insignificant amount of financial loss or insignificant financial reporting of an insignificant amount * Non-major non-compliance with company policies/procedures * Insignificant disruptions in achieving the purpose of the control due to the inability to perform some non-key controls effectively or the ineffectiveness of the existing control design
High	It significantly affects and prevents the achievement of strategic goals, the correct completion of the process and/or the completion of the process. <b>Detail definitions:</b> * Lack of control that could result in significant financial loss or inaccurate financial reporting * Significant control deficiencies related to operations, OHS, or compliance at the agency level * Risk of irregularities or misconduct * Situations that may cause significant and widespread reputational damage * Serious non-compliance with company policies/procedures * Serious disruptions in achieving the purpose of the control due to the inability to perform key controls effectively or the ineffective- ness of the existing control design * Non-compliance with ethical rules
Critical	These are events that occur outside the risk capacity of the company (the highest level of risk that the Authority can tolerate its existence). <b>Detail definitions:</b> Any event that stops operations and activities, suspends the authority to operate.