

SOCAR TÜRKİYE

SUSTAINABILITY

REPORT

2019-2020



SOCAR



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ABOUT THE REPORT

Maintaining its development with an integrated service approach throughout its value chain which extends from the source to the end user, SOCAR Turkey continues to grow by securing its future with its business strategy that envisages the systematic management of the social, economic and environmental impacts arising from its activities, in addition to the financial value it creates.

The main policies adopted in the management of the social, economic and environmental impacts of the activities of SOCAR Turkey, the company's sustainability aspects and the results of activities and performance to support the United Nations Sustainable Development Goals are shared in SOCAR Turkey Sustainability Report 2019-2020; this report encompasses the activities of the main company SOCAR Turkey Enerji A.Ş. (Corporate Headquarters) Refinery and Petrochemicals Business Unit and the activities of Petkim Petrokimya Holding A.Ş. and STAR Rafineri A.Ş. in Turkey between January 1, 2019 - December 31, 2020. Consolidated data of SOCAR Turkey Enerji A.Ş.'s Group companies are included in some information, especially in financial data, in order to reflect the integrity of the company. However, unless stated otherwise, all data included in the report reflect the company data included in the report.

This report has been prepared in accordance with GRI Standards: "Core" option. While the material aspects, which are the main elements of the report's content, were identified according to the "identifying contents" principles indicated in the GRI Standards, the "content quality" principles determined in the GRI Standards were taken into account while creating the shared data.

The PDF version of the report is available at: www.socar.com.tr. You can reach us through the communication channels available on the "Contact" page to get information about SOCAR Turkey activities and the report, and to convey your views.



“SOCAR undertakes its strength from century-old Turkey-Azerbaijani friendship, strong business union and mutual trust and plays an important role in the future of two brother countries.”

MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

I am very happy to share with you our Sustainability Report, which includes our contributions to global sustainable development and Turkey's economic growth, and the social, economic and environmental dimensions of our activities.

SOCAR Turkey, which is a main sign of carrying the eternal fraternity of Azerbaijan and Turkey to economic life through strategic investments, was established with the mission of increasing the common welfare of the two countries. With this mission, as SOCAR Turkey, we are bringing the nearly two hundred years of experience of SOCAR -State Oil Company of Azerbaijan Republic-in the oil and gas industry to the Turkish industry.

Along with our investments in Turkey, which will reach a total of 19.5 billion USD, this is one of the most important strategic investments carried out by SOCAR on a global scale and we are the largest foreign direct investor in Turkey.

Our Company, which was designed to operate with a value chain extending from the source to the end user, with the integration of "Refinery-Petrochemistry-Energy-Logistics-Distribution", continues its activities with the aim of becoming the largest industrial holding in Turkey. As a result of our investments of 16.5 billion USD that we have realized at SOCAR Turkey, Petkim which operates within our group meets 18% of Turkey's petrochemical products need, while STAR Refinery, alone, meets 25% of Turkey's processed crude oil needs. Our Natural Gas Business Unit, consisting of Bursagaz, Kayserigaz, Enervis, Millenicom and SOCAR Enerji Ticaret companies, continues its activities that reach the consumers in the field of natural gas and electricity supply and trade, telecommunications and energy efficiency services.

Our Trans-Anatolian Natural Gas Pipeline Project (TANAP), which will carry Azerbaijan's natural gas primarily to Turkey and then to Europe, continues successfully. In 2020, TANAP made us proud by being recognized internationally with the Best Project of the Year award given by the Project Management Institute.

At SOCAR Turkey, the sustainability vision we adopt not only includes the supporting of the United Nations Sustainable Development Goals, but also the effective managing of social, environmental and economic impacts with a focus on creating value. In this context,

our top priority is to ensure environmental and human safety throughout all of our operations. Starting from the engineering design phase, we carry out both technical configuration and operational practices by prioritizing the environment and human safety. We implement the best internationally-accepted technologies and standards throughout the sector in which we operate, and we manage the occupational safety and environmental impact management processes in our operations with the same principles and quality standards from a central point of view in all our business units. Since we consider issues such as occupational health and safety, environmental impact management, energy consumption and greenhouse gas emission management as areas of continuous improvement, we continue our development-oriented projects and investments for a sustainable future from a risk & opportunity perspective.

We aim to develop female employment by creating an inclusive work environment in our business lines. In addition, we aim to increase the potential of female employees in SOCAR Turkey business units with practices that facilitate the business life of our female employees and encourage their leadership development.

One of our main focuses on sustainability is to create a business model that is invulnerable to future risks and fosters the market in which we operate through value-added products that we will develop with our high-tech R&D activities by managing social, economic and environmental impacts throughout our value chain. In this context, product and process development studies, responsible supply chain practices and asset integrity systems that we have implemented at the SOCAR Turkey R&D and Innovation Center come to the fore. Our product development studies that are focused on the production of petrochemical products with climate-friendly technologies, digitalization and industry 4.0 applications that increase efficiency and integrity in our production processes at SOCAR Turkey R&D and Innovation Center are examples to be cited in our sector.

At SOCAR Turkey, we will continue our successful efforts, which we have achieved so far with the focus on the concept of sustainability, in the future as well. On behalf of the SOCAR Turkey Board of Directors, I would like to express my gratitude to all our stakeholders, especially our esteemed colleagues, business partners and suppliers, who contributed to our success story.

Rövnag Abdullayev
Chairman of the Board of Directors



“SOCAR Turkey, which is among the strongest industrial institutions in Turkey with its activities and investments, uses two centuries of experience of Azerbaijan in the field of oil and gas to create value added for the two brother countries”

MESSAGE FROM THE CEO

Dear Stakeholders,

We believe that with the synergy created with Azerbaijan, which has a long-standing experience in the oil and gas sector, Turkey will take its place among the leading economies of the world, especially in our region in the near future.

In line with this belief, we aim to become one of Turkey's largest production powers with the completion of our investment project, which we initiated 12 years ago in Turkey, and with this, we anticipate to reach a total of US\$ 19.5 billion in the coming years. When all stages of this giant project in which we commissioned production and operational activities in the main business units were completed, we will implement a wide value chain from raw materials to consumers with our vision on investment focused on the integration of "Refinery-Petrochemistry-Energy-Logistics-Distribution". Thanks to these investments, we are proud and excited to be the largest-scale foreign direct investor in Turkey.

At SOCAR Turkey, we believe that the management of the social and environmental impacts is as determining as the economic dimension of the value chain we have developed. In line with our company mission, which we define as "to operate and develop our entire value chain from the source to the end-user in an efficient and sustainable manner with our experienced, knowledgeable and committed human resources at every level", our corporate values and policies, starting from the planning and design phase of our investments to the environment, human and human resources, we identify the impacts our investments produce on the local economy with a risk and opportunity-oriented approach, and we carry out our investments and activities accordingly. Therefore, we consider sustainability management as an essential dimension in our business strategy. In this context, we present to our stakeholders the studies we carried out in 2019 and 2020 and their results in line with the United Nations Sustainable Development Goals and our corporate sustainability aspects through this report which was prepared in accordance with international standards.

In the reporting period, we evaluated our sustainability aspects with the participation of our colleagues, managers and many external stakeholders in the light of international standards and examples of good practices, and identified goals we want to achieve in the future and the material aspects that will enable us to achieve these goals. In this regard, our sustainability efforts are shaped under 3 main objectives:

- As a responsible employer, to offer our employees a safe and inclusive workplace and a work life that facilitates employees to reach their potential;
- Ensuring the continuity of our value chain from source to consumer, converting future risks into opportunities with R&D studies focused on developing innovative products and production technologies;
- To minimize the impact of our activities on the climate and the environment by implementing the best available techniques.

In 2020, when we resolutely continued our work in line with these goals, the COVID-19 pandemic that broke out across the world posed risks for SOCAR Turkey operations, as it did for the entire business world. We maintained our business continuity by managing these risks with our effective risk assessment model, proactive response capability, and efforts of our integrated and agile organization. Our two key production facilities, STAR Refinery and Petkim, which were established as integrated with each other, worked uninterruptedly during this period and continued to offer the petrochemical raw materials and processed petroleum products required by the Turkish industry to the domestic market, even in such a period when there was a shortage of supply throughout the world.

Despite the pandemic, without deviating from our goals, we also continued our efforts to increase occupational health and safety, to more effectively manage the environmental impacts, and in resource efficiency, especially in terms of energy and water. STAR Refinery, which presented a



significant increase in the amount of production, has also achieved a significant improvement in the level of energy use per production. In terms of water consumption per production which is one of our fundamental parameters, Petkim and STAR Refinery significantly increased their performance compared to the previous year. In 2020, our Petkim WPP renewable energy plant increased its production values and met Petkim's electrical energy to a large extent.

As part of the integration project, "the Value is Myself" Platform, which was created for the central management of improvement works throughout SOCAR Turkey, presented more than 50 projects in different fields in 2020, revealing an annual added value of more than 80 million USD. With the projects realized, 11,238 MW of electricity, 33 kttons of natural gas, 3 kttons of fuel gas, 38 kttons of boiler feedwater, 249 kttons of steam savings, 51,000 m3 of water savings, and 106,000 tons of reduction in CO2e greenhouse gas emissions have been achieved.

At SOCAR Turkey, which creates direct employment for more than 5,200 people across the Group, we have successfully completed our integration process in the fields of refinery, petrochemistry, energy, logistics, distribution and storage, which are the focus of our strategic investments. In this context, we took a new step to increase excellence by providing efficiency in our business processes and established the Integrated Business Center, which serves all our group companies. This stage was a major step for the 'One SOCAR' culture that we aim to implement in all our group companies.

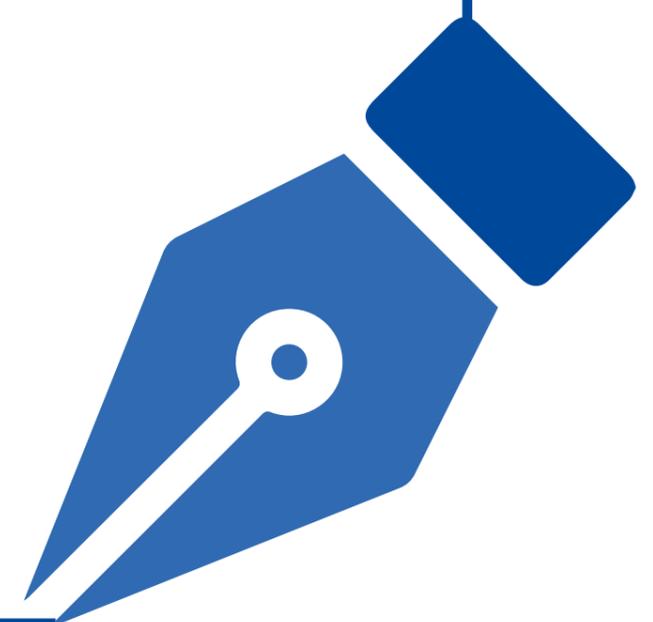
Despite the limited interaction opportunities experienced during the reporting period, we continued our practices that promote gender equality. In this regard, during the reporting period, we identified our employment potentials for female employees through systematic methods throughout the operations. We aim to bring our female employee ratio to an exemplary point for

our sector by continuing our efforts to reach this potential in the upcoming periods as well. Despite the pandemic, we uninterruptedly continued our training and development activities during the period. By rapidly developing our online training programs, we provided a total of 345,243 person*hours of training in 2019-2020.

As the SOCAR Turkey Group and its Group companies, we continued our corporate responsibility activities in 2019-2020, focusing mainly on education, health, sports and social issues. In addition to the volunteering activities of our employees, we also supported the activities of non-governmental organizations and public institutions. In the projects we implemented in 2019 and 2020, in order to support our neighbours who suffered Izmir earthquake in 2020, to contribute to the efforts to combat the COVID-19 pandemic both locally and nationally, and to provide high school students with 21st century skills in the regions we operate, we allocated a total of 76.4 million TL worth of donations and corporate social responsibility expenditures.

While rapidly realizing our investment targets, we are moving towards becoming an experienced and strong company that is resistant to international competition. At SOCAR Turkey, we will continue to be a key player in all developments regarding oil and natural gas in the Turkish and world energy markets. I would like to thank and extend my respects to all our stakeholders who share SOCAR Turkey's sustainable growth goals and contribute to our value creation journey.

Zaur Gahramanov
CEO



**SOCAR
GLOBAL**



As an energy company that offers integrated solutions, SOCAR continues to provide economic, social and environmental benefits globally and improve its international operations through strategic collaborations

SOCAR Global Operations

EXPLORATION

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

PRODUCTION

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

REFINING AND GAS PROCESSING

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

PETROCHEMICALS

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

TRANSPORTATION

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

SERVICES

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

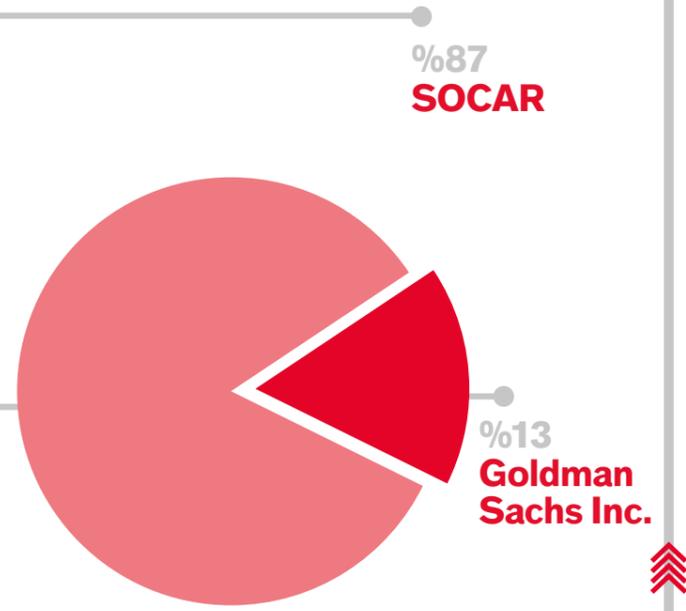
SOCAR Turkey



SOCAR Turkey Investments

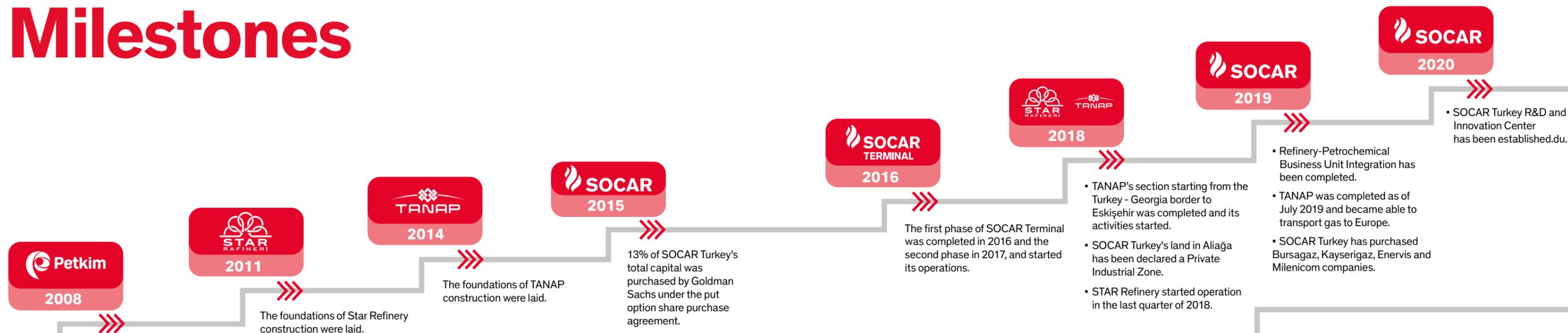
The ultimate goal of SOCAR Turkey, which operates in the petrochemical, refining, natural gas, trade, transportation and distribution sectors, is to become Turkey's largest industrial holding by realizing the value-added chain that starts with crude oil and ends with the final product within the framework of the clustering model when all investments are completed.

Turkey's largest foreign direct investor, SOCAR, continues to resolutely implement its strategies that will bring the competitiveness of the energy sector to the top within the framework of its investment plan of approximately 19.5 billion USD.



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

Milestones



VISION, MISSION AND VALUES

Vision

To be an integrated energy company that adds value to all our stakeholders, backed by the awareness of our economic and social responsibilities.

Mission

To operate and develop our entire value chain from the source to the end-user in an efficient and sustainable manner with our experienced, knowledgeable and committed human resources at every level.

Values



Trust - We are gaining trust through honesty, integrity, and ethical business practices. Working with standards based on accuracy and high work ethics is our absolute way of doing business.



Inclusiveness - We know it takes people with different ideas, strengths and backgrounds to make our company succeed. We seek diverse perspectives and encourage everybody to collaborate and contribute to reach common goals.



Efficiency - We hold ourselves accountable to our shareholders, customers, colleagues and the society and lead the way to deliver a safe, reliable and sustainable environment wherever we operate. We're finding the most effective and efficient processes to get things done, making the best use of our time and resources, with a focus on continuous improvement.



Agility - We anticipate the changing needs of customers, competitive market trends and opportunities. We embrace change, move forward with resilience and maintain work focus even in unstructured, dynamic environments.



Passion - We're committed in heart and mind. We work with a strong sense of purpose that gives meaning to everyday activities. We are taking on new opportunities and tough challenges with a sense of urgency, high energy and enthusiasm.

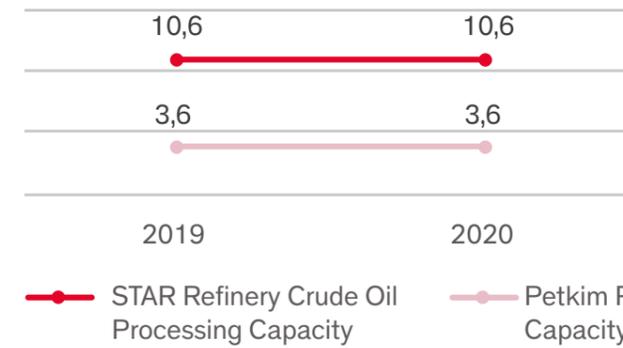


Accountability - We are conscious about impact of our actions and decisions on people around us, environment and the society. We take ownership of our work, act responsibly and care about the outcomes. We are keeping promises and honouring commitments.

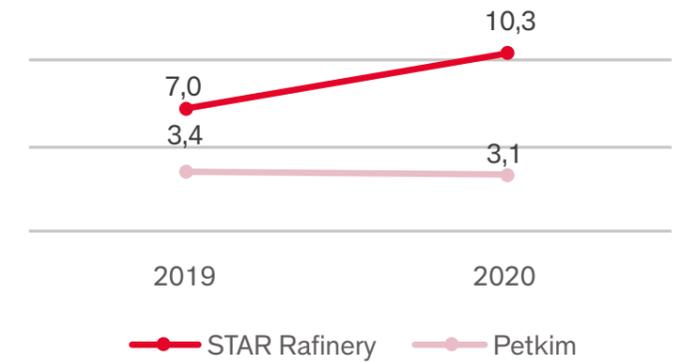
SOCAR TURKEY IN NUMBERS

Despite the COVID-19 pandemic in 2020, SOCAR Turkey has taken firm steps forward in line with its strategic goals.

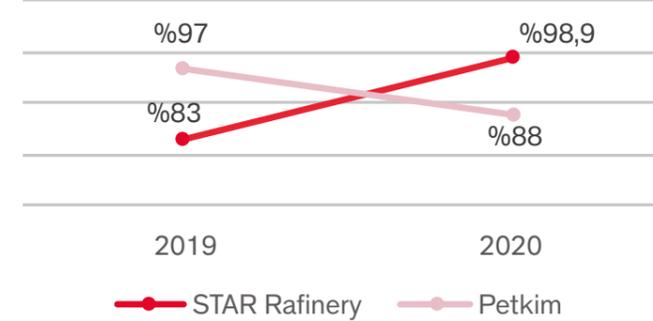
Capacity (Million Ton)



Total Production (Million Ton)



Capacity Utilization Rate (%)



2020 STAR Refinery

Nelson Refinery Complexity	White Product Efficiency	Medium Distillate and Reformat Efficiency
9.2	87.6%	73.6%

2020 Petkim

Ethylene - Propylene Efficiency	PX, OX and Benzene Efficiency
47%	35%

SOCAR Turkey Financial Indicators (Million TL)

	2017	2018	2019	2020
Total Assets	39.708	61.918	84.783	103.707
Total Sales	10,454	13,881	31,364	31,350

*The figures refer to SOCAR Turkey's consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). **The figures include minority shares.

Tax Policy

For SOCAR Turkey, one of the indicators of being a responsible corporate citizen is the direct impact one poses on economic development. One of the most basic indicators of this is the tax payments. SOCAR Turkey and its Group companies act in compliance with all regulations of tax legislation in Turkey, in line with the target of legal compliance. In order to ensure compliance with the tax legislation, the specialized institutions that we receive service from review the company transactions every month and submit full approval reports by the end of the year.

SOCAR Turkey Tax Payments (Million TL)



Calculations include corporate tax and special consumption tax amounts paid by SOCAR Turkey companies

Petkim: Turkey's Petrochemical Technologies Base

Established as Turkey's first and only integrated petrochemical plant, Petkim continues its activities as Europe's leading petrochemical complex and production base, which incorporates high technology, thanks to the investment plan implemented after being included in the SOCAR Turkey portfolio in 2008.

Petkim, one of Turkey's largest industrial establishments and export leaders, provides input to plastic, chemistry, packaging, pipe, paint, construction, agriculture, automotive, electricity, electronics, textile, detergent, cosmetics and many other sectors through various high value-added raw materials such as ethylene, benzene, orthoxylin, paraxylene, polyvinyl chloride (PVC), plastic surgery products (PSP), polypropylene (PP) and masterbatch; giving life to countless sub-industries.

In line with its vision of sustainable development and low carbon economy, Petkim increases its R&D and innovation infrastructure and capacity day by day in order to respond to the growing need for value-added petrochemical products that require high technology in the hydrocarbon sector.

Petkim in Numbers

The Compensation Rate of Turkey's Need for Petrochemical Products	%18
Annual Gross Production Capacity	3,6 milyon ton
Total Assets 2020	19.983 Milyon TL
Total Number of Employees 2020	2.376

Petkim: Turkey's Petrochemical Technologies Base

Established as Turkey's first and only integrated petrochemical plant, Petkim continues its activities as Europe's leading petrochemical complex and production base, which incorporates high technology, thanks to the investment plan implemented after being included in the SOCAR Turkey portfolio in 2008.

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In line with its vision of sustainable development and low carbon economy, Petkim increases its R&D and innovation infrastructure and capacity day by day in order to respond to the growing need for value-added petrochemical products that require high technology in the hydrocarbon sector.

STAR Refinery in Numbers

The Compensation Rate of Turkey's Need for Processed Crude Oil Products	%25
Annual Crude Oil Processing Capacity	10,6 Milyon Ton
Total Assets 2020	66,868 Million TL
Total Number of Employees 2020	1,089

Partnership Structure: 99.99% SOCAR Turkey Yatırım A.Ş.- 0.01% Unicredit Bank AG

Petkim WPP: Renewable Energy Investment

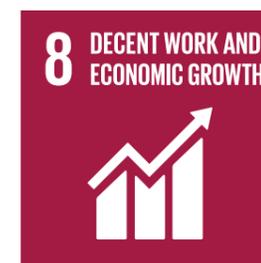
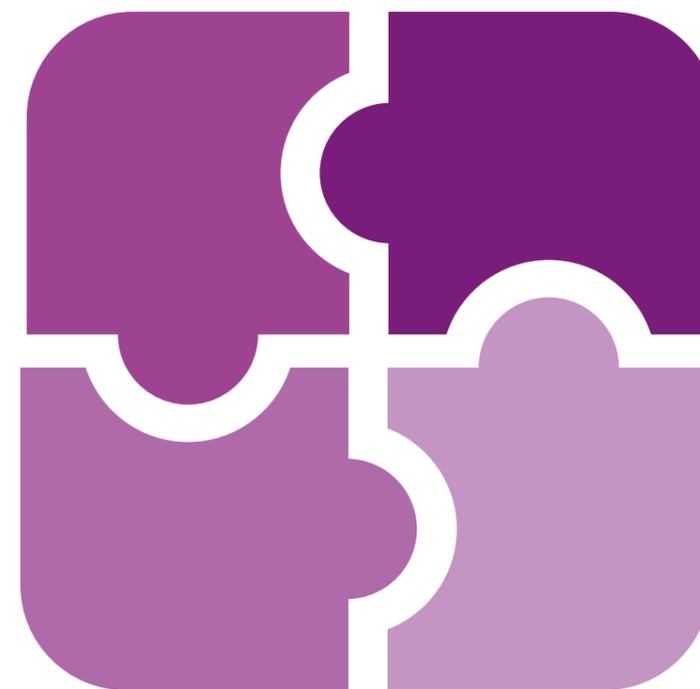
Petkim WPP, a wind power plant with a total of 17 turbines, is SOCAR Turkey's most important investment in the field of renewable energy. The power plant, which was built with a total investment of 55 million Euros, has an installed capacity of 51 MW and is considerable in meeting the energy needs of SOCAR Turkey's facilities in Aliağa, especially in increasing the energy supply security of Petkim and reducing its production costs and environmental impacts.

Petkim WPP in Numbers

Total Installed Capacity	51 MW
Total Number of Turbines	17
Total Investment	55 Million Euro

Partnership Structure: 100% Petkim

CORPORATE GOVERNANCE



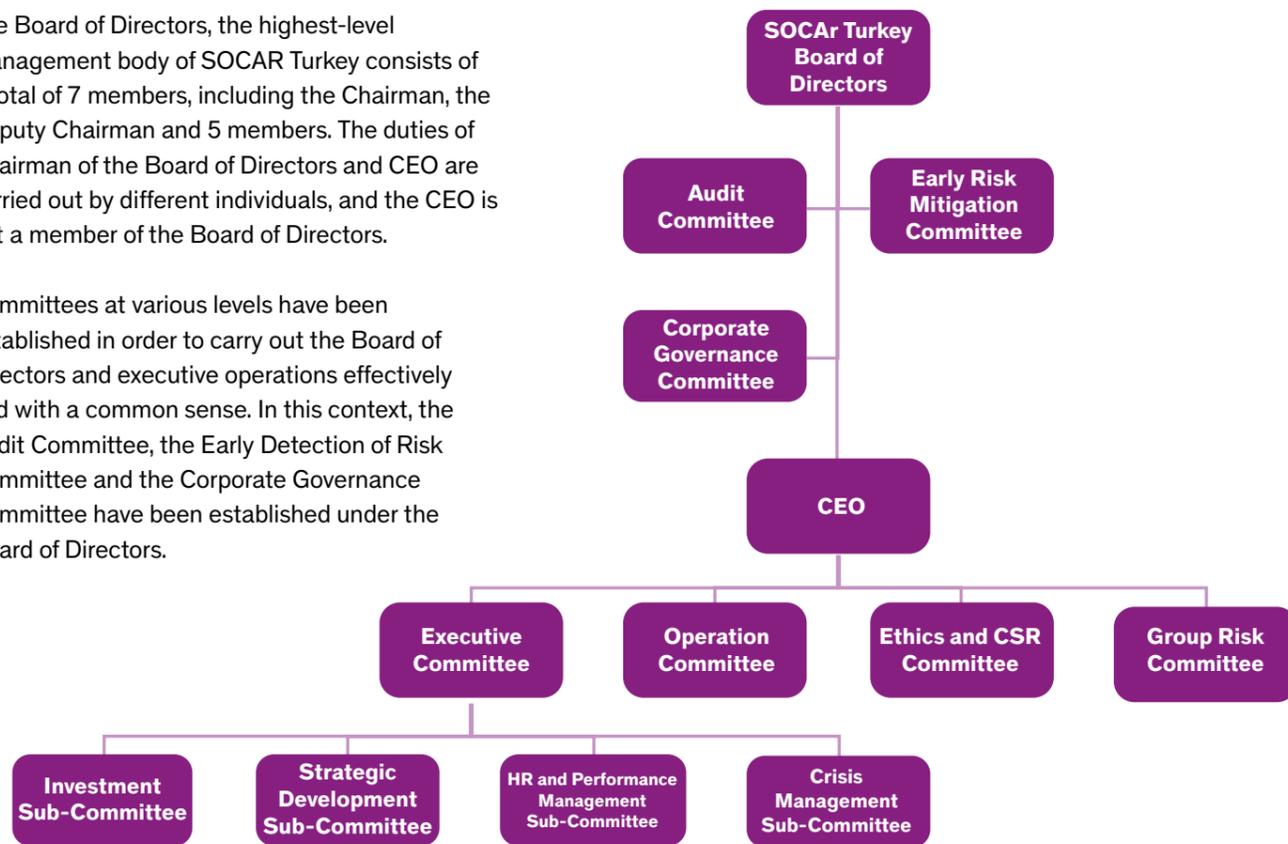
Adopting a transparent and accountable business approach shaped by SOCAR Global's well-established corporate culture, values and uncompromising code of ethics, in which compliance with laws and regulations, modern corporate governance principles are internalized, SOCAR Turkey acts with an identical understanding in all fields of activity and business units.

SOCAR Turkey aimed to maximize the synergy created within the value chain formed by its Group companies thanks to the integration project it has implemented as of 2019.

Board And Senior Management Structure

The Board of Directors, the highest-level management body of SOCAR Turkey consists of a total of 7 members, including the Chairman, the Deputy Chairman and 5 members. The duties of Chairman of the Board of Directors and CEO are carried out by different individuals, and the CEO is not a member of the Board of Directors.

Committees at various levels have been established in order to carry out the Board of Directors and executive operations effectively and with a common sense. In this context, the Audit Committee, the Early Detection of Risk Committee and the Corporate Governance Committee have been established under the Board of Directors.



It is possible to focus on strategic areas such as the evaluation of new investment opportunities, risk management, talent management and portfolio management thanks to the synergy arising from the realization of the management support operations of the group companies especially the refinery and petrochemical operations through the integration project under the umbrella of SOCAR Turkey.

The shares of Petkim, the only publicly offered subsidiary of SOCAR Turkey, are traded on Borsa Istanbul. With its sustainability management efforts, Petkim has been listed uninterruptedly in the BIST Sustainability Index initiated by Borsa Istanbul in 2014 and which is determined by evaluating companies every year.

Risk Management

While there are many opportunities SOCAR Turkey encounters during its operations, there are also various strategic, financial, operational, legal and similar risks that it may be exposed to. With these uncertainties that may affect the company's strategic goals and sustainable development, the opportunities that can be obtained should be identified early and managed systematically. For this purpose, a comprehensive corporate risk management model has been established within SOCAR Turkey. Risk management processes throughout the company are managed by experts responsible for these processes, within the framework of the decisions taken by the Group Risk Committee, which reports to the CEO at the senior management level, under the supervision of the Early Detection of Risk Committee organized at the level of the Board of Directors.

The risk management function is positioned to support the company's achievement of its goals and decision-making processes. During the strategy planning and implementation stages, target-based risk assessments are made within the framework of risk management, and it is ensured that the necessary actions are taken on time to reach the targets through potential impact analyses and probability calculations and resources are used based on these criteria. In addition, during strategic investment demands within the company, critical stages of projects and decision-making moments that may have a significant impact on operations, decision-making processes are supported with a risk perspective by making situation-specific risk assessments.

SOCAR Risk Management Unit is positioned under the Board of Directors, centralized within the organization, in order to provide support to all group companies on a senior management and unit basis in accordance with international standards, especially ISO 31001. This preference ensures

the efficiency, objectivity and independence of the studies.

The 'Risk Appetite Statement', which sets the limits of risks that can be taken as a basis for both the risk management process and the company's activities and decision-making processes, was approved by the Board of Directors on 12 December 2020.

As in 2020, the leading issues to be addressed within the framework of risk management activities in the upcoming period are the decrease and losses that may occur in the workforce due to the pandemic, and the factors that may threaten operational continuity. However, due to the rise of global and regional geopolitical risks, risks that threaten international trade and supply activities also come to the fore. On the other hand, economic developments around the world have the potential to create risks on company activities. Occupational safety and environmental risks are among the risk records that should be followed carefully, without ignoring the nature of the company's fields of activity, despite the fact that all possible controls and processes are systematically managed and necessary actions are taken. The risk management process and management teams are supported by reporting, decision-making initiatives, monitoring and measurements related to all these risks.

2021 will be a vital year for SOCAR Turkey to focus on detecting the risks of climate change and identifying its possible effects and necessary actions. During the year, a specific risk management process will be developed to respond timely and effectively to the risks arising from climate change, triggered by global trends and sectoral needs. In 2021, a development program will be implemented to increase risk management awareness across the company.

Code Of Business Ethics And Anti-Corruption

SOCAR Turkey and its Group companies uncompromisingly prioritize compliance with internationally accepted excellent code of business ethics while carrying out their activities. These rules are organized in the following documents: "SOCAR Turkey Code of Ethics" and "Anti-Corruption and Trade Controls Policy" and are published on the company's website in order to provide easy access to those concerned. SOCAR Turkey Code of Ethics and Anti-Corruption and Trade Controls Policy are binding for all managers and employees employed under SOCAR Turkey, business partners of SOCAR Turkey and its Group companies, from the board of directors to Group companies' employees.

The SOCAR Turkey Ethics & Corporate Social Responsibility (CSR) Committee, which meets regularly under the chairmanship of the CEO of SOCAR Turkey, has been established in order to ensure that the work carried out throughout SOCAR Turkey, and its Group companies is done in accordance with the code of ethics. The internal procedure established in order to carry out the work of the Ethics & CSR Committee in an efficient and systematic manner is also dynamically updated according to the changing needs. SOCAR Turkey Ethics & CSR Committee also engages in governance activities to ensure that corporate social responsibility activities carried out throughout the company are performed in accordance with the Code of Ethics and SOCAR Turkey Values. In accordance with the CSR Principles Policy published for this purpose, the Communication Department prepares a CSR Plan for the next calendar year at the end of each calendar year and submits it to the Committee for approval; and the Plan approved by the Board of Directors.

In 2020, SOCAR Turkey Code of Ethics, Anti-Corruption and Trade Controls Policy, Representation and Hospitality Procedure, Conflict of Interest Procedure were updated. In these updates conducted within the framework of the continuous improvement approach, national and international good practices in the field of ethics and compliance were examined, and necessary changes were made considering the company's needs and risks. In addition, the process related to the aim of effectively monitoring compliance with international trade controls was automated and business units were supported quickly and effectively by using a digital assistant.

"10 Golden Rules" of Ethics Management

1-Compliance with the law and the SOCAR Turkey Group Code of Ethics	Acting in accordance with all applicable laws and Ethical Rules is crucial. It is because strong institutions are only developed on solid foundations. Strong foundations rest on unshakable values, which were created by respecting laws, and acting in compliance with these values.
2-Respecting Human Rights	At the SOCAR Turkey, observance of the human rights of all individuals is an absolute requirement. An injustice to one person is a threat to the whole society.
3-Corporate Social Responsibility	As well behaving ethically, corporate social responsibility is a continuous commitment which is able to go beyond charity endeavours in some specific areas that are of benefit to the general public, and which is organized to create a positive impact on goals.
4-Occupational Health, Safety and Environment	Healthy and safe working conditions form the basis of a peaceful, happy and productive work environment. To this end, each organization sets some principles. The SOCAR Turkey Group implements the OHS-E Policy prepared by our Occupational Health, Safety and Environment Department. At every step we take, we comply with the rules and principles set forth in our OHS-E Policy.
5- Prioritizing the Protection of Company Resources, Appropriate Business Conduct and Proper Work Attitude	Everything given us to do our work is a SOCAR Turkey Group resource and no resource is unlimited. Within the SOCAR Turkey Group, we protect what is ours, and we do not wait for resources to be exhausted to know their value. Therefore, we only use SOCAR Turkey Group resources for SOCAR Turkey Group's businesses and interests.
6- Anti Corruption and Trade Controls	The SOCAR Turkey Group has a zero-tolerance policy towards all kinds of corruption, including bribery, money laundering and financing of terror. We believe happy and peaceful individuals who obtain a return for their work and efforts can only found in societies that take a strong stand in tackling corruption. The same applies to businesses and institutions where there is no corruption. For this reason, the SOCAR Turkey Group attaches tremendous importance to working properly and in the right way with a strong work ethic, not only for commercial gain. In order to ensure that those who we do business with meet our ethical work standards during our business activities, we conduct ethical case studies regarding these business parties. We check and ensure that these business partners comply with the values set forth in the Code of Ethics.
7- Conflicts of Interest	The interests of SOCAR Turkey are always put before the interests of the individual. In every case, where we act on behalf of SOCAR Turkey, we do what our business requires and represent both ourselves and SOCAR Turkey in the best way possible. This means taking care of SOCAR Turkey's interests even when there is no one around to see what you are doing. True character is what is demonstrated at a moment nobody sees.
8- Financial Control Systems	The operation of financial control systems which allow self-identification, transparency, accuracy and accountability, thoroughly and accurately, is a core component in corporate success. The SOCAR Turkey Group designed the financial control systems in such a way that it includes these four key items based on the current highest financial standards, and implements them rigorously. The SOCAR Turkey Group always complies with the rules established for the financial control systems to work thoroughly and accurately and we thus contribute to the success of the SOCAR Turkey Group.
9- Protection of Confidential Information and Personal Data	All information held by the SOCAR Turkey Group or obtained through the commercial activities undertaken by the SOCAR Turkey Group, including any personal data which we obtain during the course of our work, is CONFIDENTIAL. Such information should not be disclosed, whether unlawfully or unnecessarily, to anyone, even within the SOCAR Turkey Group, by ANY EMPLOYEE. The reason for this is very simple; we can never know how information in the hands of malicious individuals will be used. Therefore, we protect the SOCAR Turkey Group and its future by protecting the confidentiality of the information that we obtain.
10- Individual Responsibility and Reporting	Anyone who is not part of the solution is part of the problem. At SOCAR Turkey Group, we make OUR VOICES HEARD by using appropriate reporting channels and thus we become part of the solution to be produced. In order to create and increase awareness regarding the SOCAR Turkey Code of Ethics, regular awareness activities (training, meetings, orientation, newsletter publications etc.) and internal communication campaigns are carried out.

The Ethics Hotline, designed to be open to anonymous notifications by SOCAR Turkey employees and/or third parties via e-mail, telephone, mail and complaint boxes at the facilities, is used for reporting ethical violations and suspected bribery and corruption. Ethics Hotline notifications can only be viewed by the Compliance Group Coordinator and the Audit, Risk and Compliance Group Director. With this structure, the Ethics Hotline management has gained the necessary independence by reporting to the Board of Directors, not to the executive functions. The Ethics & CSR Committee and the Supervisory Board are informed about the number, types and resolution of the Ethics Hotline notifications through regular meetings. No retaliation or sanctions may be imposed on persons who report on suspicion of violation or non-compliance. Similarly, harassment and discrimination against reporters is never tolerated. Disciplinary action is taken against those who are found to be in such behaviour.

During the reporting period, all notifications received by the Ethics Hotline were meticulously examined, and notifications regarding issues not covered by the Anti-Corruption and Trade Controls Policy were shared with the responsible departments and followed up subsequently. No notification was made about the issues covered by the Anti-Corruption and Trade Controls Policy that would turn into an investigation.

SOCAR Turkey supports its employees' right to engage in democratic political activity, as granted by the Constitution of the Republic of Turkey, as with all other constitutional rights. However, SOCAR Turkey cannot be a party to any political thought, ideology or political organization, and cannot directly or indirectly support the activities and campaigns of political parties, organizations, politicians and candidates; the company cannot allow its resources to be used in such activities. Therefore, SOCAR Turkey employees, while exercising their democratic political rights, should, without exception, refrain from behaviours that may cause their activities to be associated with SOCAR Turkey and its Group companies.

In line with the understanding of business ethics, the protection of human rights and the prevention of violations are also taken seriously. The activities of SOCAR Turkey and its Group companies are carried out in accordance with the main conventions of the United Nations Universal Declaration of Human Rights and the International Labour Organization. Suppliers, customers and business partners are also expected to pay regard to norms in order to ensure that human rights are valued and respected in all operational decisions and processes. Within the framework of respect for human rights, we respect the freedom of association, unionization and collective bargaining of employees, and prevent forced labour, misuse of labour force and child labour, and no form of discrimination is tolerated.

Internal Audit

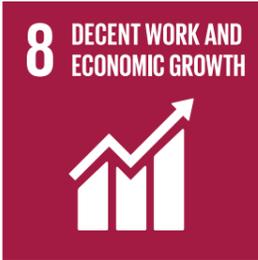
Internal audit work adds value to the operations of the company and its Group companies by providing independent, objective assurance and consultancy. The Internal Audit Unit reports directly to the Audit Committee, which reports to the Board of Directors. The Internal Audit Department is responsible for the planning, implementation and reporting of internal audits within the Group in accordance with the generally accepted International Internal Audit Standards published by the international "Institute of Internal Auditors" (IIA) and the relevant local legislation in line with the annual audit plan approved by the Board of Directors. In addition, it is the responsibility of the Internal Audit Department to ensure that the senior management takes the necessary measures to eliminate the problems that arise, to monitor the actions taken, to coordinate and harmonize the audit activities.

Training activities are carried out throughout the company to increase knowledge and awareness about code of ethics, anti-corruption and human rights policies, and information is refreshed through retraining given at regular intervals. During the reporting period, code of ethics and corruption risks were included in the internal audit studies, and no case of non-compliance was encountered. There was no legal case targeting the company and its employees regarding these issues during the period. On the other hand, during the reporting period, no complaints were received or no case was observed regarding any discrimination practices.

An in-house program has been started to achieve success in compliance, which plays a considerable role in SOCAR Turkey's Code of Business Ethics. Compliance Plan for 2021 has been prepared and submitted to the Supervisory Board for approval. The plan, that was approved by the Supervisory Board, covers all compliance activities to be carried out in 2021. The Compliance Group Coordinator, which is under the Audit, Risk and Compliance Group Department under the Chairman of the Board of Directors, is responsible for coordinating compliance efforts throughout the company. During the reporting period, there were no evident cases of legal incompatibility, especially the regulations for the provision of products and services.

In 2020, a new information infrastructure was applied for 2020 inventory update studies, authorization controls and data access control in compliance with the Personal Data Protection Law; activities such as the preparation of the KVKK Compliance Plan were carried out in 2021, and the technical and administrative measures taken were subjected to the independent audit process.

SUSTAINABILITY APPROACH



In addition to SOCAR Turkey's mission "to operate and develop our entire value chain from the source to the end-user in an efficient and sustainable manner with our experienced, knowledgeable and committed human resources at every level", sustainability, as an extension of SOCAR Global's management approach, has become an integral part of its management approach. Attaching importance to the management of social, economic and environmental impacts as part of its business strategy, SOCAR Turkey continues its efforts to support sustainable development, particularly in the geographies in which it operates.

Socar Turkey Sustainability Priorities

The focuses of SOCAR Turkey's sustainability management are shaped in line with the social, economic and environmental impacts of its activities and stakeholder expectations. In order to identify these focuses, SOCAR Turkey carries out a comprehensive prioritization analysis process shaped by various researches and analyses of stakeholder opinions. This process, which was shaped by the principles of the prioritization process specified in the GRI Standards that was published by the Global Reporting Initiative for use in non-financial reporting studies and which is also a source in sustainability management modelling, was repeated in the reporting period to become the most updated.

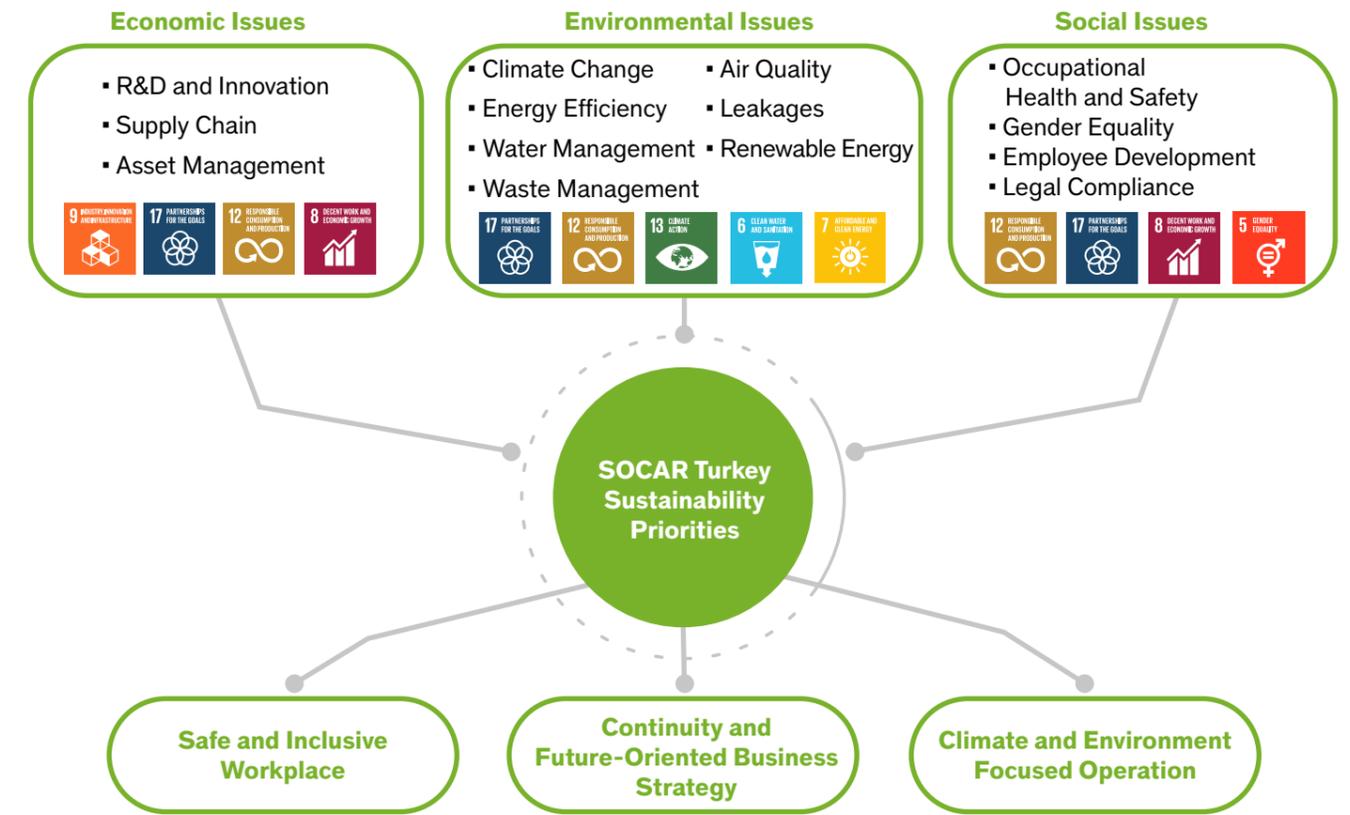
In the prioritization study carried out during the reporting period, firstly, a comprehensive study was conducted in which GRI Standards, SASB Sector Priorities, Global Mega Risk Trends Research results, international reporting practice and reader evaluation research, competitor practices and sectoral resources were evaluated; and then, nearly 40 social, economic and environmental impact areas that are likely to be included in the sustainability impact portfolio of SOCAR Turkey and its Group companies have been created. Group companies Screening studies

carried out with the participation of more than 300 employees and 25 senior managers employed at SOCAR Turkey and its Group companies were tested with risk and opportunity analyzes. The UN Sustainable Development Goals were also evaluated within the scope of the study.

Parallel to this, the same impact areas were evaluated in terms of stakeholder expectations with the studies in which more than 250 participants representing many different stakeholder groups, primarily financial institutions, customers, suppliers and business partners, media and non-governmental organizations, and universities expressed their views.

Within the scope of the research, different stakeholder groups expressed varying opinions. For example, customers and members of the press responded in a parallel way and listed "energy efficiency, climate change and renewable energy" as the topics they had the highest expectations for. While financial institutions gave priority to "energy efficiency, water and waste management", non-governmental organizations prioritised the topics of "energy efficiency, renewable energy and occupational safety". Lastly, suppliers and contractors gave particular importance to "energy efficiency, R&D and Innovation, occupational safety".

After the results of the internal studies and stakeholder analyses were consolidated by the sustainability experts, they were presented to SOCAR Turkey managers for evaluation and SOCAR Turkey Sustainability Priorities were then determined. In this regard, a total of 14 topics under three main headings were identified and associated with 8 UN Sustainable Development Goals that were prioritized.



Safe and Inclusive Workplace

As a responsible employer, SOCAR Turkey offers its employees a safe and healthy workplace, a work life that provides justice and equal opportunities, and facilitates individuals to realize their personal potential.

Continuity and Future-Oriented Business Strategy

SOCAR Turkey sees the future success of its integrated business strategy, from raw materials to refining, petrochemicals and distribution, in its high-tech product and process development efforts, also in its investments that will ensure the continuity of supply of the required refining and petrochemical products.

Climate and Environment Focused Operation

SOCAR Turkey prioritizes reducing the impact of its operations on the climate and the environment by using the best available techniques.



	SOCAR Türkiye	STAR Rafineri	Petkim	Supply Processes	After Sales Processes
Climate Change	●	●	●		●
Energy Efficiency		●	●		
Water Management		●	●		
Waste Management		●	●		●
Air Quality		●	●		
Leakages		●	●		
Renewable Energy			●		
R&D and Innovation	●	●	●		
Supply Chain	●	●	●	●	
Asset Management	●	●	●		
Occupational Health and Safety	●	●	●	●	●
Gender Equality	●	●	●		
Employee Development	●	●	●		
Legal Compliance	●	●	●	●	●

The identified issues were evaluated not only in terms of the magnitude of the impact, but also in terms of the point at which the impact occurred in the SOCAR Turkey value chain.

Sustainability Targets

Climate and Environment-Oriented Operation

	Short-term Targets	Mid-term Targets	Long-term Targets
Environmental Management	Establishment of digital transformation infrastructure in the waste management system	Upgrading existing Zero Waste Certificates to qualified certificate level Implementation of LCA Model for priority products Implementation of applicable projects to reduce water consumption	
Climate Change	Developing a long-term sustainability and decarbonization strategy. Taking initial initiatives to reduce CO2 emissions by 1% per year	Building relationships and developing potential partnerships with players in the recycling industry Building knowledge on alternative energy for future investments	Reducing CO2 emissions by 40% by 2035 and achieving net zero goal by 2050 Cooperating with start-ups for alternative energy through Portfolio Management

Continuity and Future-Oriented Business Strategy

	Short-term Targets	Mid-term Targets	Long-term Targets
Reliability	Increasing the maturity level of Information Security and Cyber Security implementation processes across SOCAR Group Companies	Development of Petkim and STAR Refinery cyber security systems	Improving the availability of equipment and production systems
Risk Management	Preparation of development program to increase risk management awareness	Implementation of training activities Implementation of Active Mentoring activities Identifying Role Models Identifying Risk Champions Implementation of workshops	Obtaining the expected value from the process by increasing the Institution's Risk Management Capabilities (Maturity).
Supply Chain Management	Completion of the Local Procurement Development Project		

Safe and Inclusive Workplace

	Short-term Targets	Mid-term Targets	Long-term Targets
Occupational Health And Safety	Digitization of OHS-E Legal Compliance Performance tracking Digitalization of OHS-E Trainings Development of Behaviour-Oriented Occupational Safety Program	Continuous improvement of SAFE (OHS-E Management System) Digitalization of the Work Authorization System Digitalization of Change Management System	Completion of PSM (Process Safety Management) Project
Gender Equality	Developing a gender equality, diversity and inclusion strategy	Identifying practices that promote women's employment and programs/benefits that facilitate postpartum women's return to work Determining the details of male-female wage variance at work levels and identifying actions to ensure the equal remuneration principle Completion of the Women-Friendly Field project that will regulate field conditions for female field workers and female engineers	Establishing and publishing policies and procedures in line with the gender equality, diversity and inclusion strategy
Employee Development	Identifying leadership and development program needs for women To create a mentoring program for female managers Creating special training programs for female employees	Obtaining regular feedback from female employees by applying various employee experience surveys, understanding the work experiences of female employees and taking appropriate actions for their needs.	

Sustainability Management

SOCAR Turkey continues its efforts to improve sustainability management, which is a part of its business culture. In the studies carried out in the light of institutional policies, there is a sharing of responsibility starting from the senior management. Head of Communications and Public Relations, reporting directly to the CEO of SOCAR Turkey, is the top executive responsible for the management of sustainability and corporate responsibility issues. The activities carried out on the identified social, economic and environmental issues are followed by the Chairs responsible for the relevant issue.

SOCAR Turkey has established various institutional policies for the management of social, economic and environmental issues. The most comprehensive of these policies which are also published on the corporate website are SOCAR Turkey Code of Ethics, Anti-Corruption and Trade Controls Policy and SOCAR Turkey Occupational Health, Safety and Environment Policy. These policies which are in force in all SOCAR Turkey business units are strictly observed in any activity carried out. On the other hand, SOCAR Turkey Group companies use internationally recognized management system standards in the management of sustainability issues in their fields of activity.

For instance ; while the basic standards used in sustainability management at Petkim and STAR Refinery are ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System; the Green Port System Standard is used in port terminal operations.

The "SOCAR Aims for Efficiency" (SAFE) system, which is implemented from SOCAR Turkey Headquarters to include Group companies, provides a significant added value in the reliable execution of daily work in terms of environment and human health in all areas from offices to high-risk processes.

Stakeholder Engagement

Today, one of the most essential indicators of the management quality of companies is the ability to present a participatory management approach. With this perspective, SOCAR Turkey aims to establish a permanent communication with all its internal and external stakeholders based on mutual trust, transparency and accountability. The channels used for this purpose differ according to the stakeholder group.

Particular attention is paid to the establishment of communication channels that will facilitate the participation of employees in SOCAR Turkey and its Group companies in management and increase mutual information sharing. In this context, SOCAR Turkey employees are contacted continuously, periodically or instantly, depending on their nature, through various communication channels. The channels used according to the communication needs also differ according to the subsidiary. The most widely used among these communication channels are integrated corporate intranet, internal surveys, e-mail and e-bulletins, corporate TV, posters and banners, reputation and satisfaction surveys, training practices, performance management system, interviews and debates, working groups and committees, complaint and suggestion systems. Employees of contractor companies working in their fields of activity also have access to many communication channels, especially complaint and suggestion systems.

SOCAR Turkey and its Group companies use various channels to create a participatory, timely, transparent, and two-way communication environment with its employees and external stakeholders. Stakeholder communication systematics have also been developed in many of the management systems followed. While it is essential to strengthen communication with all stakeholders, the frequently contacted stakeholders include customers, shareholders and investors,

public institutions and local governments, trade unions, suppliers and contractors, professional organizations and non-governmental organizations, financial institutions, educational institutions, media organizations and local people. In communication with stakeholders, corporate website, contact forms, social media, e-mail communications, annual reports, sustainability reports, press releases and meetings, announcements, mutual talks, social projects and sponsorships, external trainings, meetings and presentations, corporate films, tools such as research and surveys are used systematically.

The reputation survey, carried out centrally by SOCAR Turkey, is a basic tool used to measure and evaluate the level of satisfaction of stakeholders such as customers, local and national media, professional organizations, non-governmental organizations, financial institutions and public institutions in their relations with SOCAR Turkey.

Ethical notice channels, suggestion and complaint systems are also accessible to employees, especially contractors, suppliers and local people. Complaints and suggestions conveyed through these channels are handled carefully and then finalized. In order to ensure the systematic management of these channels, Petkim has included ISO 10002 Customer Satisfaction Management System Standard within the scope of its integrated management system.

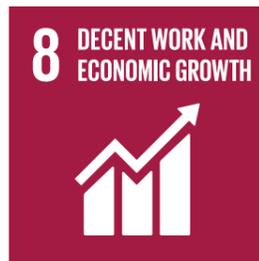
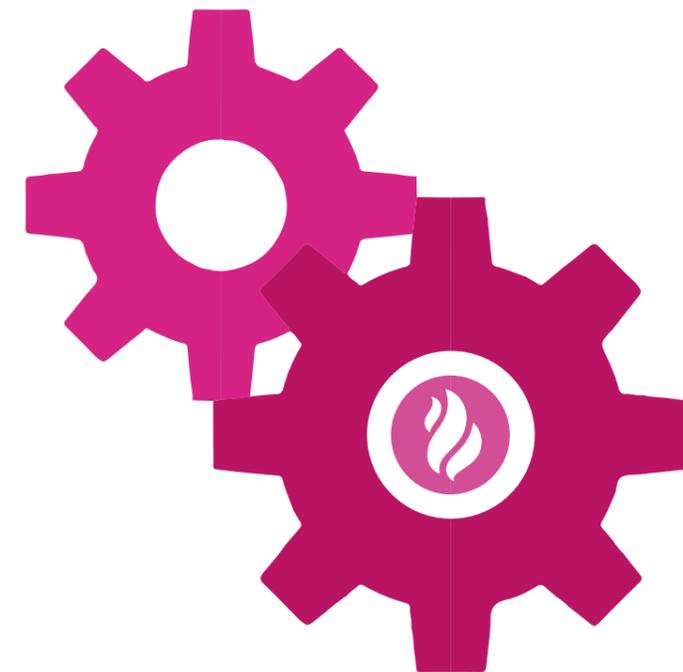
Corporate Memberships Of Socar Turkey

ALTO	Aliğa Chamber of Commerce
ASD	Packaging Manufacturers Association
DEİK	Foreign Economic Relations Board
EBSO	Aegean Region Chamber of Industry
EPCA	European Petrochemical Association
EGE PLASDER	Aegean Plastic Industrialists Solidarity Association
ESAİD	Aegean Industrialists and Businessmen Association
ICC TÜRKİYE	International Chamber of Commerce
İKMİB	Istanbul Chemicals and Chemical Products Exporters' Association
İTO	Istanbul Chamber of Commerce
İMEAK	Turkish Chamber of Shipping
İMMİB	Istanbul Mineral and Metal Exporters Association
İZKA	Izmir Development Agency
İYTE	Izmir Institute of Technology
KALDER	Turkish Quality Association
KİD	Corporate Communicators Association
KİPLAS	Turkey Chemical, Petroleum, Rubber and Plastic Industry Employers' Union

Corporate Memberships Of Socar Turkey

KÜV	Kocaeli University Foundation
PERYON	People Management Association of Turkey
TEİD	Ethics&Reputation Society
TÜSİAD	Turkish Industry & Business Association
TKSD	Turkish Chemical Manufacturers Association
TÜYİD	Turkish Investor Relations Society
TİDE	Internal Audit Institute of Turkey
TİM	Turkish Exporters Assembly
TOBB	The Union of Chambers and Commodity Exchanges of Turkey
TURKLAB	Association of Calibration and Testing Laboratories
TÜREB	Turkish Wind Energy Association
TÜSİAD	Turkish Industrialists and Businessmen Association
TTGV	Technology Development Foundation of Turkey
YASED	International Investors Association of Turkey
WEC TURKEY	Energy Council Turkish National Committee
	Aegean Ferrous and Non-Ferrous Metals Exporters' Association
	Rubber Association

CONTINUITY AND FUTURE-ORIENTED BUSINESS STRATEGY



One of the 3 main sustainability focuses of SOCAR Turkey is to ensure the existence of the company not only for today but also for the future, to manage the social, economic and environmental impacts not only in the internal operation part of the created value chain, but also throughout the whole, to achieve excellence in business processes, and to identify with the identity of being a company that develops its technology and continuously supplies its target markets with value-added products produced with the most advanced technologies. To put it briefly, one of the main sustainability focuses of SOCAR Turkey is to create a strategy that ensures business success with a model that is resistant to future risks in the entire value chain and ensures continuity.

R&D and Innovation

SOCAR Turkey has a well-established R&D culture inherited from the experiences of SOCAR Global and the R&D Center established at Petkim Yarımca facilities in 1969. SOCAR Turkey Ar-ge ve İnovasyon A.Ş., which was established in December 2019 to transfer Petkim's 51 years of R&D experience in the field of petrochemistry to the entire SOCAR Turkey value chain, was entitled to receive the R&D Center certificate given by the Ministry of Industry and Technology as of 12 June 2020.

SOCAR Turkey R&D and Innovation Center, located on an area of 1,200 m² on the campus of the Refinery and Petrochemical Business Unit in Aliağa, Izmir, provides services in 6 laboratories, pilot facilities and offices with 22 researchers. The goal of SOCAR R&D Center, which serves all group companies of SOCAR Turkey, is to develop innovative, sustainable, environmentally-friendly and market-oriented products, catalysts and digital technologies for all stakeholders in the value chain and to improve existing production processes. In this regard, the activities planned to be carried out include catalyst research, green chemistry, sustainable, clean and efficient energy, value-added products, digital applications, and environmental solutions.

The R&D Center, which started to work with the Refinery and Petrochemical Business Unit within the framework of the order-based R&D model in 2020, carried out 14 R&D projects with Petkim and 2 projects with STAR Refinery during the period. The projects implemented focused on energy efficiency, operational excellence, digitalization, new products and environmental issues in production processes.

SOCAR Turkey R&D and Innovation Center works to create strong university-industry cooperation with the open innovation model it has adopted. Studies carried out in this regard focus on technologies that will increase efficiency, develop cost and competitive advantage for all SOCAR Turkey Group companies, as well as the energy sector.

Due to the energy and thus emission-intensive business lines, special attention is given to technologies that will reduce the carbon footprint of SOCAR Turkey companies. For this purpose, projects are planned on the production of petrochemical raw materials by using renewable energy in the international arena and we develop cooperation in this regard.

Project on Catalyst Development for DME Synthesis from Carbon Dioxide

Within the scope of the project carried out with Izmir Institute of Technology (IZTECH) in regards to the University-Industry cooperation, it is aimed to develop a catalyst and process for the conversion of carbon dioxide released into the atmosphere in Petkim's production plants to dimethyl ether (DME), which is a valuable product.

Within the scope of the project, catalyst development and testing of the performances of these catalysts continue at the SOCAR Turkey R&D laboratory.

SOCAR Turkey R&D and Innovation Center aims to take part in R&D and innovation projects within the scope of Horizon 2020 - European Green Deal Call, which aims at the transition of the European Union to a carbon-free economy by 2050, in line with the sustainability targets of all group companies operating in the energy, refinery and petrochemical chain. SOCAR Turkey R&D and Innovation Center carries out 2 European Union projects within the scope of Horizon 2020 - Carbon Capture, Storage and Utilization (CCSU) Program. The target of CARMOF Project, which is the first of these projects, is to develop innovative absorbents connected to Modified Carbon Nanotubes and Metal-Organic Frameworks (MOF), and to develop a hybrid membrane and vacuum absorption process in which these absorbers are included in order to capture carbon dioxide more efficiently. The CO2Focus Project aims to convert carbon dioxide into dimethyl ether product, which is demanded in the market, using the reactor and solid oxide cell technology to be printed with a 3D printer.

Project for the Development of Raw Materials Suitable for Refinery and Petrochemical Inputs from Waste Polyolefins

In this project, initiated with the cooperation of SOCAR Turkey R&D and Innovation Center and METU, it is aimed to develop a more efficient catalyst and process with high selectivity for the synthesis of raw materials suitable for petrochemical input in the chemical recycling of plastic waste.

This project, which aims to transform waste polyolefins into high value-added products in milder conditions using a catalyst, is efficient in terms of reducing the negative effects of plastic pollution and developing a circular, sustainable economy.

As a carbon-intensive sector, the CARMOF Project is designed to capture the carbon dioxide contained in the combustion gases at SOCAR Turkey's facilities by using innovative materials and methods. The CO2Focus Project seeks to keep the carbon dioxide gas in the vent gas and convert it to dimethyl ether with innovative catalysts. It will be possible to convert carbon dioxide, which will turn into emissions thanks to this technology to be developed, into a chemical product with high added value.

In addition, the NEFERTITI Project, for which we applied for the European Union Horizon 2020 Program of SOCAR Turkey R&D and Innovation Center, was entitled to be funded as of December 2020. The NEFERTITI Project aims to produce chemicals such as ethanol and isopropanol from carbon dioxide in the presence of heterogeneous catalysts with solar energy. This project, which attempts to transform carbon dioxide and water into chemicals, will significantly increase R&D experience in diversifying the use of renewable energy resources.



Digital Transformation

The Information Technologies Integration Project "Project Earth", which we initiated in 2019 with the vision of Digital Transformation, has an intention of supporting SOCAR Turkey's integrated working model, managing the changes in the global and domestic markets, and improving the information technology infrastructure that will enable the functions to produce maximum efficiency.

At the end of the project, which seeks to completely update the systems that form the backbone of corporate applications by using the best examples in the world, the necessary digital infrastructure will be provided for SOCAR Turkey to operate in an integrated manner, and the transformation that will support the data-based management philosophy will be implemented.

Employee Experience

The HR platform, which offers a single employee experience for SOCAR employees, was implemented by considering the best practices in the world. This application is designed to increase employee loyalty by introducing additional fun and educational functions in which success built on corporate values is appreciated and rewarded, in addition to basic functions such as common personal, recruitment, job preparation, performance management, training management, career management, etc.

Again, the interface of the career page, in which the working conditions in the SOCAR Group are detailed and applications for open positions are received, has been renewed using current technologies. The agile working model was supported by enabling SOCAR employees to utilize the applications they use in the mobile environment as well.

Alization at Production Units

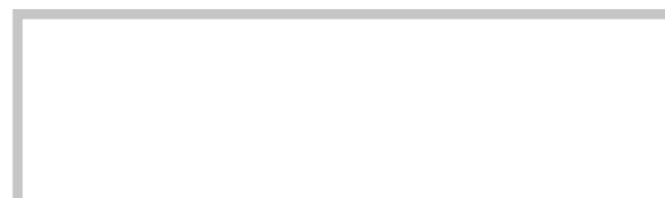
With the projects that implement Industry 4.0 principles and the best sector practices in the world, integration of other production unit functions through industrial systems and corporate applications has been ensured in addition to the refinery operation.

OHS memory has been commonized by creating a single source of truth through central projects and collaborative systems for organizational excellence. It is aimed to increase business performance and optimize costs by creating synergy with the singularization of event, risk and audit processes. The restructuring and commonization of the supply chain and purchasing processes in a way to create synergy between SOCAR Turkey and all group companies was completed, and the tracking of stocked materials and products with RF and RFID technology and processes with robot applications was ensured. It is targeted to support the production process with innovations in maintenance and repair processes.

Digitalization at Financial Processes

SOCAR Turkey's financial processes were restructured with a holistic perspective, thus aiming to digitize financial operations with internal and external stakeholders. A treasury language was created to cover SOCAR Turkey and all group companies to digitize treasury management activities and make them agile. In this context, it was ensured that instant market data were used in financial operations, instant integration was established with all banks worked with, and robot employees were effectively positioned in financial processes to increase efficiency in financial processes. Decision-making processes were also supported thanks to the digital infrastructure, in which the financial effects of global and local fluctuations can be monitored in detail.

With the SOCAR Service Center, requests for Human Resources, Support Services, Information



Technologies, Security, Operations Technologies, Enterprise Applications and Information Document Management started to be received through a single platform across SOCAR Turkey and its group companies, and it is aimed to implement a transparent, traceable and reportable structure.

In the reporting period, with the "One" SOCAR Experience information technology infrastructure works, various projects have been implemented to increase the security of web connection systems by backing up in SOCAR Turkey Head Office and Aliğa Facilities, to renew remote access systems, to establish network infrastructures in new buildings, to develop process imaging systems, to improve digital security systems, to optimize databases, to support disaster recovery scenarios, to produce patches for 3rd party applications, to diversify and expand the infrastructure of online meeting systems and to strengthen the virtualization infrastructure.

Information Security at SOCAR Turkey

While ensuring the continuity of the Information Security Management System, which was created to ensure information security policies throughout SOCAR Turkey within the framework of international standards and in compliance with legal requirements, studies to commonize information security policies, standards and procedures across the group were also implemented.

As a result of the audits carried out at STAR Refinery in 2020, ISO 27001 Information Security Management System was certified for the first time; and Petkim's ISO 27001 certification was renewed. With the aim of increasing the information security awareness of the employees, training and testing activities were carried out throughout SOCAR Turkey and its group companies. In order to ensure end-to-end information security on business platforms, efforts to expand cyber security solutions across the group continued in 2020 as well.

In order to closely monitor security vulnerabilities published against rapidly increasing cyber threats today, automatic and centralized security scans are

performed throughout SOCAR Turkey and its group companies, while security vulnerabilities detected on information systems are directed to the relevant teams and their conditions are closely monitored.

In the refinery and petrochemical business unit, various projects are realised on network and system security in order to improve the cyber security infrastructure for industrial control systems and operational technologies. Work continues to acquire cyber security solutions that are customized for industrial control systems and capable of detecting anomalies.

In the event of a real cyber-attack, the necessary remedial actions are followed while penetration tests are carried out in order to see how the company is affected, to test the adequacy of the existing security controls and to take proactive measures. In accordance with the "Safety Analysis and Test Procedures and Principles for Industrial Control Systems Used in the Energy Sector" published by EMRA, safety analysis and tests on Industrial Control Systems (ECS) are also ongoing.

In order to improve monitoring and response capabilities against cyber-attacks targeting the company, efforts continue to record industrial systems within the scope of the Central Security Incident Records Management System project, which was implemented to cover SOCAR Turkey and its group companies. With the aim of increasing the security levels of the databases used within the company, database logging and monitoring system installation studies continue as well.

While cyber intelligence resources are used within the scope of the security operation centre monitoring service, alarms generated for suspicious situations are monitored 24/7 and rapid response to cyber incidents is ensured. Again, in this context, new generation security technologies that increase the visibility and malware detection capabilities on end-user computers have started to be used, and the dissemination efforts have been completed throughout the group.

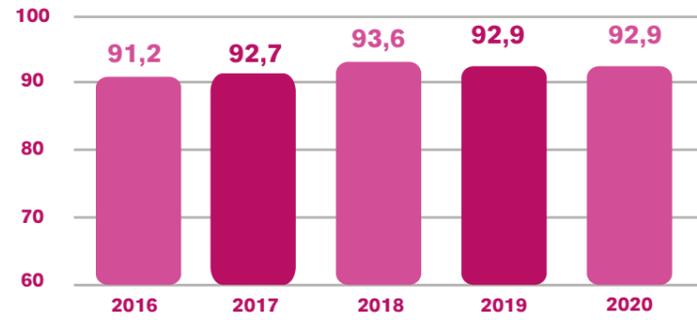
Asset Management

Refinery and petrochemical facilities are long-term and large-scale investments and are managed with a business logic based on continuity in production. It is critical for businesses to be constantly available to maximize efficiency. Therefore, continuous improvement and performance-enhancing investments come to the fore in these activities. On the other hand, the fact that Petkim is the only integrated petrochemical facility in Turkey, and that STAR Refinery meets 25% of Turkey's refinery product needs on its own, is a big responsibility for SOCAR Turkey in terms of uninterruptedly meeting the product needs of the market in which we operate. Therefore, asset management is of great importance in order to fully meet today's needs and to secure the future of SOCAR Turkey.

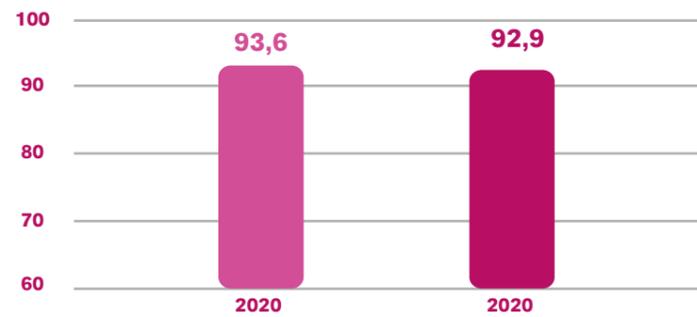
The asset management process, carried out by the Production, Maintenance and OHS-E units under the leadership of the Reliability Department, aims to continuously increase business performance in the areas of OHS-E, operational and mechanical availability, optimization of operating costs and asset lifecycle. All international maintenance standards and information technology infrastructure are used in the management of these processes.

In 2020, critical processes were identified by focusing on business continuity, business-impact analysis studies were carried out regarding the processes and the processes were prioritized accordingly. As a result of these evaluations, risk assessments and action suggestions emerged, and these suggestions were evaluated from an operational point of view and the suggestions were put into action. Rescue strategies and plans are prepared for any crisis related to identified critical processes. All these efforts attempt to manage crisis moments effectively, to ensure the ability to fulfil obligations to third parties, to implement operations at an optimum level with minimum resources, and to get through the process by protecting the company's reputation.

Petkim-Mechanic Availability (%)



STAR Rafineri-Mechanic Availability (%)



For the asset management process, it is expected to expand and develop the asset management system to the entire SOCAR Turkey Refinery and Petrochemical Business Unit in the short and medium term, and to carry out studies that will increase production and equipment availability, reduce OHS-E incidents, and optimize costs in the long term.

Business Excellence

Business excellence is of great importance for SOCAR Turkey, as it operates in a business area consisting of complex and risky business processes in terms of occupational health and safety and environment, in a wide value chain from supply to customer processes. For this reason, all activities are carried out in compliance with international standards developed for the relevant process. The reliability of the standards is ensured by conducting periodic independent external experiences for all of the international system standards followed.

The SAFE – SOCAR Aims for Efficiency system, implemented from the SOCAR Turkey Headquarters to include Group companies, provides a significant added value in the reliable execution of daily work in terms of environment and human health in all areas from offices to high-risk processes. The SAFE Executive Board, consisting of the Corporate OHS-E Department and the OHS-E representatives of the group companies, was established in order to ensure the effective implementation, continuous development and improvement of the SAFE Management System. Taking into account the OHS-E targets based on the SAFE Management System expectations, the OHS-E performances of the group companies are monitored and reported to the senior management.

Management System Standards

Petkim Management System

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 50001:2018 Energy Management System
- ISO 27001:2017 Information Security Management System
- TS ISO 10002:2018 Customer Satisfaction Management System
- TS ISO 31000:2018 Risk Management Verification System
- Green Port Certificate
- ISO 17025 Laboratory Management System
- TSE Covid-19 Safe Production Certificate

STAR Refinery Management System

- ISO 9001:2015 Kalite Yönetim Sistemi
- ISO 14001:2015 Çevre Yönetim Sistemi
- ISO 45001 İş Sağlığı ve Güvenliği Yönetim Sistemi
- ISO 50001:2018 Enerji Yönetim Sistemi
- ISO 27001:2017 Bilgi Güvenliği Yönetim Sistemi
- ISO 17025 Laboratuvar Yönetim Sistemi
- TSE COVID-19 Güvenli Üretim Belgesi

Responsible Supply Chain

The value chain created by SOCAR Turkey requires a purchasing operation parallel to its size. Therefore, a significant part of the sustainability impacts in the value chain consists of supplier operations in which purchasing operations are carried out. Adopting the principle of impact management throughout the value chain in sustainability management, SOCAR Turkey puts the management of social, economic and environmental risks at the forefront in its purchasing operations, and all purchases are made in compliance with SOCAR Turkey Purchasing Values.



SOCAR Turkey Purchasing Values

Non-Discrimination: Offers are evaluated only according to cost and quality criteria and cannot be subjected to any other discrimination.

Fair Competition: A fair competition environment is aimed by providing equal information, opportunity and environment to all suppliers. The supplier must do business in full compliance with antitrust and fair competition laws.

Anti-corruption: It is expected that suppliers and other third parties with whom we do business will never tolerate any form of corruption, including but not limited to bribery, and show every care in this regard.

Health and Safety of Employees: Suppliers are expected to provide a healthy and safe work environment for their employees. The supplier must comply with all applicable legislation regarding occupational health, safety and environment.

Protection of Confidential Information and Personal Data: Suppliers must not exhibit any behaviour that violates

SOCAR Turkey's intellectual property rights. If they encounter a violation of these rights, they should inform SOCAR Turkey. In this context, they should cooperate with SOCAR Turkey in order to prevent and/or end a possible violation. In addition, suppliers should act in accordance with the policies implemented in SOCAR Turkey regarding the protection of personal data, and should take every precaution to protect the personal data they collect while doing business with SOCAR Turkey.

Respecting Human Rights: We aim to work with suppliers that respect Human Rights, do not discriminate in any way and provide equal opportunities to their employees.

Codes of Ethics: SOCAR Turkey pays regard to selecting parties that act/can act in accordance with the Code of Ethics while choosing the parties with which it will do business. For this reason, potential business parties are invited to read, understand and apply the Code of Ethics to the extent necessary, and are strongly encouraged to work in this area.

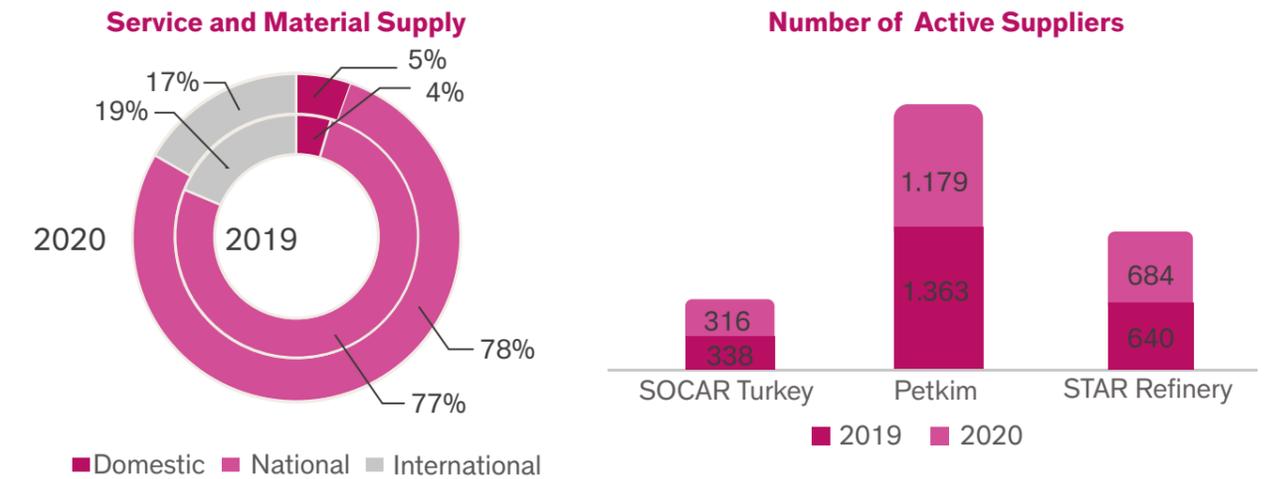
SOCAR Turkey also requests its purchasing business partners to adopt the same code of ethics principles as itself. Suppliers are also expected to comply with SOCAR Turkey Code of Ethics and Anti-Corruption and Trade Controls Policy. Accordingly, all parties with which commercial relations are established go through the harmonization process. Between 2017-2020, 568 suppliers for STAR Refinery and 1,487 suppliers for Petkim were subjected to compliance assessment.

A much more comprehensive evaluation is made for all purchases over 50,000 USD. In this context, SOCAR Turkey expects its suppliers to comply with human rights rules, particularly the prevention of child labour, prohibition of forced and compulsory labour, to offer a safe and healthy work environment to its employees, to adopt anti-corruption rules and to be sensitive about its environmental impacts; and also SOCAR Turkey controls these conditions, and cuts off any business relation with suppliers that may not follow these rules and produce negative effects on the environment and society. In 2020, 124 companies that were newly included in the supply portfolio were evaluated.

As of November 2019, STAR Refinery and Petkim purchases have been centralized in order to be integrated in line with integration studies. As of this date, 29 suppliers have been subjected to third-party audits, 9 suppliers to second-party audits, and 189 companies to pre-qualification assessments. Question sets used in 2nd and 3rd party audits include questions specifically aimed at obtaining information on environmental issues.

When SOCAR Turkey, Petkim and STAR Refinery operations are considered, purchasing activities are divided into two groups as crude oil supply operations and non-crude oil product and service purchases. Crude oil supply operations include purchases of semi-products and finished products as well as crude oil. On the other hand, purchases of services, equipment and consumables stand out in purchases other than crude oil. Among the suppliers, there are large-scale companies as well as small and medium-sized companies. Supply assurance is provided through long-term material and service supply agreements and/or methods of keeping approved alternative suppliers in the supplier portfolio.

SOCAR Turkey Supplier Demographics

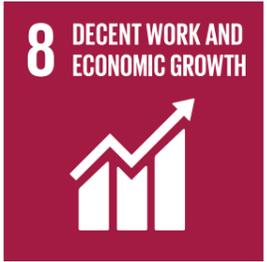


Supply rates include consolidated figures of SOCAR Turkey, Petkim and STAR Refinery. Domestic supply refers to purchases made from suppliers within the provincial borders.

SOCAR Turkey prefers local suppliers for its crude oil and non-raw material purchases. In order to increase this rate, the Domestic Manufacturing Service operates in order to prepare the technical specifications of the spare parts and equipment, which were originally supplied from foreign companies, and to supply them from domestic manufacturers. With the aim of increasing the localization rate, the Localization Commission was established and started its work as of September 2020. The Commission will examine the demands and determine the ones suitable for localization and the Procurement Department will collect offers from the domestic markets.



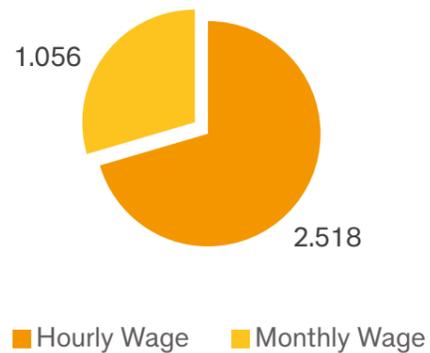
OCCUPATIONAL SAFE AND INCLUSIVE WORKPLACE



One of the most essential criteria for creating a competitive value chain in the energy sector, such as refining and petrochemicals, in which SOCAR Turkey operates, is human resources with high professional knowledge and experience. As a responsible employer, SOCAR Turkey, in line with its corporate values and ethical principles, offers its employees a safe and healthy workplace, a work life where justice and equality of opportunity is ensured, and which facilitates individuals to realize their personal potential.

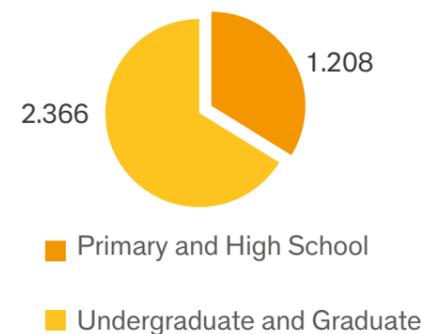
Employee Demographics

Number of Employees by Category

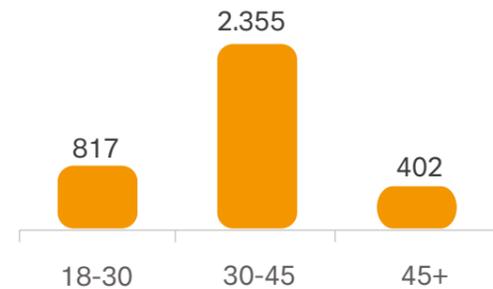


The demographic data covers SOCAR Turkey Corporate Headquarters, Petkim and STAR Refinery unless otherwise stated.

Number of Employees by Education Level



Number of Employees by Age Group



With more than 5,200 direct employees, SOCAR Turkey creates employment for more than 10 thousand people together with its contractors. As of 2020, a total of 3,574 employees work in SOCAR Turkey Corporate Headquarters, Petkim and STAR Refinery operations. 70% of the employees are hourly paid employees, while 30% are monthly paid employees. Due to the fact that it operates in sectors where experience and professional experience come to the fore, the rate of employees under indefinite employment contracts reaches 99.8%.

On the other hand, SOCAR Turkey and its subsidiaries enjoy the advantage of a young, dynamic and educated human resource. In this context, the rate of those who have received undergraduate and graduate education among the employees of the company is over 66%, and 89% of the employees are under the age of 45 and 23% are under the age of 30.

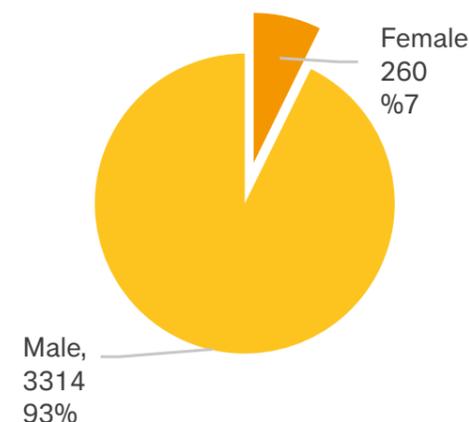
Gender Equality And Human Rights

context, SOCAR Turkey does not treat anyone differently due to their language, religion, race, ethnic origin, sexual orientation or any innate quality; shall not be exposed to any behaviour that can be described as discrimination. It does not ignore the application of pressure, intimidation and similar mobbing to employees under any circumstances and takes the necessary measures to prevent these behaviours..

Undoubtedly, men and women are equal individuals that make up the society and it is essential that they benefit equally from all kinds of rights. On the other hand, access to employment and working in an environment worthy of human dignity are among the basic human rights. It is the responsibility of every employer to support women's employment by removing the obstacles on the path to exercising this right.

With this philosophy, SOCAR Turkey aims to develop women's employment and implements various facilitating practices in this direction. For example, female employees are of high importance in the high-potential employee selection program and promotion policies.

Number of Employees by Gender



Although there have been developments from past to present in the refining and petrochemical business lines, it is quite low compared to other sectors. Protective regulations for high-risk business processes, especially in the hourly wage category, are also very effective in this case. In the analysis made in the refining and petrochemical business units, the potential for female and male employee distribution was identified as 22-78%.

When Petkim and STAR Refinery are included, SOCAR Turkey's female employment rate was 7.6% in 2016, while this rate increased to 10.8% in 2019 with the implementation of encouraging practices. In 2020, this rate decreased to 7.3% with the effect of the conditions created by the pandemic. When senior and middle management were evaluated, the rate of female managers, which was 12.7% in 2019, decreased to 5.8% in 2020. While the ratio of female employees reached 28.4% in SOCAR Turkey, dominated by office, it was 6.2% and 7.5%, respectively, in Petkim and STAR Refinery operations, where field work is intense. With the decrease of pandemic risks in the coming periods, it is aimed that this ratio will increase again and studies towards the potential levels shall begin.

SOCAR Turkey adopts equal pay for equal work principle in its remuneration practices. Male and female employees doing the same job receive the same amount. Differences in employee remuneration may only be based on seniority and performance. When the median salary level of male and female employees working in managerial positions in SOCAR Turkey headquarters operations was compared, it is seen that the median salary level of male employees was 10% higher in 2019. In 2020, it is seen that the median salary level of female employees was 7% higher than that of male employees.

One of the main reasons for female employees to leave employment is the fact that there are difficulties in staying in employment after having children. Therefore, SOCAR Turkey implements practices that ease work life during pregnancy and facilitate the return of female employees to employment during the postpartum period. In this context, one of the most preferred applications is the nursery support service. 103 employees in 2019 and 193 employees in 2020 benefited from nursery support services. While 13 female employees went on maternity leave in 2020, 12 female employees returned to business life within the period. Of the 15 female employees who returned from maternity leave in 2019, 14 continued to work at SOCAR Turkey in 2020. In addition, maternity coverage is included in private health insurance packages to support female employees.

In the upcoming period, in order to increase performance in the field of gender equality and inclusion, and to improve women's employment, SOCAR Turkey plans to develop a business strategy specific to this issue and to establish a working group responsible for this. By developing the wage tracking application, it will be ensured that the variances of the average wages of men and women at the same level are followed and necessary actions are taken. On the other hand, it is also aimed to create a female leader development program in which mentoring, training and development practices are designed specifically for female employees.

SOCAR Turkey also supports the rights of its employees to organize, unionize and make collective agreements, and prepares the necessary environment for the employees to exercise these rights in a healthy way and to establish efficient union relations. The objective is to establish healthy, beneficial and close relations with the unions, which are the representatives of the company employees. In this regard, a total of 2,452 people, which corresponds to 69% of the total workforce of SOCAR Turkey, including Petkim and STAR Refinery employees, work under collective agreements. The rate of working within the scope of collective agreements reaches 97.4% for hourly paid field workers.

Employee Development

The Talent Management System, created to be implemented across SOCAR Turkey and Group companies, seeks to help employees reach their potential, support their personal and career development and transform their talents into high performance. With the Talent Management System, the potential of the employees for the future is evaluated at first, and then studies are carried out to develop the talents that make a difference. The Talent Management application aims to evaluate the employees with a systematic approach, to plan their careers accordingly, and to develop and retain success-oriented employees who will maximize the company's performance by creating a solid backup network.

An important aspect of employee development efforts is employee training, which is an fundamental complement to the Talent Management System. In addition to improving the professional knowledge and experience of employees, employee training also plays a major role in expanding their personal visions and gaining different perspectives. In this regard, SOCAR Turkey organizes professional and personal development trainings to improve the skills of its employees, in addition to the training programs arising from sectoral and legal obligations. The training needs of the employees are identified as a result of the analyses made by considering the performance evaluation results, corporate and individual goals, career plans, sectoral developments and individual demands. In line with the identified needs, participation in internal training programs and professional training programs provided by external experts and academicians is ensured.

Various orientation trainings, ranging from online learning programs to field visits, are provided to all newly recruited employees in order to accelerate their adaptation to company and corporate culture.

Employee Trainings	2019	2020
Total Training Hours (personxhour)	205.047	154.044
Female	28.665	12.114
Male	176.382	141.930
Number of Participants (person)	4.063	3.746
Female	445	322
Male	3.618	3.424

During the reporting period, 155 female and 618 male employees participated in training and development programs such as leadership, coaching and mentoring in order to improve their management skills.

Occupational Health And Safety

SOCAR Turkey operates with a culture that prioritizes the health and safety of all its employees, contractors and stakeholders. The knowledge gained from SOCAR Global, the heir of 200 years of experience in high-risk industrial activities, the working methods provided by international standards, and the management approach that makes it a standard practice to implement the best practices in the industry, sheds light on SOCAR Turkey's occupational health and safety practices.

SOCAR Turkey OHS-E Principles

- All accidents can be prevented.
- Adherence to OHS-E principles is crucial to work at our company.
- We attach importance to our environmental responsibilities for our success.
- Anybody who works for SOCAR Turkey is responsible for our OHS-E performance.
- We keep our promises.
- Working in compliance with our OHS-E management system (SAFE) and observing our policy's commitments is a guarantee of excellence with regard to the OHS-E.

SOCAR Turkey Aliğa Private Industrial Zone, Turkey's largest physical foreign investment constructed at a single location, was implemented by prioritizing occupational health, safety and environment, starting from the engineering design process. It continues its activities with a risk-based management approach during the operation process. In all SOCAR activities, risks are evaluated in line with the corporate risk acceptance criteria and SOCAR Turkey OHS-E Risk Matrix by identifying the potential hazards that people, the environment and company assets may be exposed to. Measures to reduce the identified risks to an acceptable level are identified, implemented and possible opportunities are evaluated. OHS-E risks and opportunities are reviewed every quarter and followed up on a common inventory for all group companies. The top ten risks arising from SOCAR Turkey activities are evaluated at Risk Committee meetings using the SOCAR Turkey OHS-E Risk Map. At SOCAR Turkey, all investment decisions, changes to be made in existing activities and new projects are managed through a systematic risk assessment process.

The processes such as occupational health, safety and environment, process safety and facility safety started to be managed under the umbrella of the OHS-E Directorate in SOCAR Turkey Aliğa Private Industrial Zone, with the integration

process initiated at the end of 2019 and carried out in 2020 in order to increase efficiency in operations and ensure business continuity. With this transformation, a synergy environment was created in which sector-specific experiences were shared between different facilities such as refinery, petrochemical and fuel storage, and a natural benchmarking environment was created between the facilities that would allow for the identification of areas open to improvement. With this transformation, a synergy environment was created in which sector-specific experiences were shared between different facilities such as refinery, petrochemical and fuel storage, and a natural benchmarking environment was created between the facilities that would allow for the identification of areas open to improvement.

Occupational health and safety and environmental management principles valid throughout SOCAR Turkey's operations are framed in the OHS-E Policy. In order to carry out the activities within the framework of these principles, the SAFE Management System has been implemented and the OHS-E performance and continuity of the operations are checked constantly. SAFE sets out 16 basic principles and expectations that seek to achieve corporate OHS objectives based on these principles. With the SAFE Management System, SOCAR Turkey aims to create a superior added value by creating a healthy, safe and environmentally-friendly working environment in all areas, from offices to high-hazard activity areas.

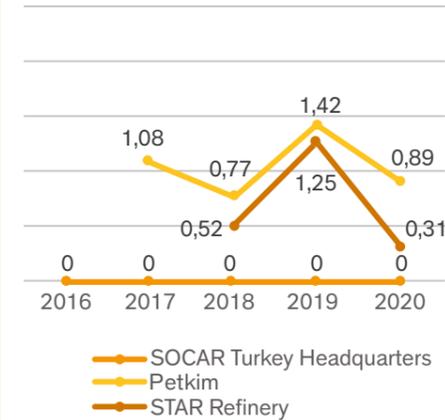
The proactive OHS-E approach ensures that new developments in the field of OHS-E are closely monitored and are implemented in work areas, and OHS-E performance to progress further day after day. With the development of the SAFE management system, excellence in the field of OHS-E will remain in the spotlight for SOCAR Turkey in the coming years.

The 16 Basic Principles of the SAFE OHS-E Management System

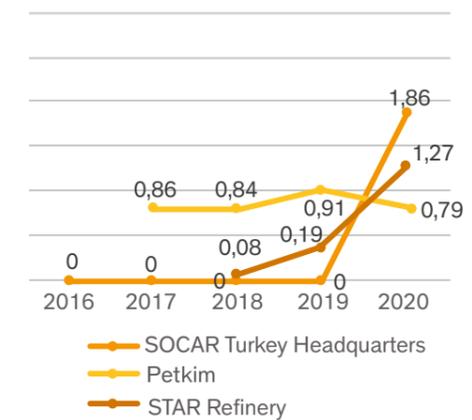
1. Compliance with Legislation
2. Leadership and Responsibility of Management
3. Risk Assessment and Management
4. Operational Responsibility
5. Contractor and Supplier Management
6. Competence, Training and Behaviour
7. Change Management
8. Plant Design and Construction
9. Environmental Assessment and Management
10. Protection of Human Health
11. Information and Documentation
12. Social Responsibility
13. Customers and Products
14. Performance Monitoring and Development
15. Analysis and Prevention of Incidents
16. Emergency Preparedness and Crisis Management

In addition to the SAFE Management System, the business units comply with different international management systems standards in the management of occupational health and safety processes. Facilities have ISO 45001 Occupational Health and Safety Management System, and port operators have Green Port Certificates.

SOCAR Turkey Employees

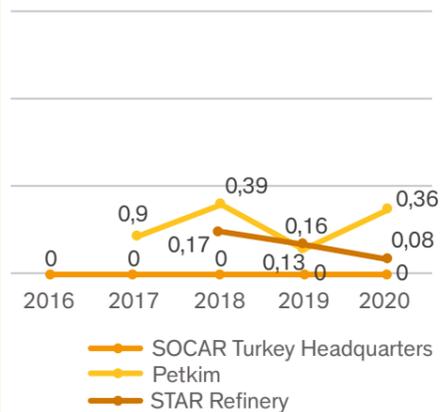


Contractor Employees

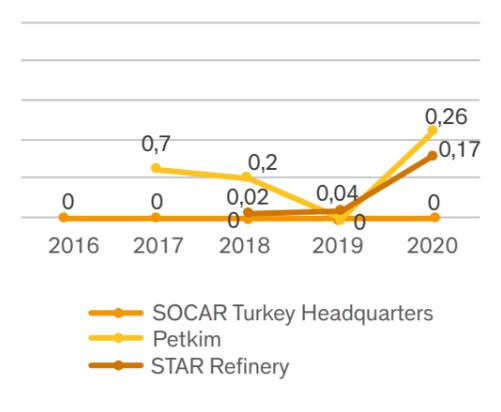


Total Recordable Injury Rate

SOCAR Turkey Employees



Contractor Employees



Loss of Time Injury Rate

OHS Projects:

With the OHS-E vision it has adopted, SOCAR Turkey aims to create a culture that adopts the best OHS practices in the industry in order to achieve excellence in occupational health, safety and environment. For this reason, the best OHS-E practices in the industry are implemented throughout the operations, and it is ensured that the activities in the high-risk group are carried out safely. As new applications emerge in the field of occupational health and safety, which is regarded as an area of continuous improvement, these applications are included in the activity portfolio. In this context, the objective is to implement various new applications in 2020.

Synergi:

For an effective OHS-E management, it is of great importance to collect and report application data in a healthy way. The need to manage the monitoring, management and reporting of OHS-E applications and data carried out in different business units from a single and common platform within the framework of the integration program has occurred. Synergi OHS-E software infrastructure project, which was started in 2019 in order to meet this need, was completed and put into use in June 2020; and the software is then used in all group companies.

Training activities are carried out throughout SOCAR Turkey in order to improve the occupational health, safety and environmental culture and to keep awareness constantly high. These training activities carried out in all business units start with the orientation training given at the beginning of the job and continue throughout the employment period.

Employee OHS Trainings	2016	2017	2018	2019	2020
Total Training Hours (personxhour)	37.524	74.305	336.110	114.117	120.806
SOCAR Turkey	712	839	13.025	1.797	1.850
Petkim	31.922	43.157	32.390	55.239	80.806
STAR Refinery	4.890	30.309	290.695	57.381	38.150
Number of Participants to Trainings (person)	2.704	3.396	3.627	3.857	3.680
SOCAR Turkey	95	127	126	251	178
Petkim	2.385	2.446	2.424	2.490	2.396
STAR Refinery	224	823	1.077	1.116	1.106

Behaviour Based Safety (BBS) Program Behaviours and perception levels of employees are as critical as having an OHS-E Management System established with policies, systems and procedures suitable for the purpose. It is essential to establish an efficient communication environment with employees in order to create the desired OHS-E awareness level.

The Behaviour Based Safety Program developed

by SOCAR Turkey in 2020 aims to develop an occupational health and safety culture in the workplace by influencing the thoughts, behaviours and behaviour styles of employees through mutual meetings. This program enables employees to be more creative and increase their level of perception, as well as contributing to their speaking by taking them out of the position of a passive listener, and helping them remember their education and experience. The target is to expand the Behaviour-Oriented Occupational Safety Program to all SOCAR Turkey business units in 2021.

Hazard Recognition Program (HRP):

The Hazard Recognition Program was initiated in order to carry out hazard recognition activities with a systematic methodology in all SOCAR Turkey group companies. The Hazard Recognition Program, which will work in integration with the work authorization and process safety management systems, is planned to be put into use all over SOCAR Turkey in 2021.

One of the conditions for keeping the OHS-E performance at the highest level throughout the company is that the practices to be carried out are decided with a participatory approach, that the incidents are evaluated with an objective view and that the employees are active participants and have a say in the processes of determining the necessary measures. For this purpose, in the OHS Boards established within the scope of the relevant legislation, there are employee representatives such as union representatives as well as relevant company managers. In this context, 16 of the 36 members of the 3 OHS Boards established in each of SOCAR Turkey, Petkim and STAR Refinery are employee representatives.

As occupational health and safety constitutes an essential part of work life, it also has a big role in relations with unions. Collective bargaining agreements realized accordingly include commitment to legal compliance, various OHS practices, OHS personnel, workplace medicine and distribution of responsibilities, various OHS provisions, and case audit procedures. In addition to the OHS Boards, union representatives also work in many decision bodies such as the Personal Protective Equipment Commission, Social Services and Transportation Commission, Disciplinary Board and Level Progress Examination Board.

COVID-19 Coronavirus Outbreak Measures

The COVID-19 coronavirus pandemic, which affected the whole world in 2020, was seriously managed in all SOCAR Turkey operations after its first appearance.

A detailed risk analysis was carried out in order to ensure the uninterrupted continuation of operations throughout SOCAR Turkey, to protect employee health and to increase preventive measures appropriate to the situation, and with the "Business Continuity Planning" created, protection measures were started to be taken according to the specific needs of the business units.

Pandemic Management Plan has been put into practice in order to minimize the effect of the epidemic. In this context, case algorithms and monitoring methods were implemented, working

models were revised, necessary equipment and warning signs were placed in the working areas, personal protective equipment was determined and distributed to the employees. In parallel, information bulletins and training programs were created within the scope of awareness-raising activities for company and contractor employees. On the other hand, SOCAR Turkey became one of the first industrial companies to be awarded with the "Safe Production Certificate" as a result of the inspections carried out in the business units of the Turkish Standards Institute within the scope of the measures taken.

In order to reduce the risk of contamination, remote working opportunities have been created for company employees as long as their duties allow. An Employee Support Line has been established in order to allow employees to receive support in case of difficulties they may experience during the pandemic. By the end of 2020, Employee Support Line received 1,928 calls.

Throughout the process, legal compliance was maintained by following the COVID-19 circulars issued by the Presidency of the Republic of Turkey and relevant ministries. Additional protection measures have been implemented throughout the pandemic process, following the publications of the World Health Organization and other reliable sources. By evaluating the daily, weekly and monthly statistics, which are seriously followed throughout the company, proactive measures identified by the efficient work of the COVID-19 Commissions established in the business units were successfully reflected on the field. In this way, business continuity was maintained throughout the company without any disruption during the period.

The OHS-E Observation and Reporting System, where observations and suggestions can be shared by all employees, is a system in which unsafe behaviours and unsafe situations in addition to suggestions and positive observations can be shared. Notifications from employees via OHS-E observation cards and e-mails are collected, reviewed by OHS-E teams, actions to be taken and deadlines are determined. The realization of the actions in line with the deadlines is monitored and the employees who make a report receive response as soon as possible.

Emergency Management

Systems and tools suitable for immediate response to an emergency that may occur throughout SOCAR Turkey operations, 7 days and 24 hours, have been established. Risk assessments carried out in the light of international standards and local legal regulations are transformed into emergency response plans by experts. These plans are prepared according to risk-based operational needs as well as the requirements of national and international standards.

There are many systems and tools for the management of emergencies in the Aliğa Private Industrial Zone domain. For example, active warning systems have been established throughout the peninsula, emergency management systems have been established to detect emergencies immediately and to shut down all facilities safely. In addition to the facilities, there are systems and marine vehicles to ensure coastal safety. A trained and professional team that can serve 24/7 to respond to possible pollution on the sea surface, as well as materials, equipment, and marine vehicles are kept

ready to respond to marine pollution with a capacity to serve the entire peninsula. In addition, an emergency response ship equipped with special equipment was deployed to sweep the sea surface. In case of any problem that may occur in the region, the response ship is always ready to intervention. It is of great importance for the region that the emergency response ship is constantly in the region in case of a possible marine pollution and has a capability that will be activated in a short time. In case of emergencies, communication systems have also been established to ensure fast and direct communication with relevant business units, emergency personnel, neighbouring organizations, key local stakeholders, public institutions responsible for emergencies such as AFAD and the fire brigade.

Another dimension of being prepared to prevent emergencies before they occur and to take the situation under control with minimum impact when such situations occur is the preparation of employees for such situations. Regular exercises are carried out for this purpose.

Disaster and Emergency Trainings

	2016	2017	2018	2019	2020
Total Training Hours (personxhour)	1.641,5	2.106,5	2.947	7.855	5.286
SOCAR Turkey	47,5	63,5	396	37	13
Petkim	1.594	2.043	2.278	1.999	3.638
STAR Refinery	0	0	273	5.819	1.636
Number of Participants (person)	1.419	1.511	2.321	2.049	3.204
SOCAR Turkey	95	127	459	36	14
Petkim	1.324	1.384	1.680	980	2.203
STAR Refinery	0	0	182	1.033	987
Emergency Drills	12	14	16	25	23
SOCAR Turkey	0	0	0	2	0
Petkim	12	14	14	11	9
STAR Refinery	0	0	2	12	14

Earthquake Preparedness

Turkey is located in the geography where most of the active faults can cause earthquakes. The regions where SOCAR Turkey operates also have risks in terms of earthquakes. Therefore, an engineering design suitable for the highest intensity earthquake scenarios that may occur in the region has been adopted during the investment decision process. In addition to being ready for an earthquake that may occur in terms of asset design, necessary measures have been taken such as making sure that the people in the field are prepared for earthquakes, managing indirect situations that may occur due to earthquakes, rapid response to leaks and leaks that may occur due to earthquakes, and forming teams to respond to search&rescue needs that may occur in and around the facility. In the training programs, the studies to be carried out before, during and after the earthquake, and earthquake evacuation practices are included in the emergency drill scenarios.

Earthquake Preparedness Campaign

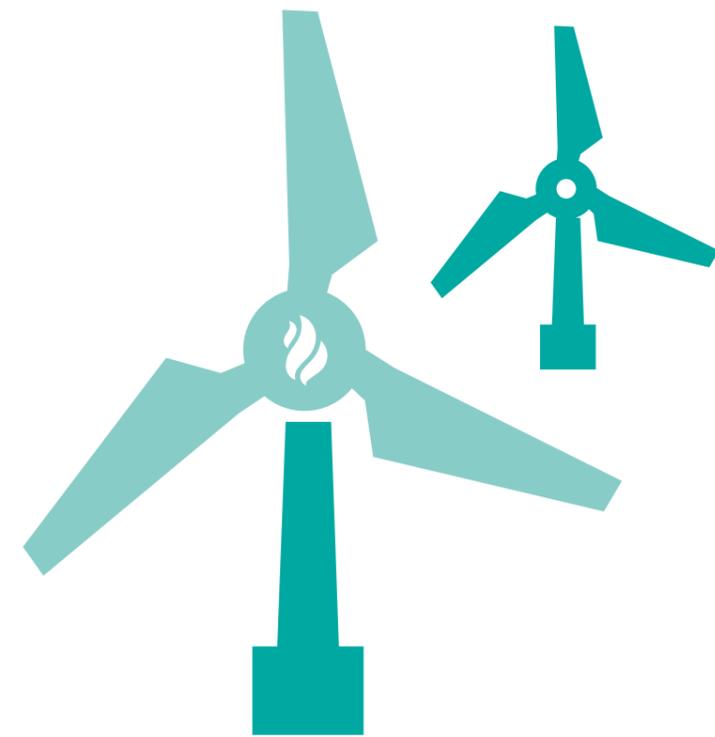
In 2020, the "Earthquake Preparedness Campaign" which is planned to be spread from the corporate headquarters to all SOCAR Turkey group companies was created. With the campaign realized in cooperation with AKUT Association, Emergency Assessment studies to be carried out in and around all working areas, Earthquake and Emergency Preparedness Trainings for all employees and awareness activities with the Earthquake Simulation Truck were carried out. Campaign work, which was paused due to the pandemic, will continue with the reduction of epidemic risks.

All employees received training on natural disasters and evacuation through the e-learning platform during the year. In addition to the employees, drills were held in schools located in the region of the activity location.

Occupational Health and Safety Objectives

Occupational health and safety is considered as an area of continuous improvement due to its working culture in SOCAR Turkey, and each goal realized is the beginning of the next. In the light of this understanding, studies such as developing the SAFE OHS-E management system, designing business processes according to the strategic structuring, working authorization and standardizing the process safety systems in all operations continue.

CLIMATE AND ENVIRONMENT FOCUSED OPERATION



SOCAR Turkey prioritizes managing the environmental impacts of its operations due to its main lines of business. While energy consumption and greenhouse gas emissions, water consumption, waste water and solid waste management, protection of air quality, prevention of environmental accidents are valid issues in terms of environmental impact across SOCAR Turkey and its group companies as a result of the business processes carried out, particular attention is paid to combat climate change, which is the common result of many of these impacts.

Environmental Management

Environmental management in SOCAR Turkey and its subsidiaries is managed centrally and in an integrated manner. SOCAR Turkey's OHS-E Policy determines the main principles followed in this regard. Within the framework of the OHS-E Policy, the management of environmental impacts is carried out within the framework of SOCAR Turkey SAFE Management System, as in OHS issues. On the other hand, the processes are designed in accordance with the ISO 14001 Environmental Management System Standard. Green Port Management System Certification is followed in port operation processes. Compliance with management systems is verified and certified by independent audits carried out every year.

Environmental impacts arising from the activities of SOCAR Turkey and its subsidiaries are an integral part of risk management. Environmental management processes are evaluated with various tools developed within the scope of risk management, and necessary steps are identified to minimize the impacts and implemented by the relevant units. In this context, environmental management was restructured in SOCAR Turkey Aliağa Private Industrial Zone in line with the integration process initiated at the end of 2019 and carried out in 2020. Environmental processes were started to be managed by the Department of Environment under the roof of OHS-E Department.

Climate Change

Considering the sectors, that are production operations and product characteristics, in which SOCAR Turkey and its group companies operate, activities carried out to reduce greenhouse gas emissions that cause climate change are critical. The results of international regulations such as the Paris Climate Agreement and the expectations increasing in parallel with social awareness are enhancing the importance of the issue. SOCAR Turkey systematically manages the issue of climate change in the context of the risks and opportunities it creates in various disciplines. All developments aimed at reducing climate change and greenhouse gas emissions carried out on national and international platforms are closely monitored and strategic plans are prepared.

At SOCAR Turkey, the issue of the management of impacts that may cause climate change is directly managed as a part of the business strategy in two different dimensions. The first dimension is the management of risks arising from the impacts of climate change. As an integrated energy company, SOCAR Turkey's two main focuses of the studies focused on reducing the greenhouse gas emissions that arise due to its nature are to reduce energy consumption and to meet its energy needs from renewable sources as much as possible. Energy efficiency and digitalization value creation efforts, which are carried out continuously under the "The Value is Myself Platform", where all improvements are centrally managed, are prominent studies in this regard.

Partnership of Market Readiness (PMR) Project in Turkey with the World Bank: Future Emissions Trading System (ETS)

With the support of the World Bank, the Republic of Turkey has implemented the Partnership of Market Readiness (PMR) Project in Turkey in order to implement an example of the emission trading systems effectively used in the fight against climate change in Turkey. Within the scope of the project, an effort is made to develop a market-based tool as a facilitator for reducing greenhouse gas emissions. SOCAR Turkey takes part in workshops attended by representatives and experts from various sectors.

The Value is Myself Platform

In the Value is Myself Platform, which was created for the central management of improvement works throughout SOCAR Turkey as a part of the integration project; projects involving more than one group company are evaluated in the integration category, while projects that can be solved with methodologies such as lean six sigma, kaizen, and agile are evaluated in the value creation category. More than 50 projects were presented in different fields in 2020, thus generating an annual surplus value of over 80 million USD.

Within the scope of The Value is Myself Platform, trials were carried out in 6 units with the capacity increase (Test Run) studies initiated in 2020. As a result of the studies, unit capacities were increased between 8% and 10%. Significant improvement and savings were achieved in the operation metrics as the result of the value created.

With all value creation projects realized in 2020, diesel production was increased by 215 ktons, jet production by 13 ktons, reformate production by 77 ktons and light naphtha production by 29 ktons. In addition to the increase in production, the projects also contributed to capacity utilization savings and environmental and climate performance. For example, with the projects, 11,238 MW of electricity, 33 ktons of natural gas, 3 ktons of fuel gas, 249 ktons of steam and 38 ktons of boiler feed water have been saved. As a result, 106,000 tons of CO2e was saved in greenhouse gas emissions and 51,000 m3 savings was achieved in water consumption.

Heating of Demineralized Water to the HGU Unit

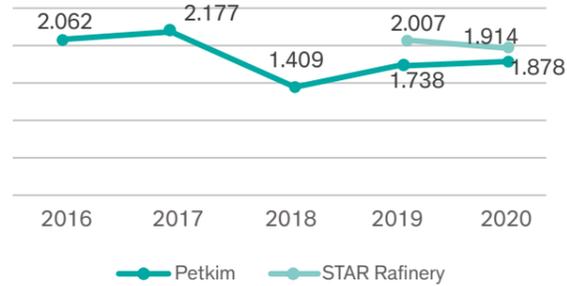
The process gas at the outlet of the hot condensate drum in the HGU unit is used to heat the demineralized water in the E-210 heat exchangers. Since the process gas does not cool to the desired

levels, it is cooled in air and trim coolers. Within the scope of the project, it is intended to increase the amount of demineralized water passing through the E-210 heat exchangers from 163 tons to 220 tons per hour, and to use the waste heat of the process gas to heat the demineralized water. Thus, 0.04 MW/h electricity savings will be achieved in the air cooler used to further cool the process gas, and make-up water will be saved in the trim coolers. The increased amount of demineralized water will go to the 450D-201 deaerator and 57 tons more boiler feed water will be produced per hour, and this water will be sent to the MPBFW via the new line. With more boiler feed water production, 2.3 tons/h LS consumption will increase in the 450D-201 deaerator. In addition, the amount of boiler feed water produced in the Steam Generator will decrease by 57 tons per hour and a 9.9 tons/h savings will be obtained from the LS steam consumed in the deaerator. With the project, annual greenhouse gas emissions of 10 ktons of CO2e will be reduced, and 1.4 million US dollars will be saved thank to the efficiency achieved.

Minimizing the Amount of Heating Vapor Used in the HCU Unit Pump Turbine

Electric and steam turbine pumps are used together in the HCU unit. When the electric pump is on, the turbine pump is on the standby position and 12 tons of steam is consumed per hour to keep its body warm. Within the scope of the project, the amount of steam consumed by the pump when it was on standby was reduced in a controlled manner. Afterwards, the pump was tested whether it could be commissioned seamlessly in the desired time, and a total of 8 tons/h of steam was saved. The greenhouse gas emission resulting from the pump operating in standby mode 60% of the year was reduced by 3 ktons of CO2e. In this way, annual of 344,000 US dollars are saved.

Direct Greenhouse Gas Emissions (kTon CO₂e)



In Petkim and STAR Refinery's direct greenhouse gas emissions (Scope 1) reporting, emissions originating from combustion and processes are calculated.

In the management of climate change risks, studies on monitoring and calculating greenhouse gas emissions arising from activities are gaining importance as does the energy efficiency. In this context, calculations of greenhouse gas emissions that comply with legal regulations are made, verified by institutions authorized by the Ministry, and reported annually to the Ministry of Environment and Urbanization. The second dimension of the activities to combat climate change is the studies tend to take advantage of the areas that create opportunities. Although the expectations set forth within the framework of the European Green Deal, which was launched by the EU in the reporting period, carry risks for emission-intensive industries and product groups; various opportunities arise for companies that carry out R&D and planning studies in the field of applications that will reduce this density. Especially the petrochemical industry stands out in this regard. It is possible to obtain products with added value by using the carbon dioxide produced as a result of production activities in production processes after being captured and stored. Projects initiated by the SOCAR Turkey R&D and Innovation Center with this goal are promising in terms of providing the company with a competitive advantage in the medium term.

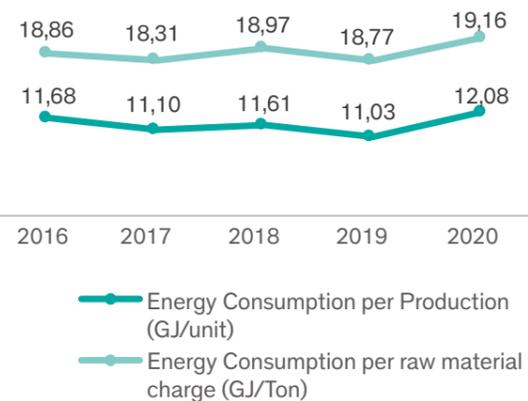
In this context, SOCAR Turkey aims to expand its portfolio in petrochemical and gas distribution areas in line with SOCAR Global's strategy. The prospective strategy of the company includes develops the circular economy by making recycling investments in terms of the chemicals, following the developments in the field of hydrogen, which is seen as the energy of the future in terms of gas and energy, and investing in green & blue hydrogen.

Energy Management

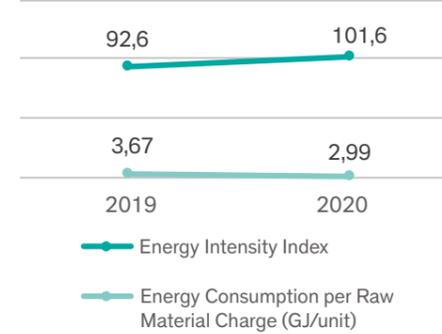
For SOCAR Turkey operations, energy consumption is both the main input item and the most prominent environmental impact area. For this reason, energy management is carried out with a unique organization and systems. Energy management throughout SOCAR Turkey is carried out by the centrally organized Energy Management Directorate, with the principles set forth in the Integrated Energy Management Policy and business processes designed in accordance with the ISO50001 Energy Management System Standard.

Energy efficiency potential is regularly identified every year at all production facilities through workshops held within the scope of The Value is Myself Platform; and projects deemed worthy of implementation as a result of technical and financial analyses are implemented as soon as possible, resulting in increased efficiency and reduced energy costs.

Petkim Energy Values



STAR Refinery Energy Values



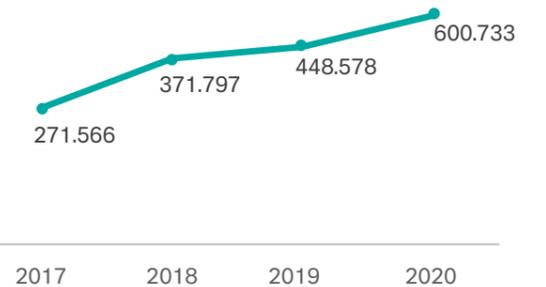
Energy Efficiency of DHT Unit Recycle and Make-up Compressors

The recycle compressor, one of the compressors in the DHT unit, feeds the recycling hydrogen circulating in the system back to the system. The make-up compressor supplies fresh hydrogen to the system to supplement the amount of hydrogen consumed in the reactions. Within the scope of the project, the recycle gas compressor was reduced from 100% load to 75% load, thus saving 1600 kW of electricity per hour and fuel gas consumed to heat 120 kg of gas per hour. It is observed that the make-up compressor can operate at 75% load in 60% of the year, resulting in a saving of 400 kW of electricity per hour. With the project, 14 ktons of CO₂e greenhouse gas emissions will be reduced and 1.3 million US dollars will be saved.

Thanks to its energy efficiency projects, Petkim was ranked third in Category-3 (50.000 TOE and above) in the 2020 SENVER competition organized by the Ministry of Energy and Natural Resources.

Renewable Energy

Petkim WPP Renewable Energy Production (GJ)

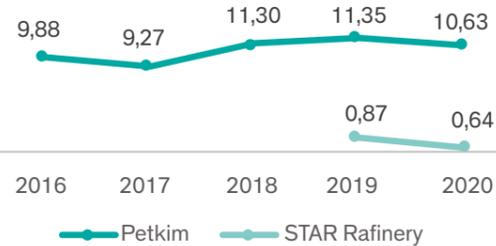


In SOCAR Turkey Aliğa Private Industrial Zone, there is a wind power plant with an installed capacity of 51 MW and a production license of 38 MW, operated under the Petkim RES brand in order to support power systems and reduce greenhouse gas emissions arising from production by obtaining electricity from renewable sources. A total of 600,733 GJ of energy was produced in 2020 in the wind power plant, whose added value has increased rapidly over the years.

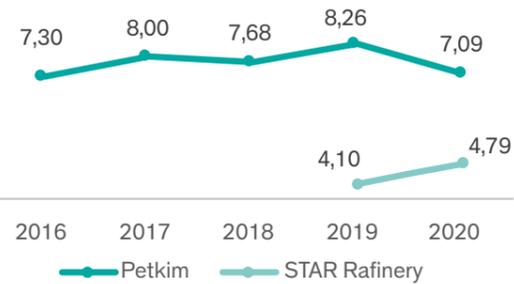
Water Management

Water consumption is regarded as one of the main environmental impacts occurred as a result of SOCAR Turkey operations. Intense amount of water is consumed in refining and petrochemical production processes. Thus, the efficient use of water in operations comes to the fore.

Water Consumption per Raw Material Charge (m3/Ton)



Wastewater Discharge (million m³)



The second main aspect of water consumption is wastewater management processes. After the water used in SOCAR Turkey operations is reduced to the limits specified in the discharge permits and legal regulations at the treatment plants, it is discharged in a way that does not impair the biodiversity qualities of the natural receiving environment. Continuous Waste Water Monitoring Systems (CWMS) have been installed at the waste water discharge points to control the discharge quality. This system enables that the compliance of the discharged wastewater with the legislative limits is continuously monitored and the wastewater is discharged in accordance with these limits.

Blowdown Optimization

In order for the SiO₂ and conductivity parameters of the boiler feed water used in steam production to be at the desired levels, some of the boiler feed water is directed to the Waste Water Treatment Plant. With this blowdown at the Treatment Facility, both the load of the facility is increased and natural resources are consumed. The blowdown rate to produce steam in the equipment varies between 1% and 10%. With the work carried out in HCU, CCR, SRU/TGT U, HGU and Steam Production units, blowdown amounts were optimized and SiO₂ and conductivity parameters were adjusted to be desired levels. Within the scope of the project, savings of 7.4 tons of LS steam per hour, 8.5 tons of boiler feed water per hour and 0.07 tons of natural gas per hour will be achieved, in addition to annual savings of 1.9 million US dollars. At the same time, with the project, 11 ktons of CO₂ emissions will be reduced annually and 68 ktons of water will be saved.

Waste Management

The basic principle within the scope of waste management is to take measures to reduce waste before it occurs, to separate it at the source and to ensure its recycling. In this context, all wastes generated in SOCAR Turkey operations are sorted according to their characteristics and recycled or disposed of through licensed organizations.

Petkim Total Waste Amount (Tons)



STAR Refinery Total Waste Amount (Tons)



Waste Recovery Rate (%)

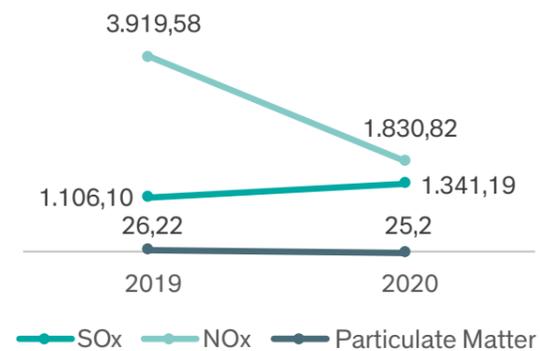


In line with the Circular Economy approach and Zero Waste principle at SOCAR Turkey, the entire waste management system infrastructure of Petkim and STAR Refinery facilities was renewed in 2020, and that increased the recovery rate. Zero Waste Management System aims to prevent and minimize waste generation by reviewing the causes of waste generation in production, consumption and service processes, to give priority to reuse, to prevent waste, to use resources efficiently, to collect the wastes separately at the source, to reduce the amount of waste to be sent for disposal by ensuring recycling and recovery, and to protect the environment and human health and all resources by minimizing waste.

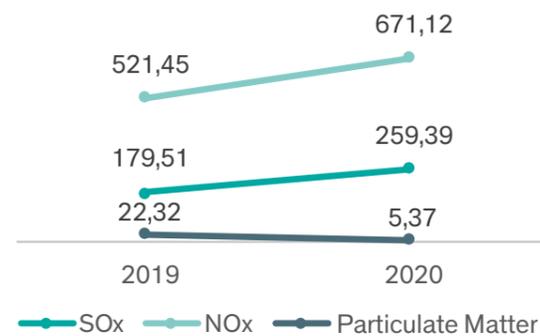
During the establishment of the Zero Waste Management System, a work group was formed to determine the focal points; after identifying and planning the current situation, needs and supply times were determined, in addition to planning and executing training and awareness-raising activities. During 2021, audit activities and reporting of Zero Waste Management System applications will be carried out.

Monitoring and control of all emission sources in refinery and petrochemical facilities is critical for the protection of air quality in the region. In accordance with the legislation published by the Ministry of Environment and Urbanization, there are Continuous Emission Monitoring Systems (CEMS) in the flues. With the Continuous Emission Monitoring Systems, the compliance of the emissions arising from the activities of the units with the limit values determined according to the legislation is monitored online by the Ministry of Environment and Urbanization.

Petkim Air Emission Per Charge (Kg/Ton)



STAR Refinery Air Emissions Per Charge (Kg/Ton)

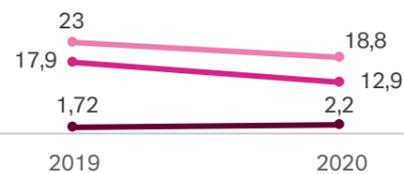


CORPORATE SOCIAL RESPONSIBILITY



SOCAR Turkey supports social development nationally and in the regions where it operates, through its activities and products, employment and economic values it creates, as well as corporate responsibility projects, donations and sponsorships. In this regard, SOCAR Turkey and its subsidiaries Petkim and STAR Refinery made donations and sponsorship payments, which was a total of 42.6 million TL in 2019, and a total of 33.9 million TL in 2020, and allocated resources to corporate responsibility activities.

Donations and Sponsorship Expenditure (million TL)



— SOCAR Turkey — Petkim — STAR Refinery

SOCAR Turkey carries out corporate responsibility projects that support social and economic development with a multifaceted approach and create added value for the society. The long-term studies carried out accordingly tend to support its development in the fields of environment, sports, education and culture and arts.

Covid-19 Support Program

Activating an integrated crisis management with the declaration of the COVID-19 pandemic, SOCAR carried out internal and external awareness communication and social responsibility studies specific to the COVID-19 period under the leadership of the senior management, under the management of Human Resources, Occupational Health and Safety, Public Relations and Corporate Communications units. In this context, while undertaking tasks in social projects in cooperation with public institutions, non-governmental organizations and local administrations in line

with the requirements, it has also implemented awareness-raising actions and internal communication activities planned specifically for this period in order to ensure the health and safety of its employees. Within the scope of cooperation, by collaborating with 20 institutions, it aimed to contribute to the sustainability of social and economic life throughout the country, especially in the regions where it operates. SOCAR Turkey and its subsidiaries Petkim and STAR Refinery supported the efforts to provide urgent solutions to social needs in İzmir Aliağa, the region of operation during the COVID-19 outbreak, with their donations.

Petkim provided large-scale support to public institutions and local governments in the region with its donations, mainly consisting of preventive health materials. In addition to providing food support to citizens over the age of 65 whose curfew is restricted, protective consumables such as surgical masks, disposable gowns, N95 type masks, overalls, gloves and disinfectants were provided to health institutions and public institutions. Moreover, material support was provided to be used in the production of masks, transparent face shields, aprons, and laryngoscopes and face shields.

In addition to material support, Petkim made a donation for the renovation of the emergency building of Aliağa State Hospital, which has an influential role in the fight against COVID-19 in Aliağa.

Izmir Earthquake Support Studies

SOCAR Turkey and its subsidiaries made donations in cash and in kind to support their neighbors affected by the İzmir earthquake on 30 October 2020. While STAR Refinery and Petkim donate in cash to İzmir Municipality to provide rent aid to citizens who lost their homes in the earthquake, Petkim donates to AFAD to contribute to disaster support activities; SOCAR Turkey Petrol Energy Distribution and SOCAR Turkey Fuel Storage also donated food and consumables to the İzmir Governor's Office and İzmir Metropolitan Municipality. The total amount of donations made to earthquake support activities reached 1 million TL.

Training Projects

Heydar Aliyev Schools and Petkim Schools

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

Ankara Heydar Aliyev Middle School Number of students: 1,800 Providing education since: 2006
İzmir-Aliağa Heydar Aliyev Technical and Industrial Vocational High School Number of students: 720 Providing education since: 2012
Kars Heydar Aliyev Industrial Vocational High School Number of students: 720 Providing education since: 2015
Adana-Ceyhan Heydar Aliyev Technical and Industrial Vocational High School Number of students: 480 Providing education since: 2008
Kocaeli Petkim Primary School Number of students: 1,500 Providing education since: 2013
İzmir Republic of Azerbaijan 100th Year School Number of students: 898 Providing education since: 2019
Kocaeli - Körfez Petkim Middle School Number of students: 1.587 Providing education since: 1980
İzmir - Aliağa Petkim Primary School Number of students: 590 Providing education since: 1980
İzmir - Aliağa Gazi Primary School Number of students: 224 Providing education since: 1980
İzmir - Aliağa Petrochemical Primary School Number of students: 560 Providing education since: 1999
İzmir - Karşıyaka Petkim Latife Hanım Primary School Number of students: 918 Providing education since: 2001

The Lesson is Entrepreneurship Project

The project consists of entrepreneurship lessons for high school students who are continuing their education, and is aimed at enhancing development within the scope of Aliağa District Directorate of National Education and to reduce their intra-regional developmental differences. The project has been designed as a 2-year project to cover the 2018-2019 and 2019-2020 academic years.

Within the scope of the project, which seeks to provide information about entrepreneurship to high school students and to encourage students to become entrepreneurs, entrepreneurship lessons will be given to high school students in 10 schools, eight of which are in Aliağa and two of which are in Bornova. During these trainings organized in workshop format, students formed teams and developed business ideas.

Following the completion of the workshops held in the 2018-2019 academic year, the business ideas developed by the project teams were evaluated by a jury formed with the participation of various stakeholders in the "Business Idea Competition", and 10 projects that made it to the semi-finals were determined. "Work Camp Trainings" were organized, where the semi-finalist teams received a series of trainings to improve their projects in line with the feedback they received. After the Work Camp Trainings were completed, the final event of the competition was held. After the final event, 3 projects selected from among the projects that ranked and received honourable mention were included in the accelerator program on entrepreneurship processes. Studies were carried out to find support from the grant programs of public and private institutions for business ideas that were deemed successful in the accelerator program and to implement the projects with the help of these supports.

In the light of the success of the project in the first year and the feedback received, the studies carried out in the previous period were repeated in the 2019-2020 academic year. Within the scope of the activities carried out, evaluations regarding the entrepreneurship perspective of 2,500 students were obtained. There, 815 students who participated in the Work Camp have created 90 business ideas, and received 214 hours of training. 21 projects have applied to Work Idea Contest.

Mother Child Education Foundation (AÇEV) Corporate Donation

In order to emphasize the importance SOCAR Turkey places on gender equality in 2019 and 2020, donations were made to AÇEV's "Meetings Full of Life" program on March 8, International Women's Day, on behalf of all SOCAR Turkey employees. This donation contributed to the trainings organized for young women in their early stages of life to gain knowledge and awareness on issues such as personal development, individual health-care, women's labour, rights, and participation in decisions.

Koruncuk Foundation Corporate Donation

Attaching great importance to the education of children and young people, SOCAR Turkey made a donation to the children's village in Urla, which was established by the Koruncuk Foundation for girls whose right to education is at risk, on behalf of all its employees, on April 23, 2019, National Sovereignty and Children's Day. With this donation, the company supported the education of 3 girls for 1 year.

Darüşşafaka Society Corporate Donation

Donations made on behalf of all its employees on Mother's Day and Father's Day since 2017 to the Darüşşafaka Society, Turkey's first non-governmental organization, which was established in 1863 to provide equal opportunities for children in need and gifted children who have lost one or both of their parents, continued in 2019 as well.

41. Istanbul Marathon Charity Run

The SOCAR Turkey Running Team, consisting of 55 volunteer SOCAR Turkey employees, participated in the 41st Istanbul Marathon held on November

3, 2019. and ran to collect donations for the benefit of Cerebral Palsy Turkey (Spastic Children's Foundation of Turkey) SOCAR Turkey runners collected 70,476 TL from 405 donors through individual donation campaigns within the scope of the Istanbul Marathon Charity Run. The donations collected by the runners were matched by SOCAR Turkey, allowing 24 children to benefit from special education and rehabilitation services free of charge.

Make a Wish

In 2019, new year wishes of 685 students between the ages of 3 and 13 that are in need of assistance and who attend 4 education centres, including the Aegean Contemporary Education Foundation (EÇEV) Headquarters, Altındağ Rasih Somer Education Center, Yamanlar Education Center and Salihli Nevval Akiş Dicle Information and Culture House were collected, and shared with SOCAR Turkey employees. The wishes of the employees who want to participate in the project were matched with the wishes of the students. At the New Year's celebration held at Yamanlar Education Center on December 26, 2019, SOCAR Turkey employees came together with the students and fulfilled the students' New Year's wishes. In 2020, gifts were sent to 329 EÇEV students by volunteers from SOCAR Turkey and its subsidiaries to boost their moods during the pandemic.

Computer Donation to Schools in Need in Aliğa

Collaborating with Aliğa District National Education Directorate in 2019 to contribute to the development of educational opportunities in Aliğa, Petkim donated 100 desktop computers to the District National Education Directorate to be distributed to primary schools and high schools with insufficient technological infrastructure.

Environmental Projects

SOCAR Turkey works towards increasing environmental assets, correct use of natural resources and minimizing environmental pollution. In this context, various green space development and restoration projects are carried out in Ankara and Istanbul on behalf of Heydar Aliyev, the founding leader of Azerbaijan.

Restoration, cleaning and similar maintenance works of Heydar Aliyev Memorial Forests, which were implemented in the past, continued in 2019 and 2020. In this regard, maintenance works of Sariyer Heydar Aliyev Park, which was established on an area of 4,540 m2 in Sariyer, Istanbul, and Ankara Heydar Aliyev Park, which was established on an area of 97,400 m2 in Ankara Yenimahalle, were carried out. On the other hand, restoration, furnishing and maintenance works were carried out in the Heydar Aliyev Memorial Forest, which was established in Ankara in 2010. General cleaning of the area is carried out, along with ploughing the soil in the forest, watering, pruning, spraying and fertilizing the trees.

SOCAR Turkey donated 20,000 saplings to the OGEMVAK Foundation for Supporting Forestry Development and Fighting Forest Fires in December 2020, ensuring the establishment of the Azerbaijan Karabakh Memorial Forest in the name of the heroic Karabakh martyrs in the Aliğa Samurlu region.

Sport Projects

SOCAR Turkey provides free sports opportunities to all children aged 6 to 17, in Aliğa, where it operates, under the umbrella of Petkimspor Club. With the establishment of free and open basketball, volleyball, football and tennis clubs, it is aimed to create an environment where children can be happy in Aliğa. Petkim, one of the SOCAR Turkey group companies, continues its social responsibility projects for Aliğa with its belief in the unifying power of sports.

Petkimspor Sport Schools

Thanks to its sports schools, Petkimspor is able to discover children who have the potential to become athletes at a professional level, and aims to bring happy individuals into society who are physically, mentally and psychologically healthy, self-confident and have developed life skills.

Reflecting the value Petkim attaches to the sports development of children and youth, the Petkimspor Club offers sports and education opportunities to sports fans between the ages of 6-12. Under the umbrella of Petkimspor Sports Schools, a total of 225 students, 75 female students in volleyball and 150 male students in basketball, received free education during the 2019-2020 winter season. Due to the pandemic, activities in the 2020-2021 season had to be suspended for a while. Petkimspor successfully represents Petkim in the ING Basketball Super League.

Continuing to improve the sports opportunities in Aliğa with its social investments, Petkim implemented a social responsibility project in 2019 that will delight basketball-loving Aliğa residents. Petkim, which undertook the construction of three basketball courts in Aliğa Avcı Ramadan Park, opened the fields in September 2019 and transferred these fields to the Aliğa Municipality to make them available to the people of Aliğa. These fields, which Petkim brought to Aliğa, increase the opportunities for the youth of Aliğa who are interested in basketball to do sports.

Boccia National Team Official Sponsorship

Petkim has been supporting the Boccia National Team for years in order to raise awareness about the participation of disabled people in social life and to contribute to the further development of Boccia disabled sports in Turkey. Petkim strengthened its support for the Boccia National Team and became the official sponsor of the team, with the 2-year agreement signed with the Turkish Physically Disabled Sports Federation covering the years 2019-2020. The sponsorship of the Boccia National Team of the Boccia National Team has a special meaning for Petkim, who considers the integration of people with severe disabilities into social life as one of the most important indicators of the level of development of countries. Due to the pandemic, matches and tournaments had to be suspended in 2020.

Culture&Art Projects

SOCAR Turkey continued to undertake cultural and artistic projects in the reporting period in order to strengthen the centuries-old fraternal relationship between Azerbaijan and Turkey by keeping common values alive. One of the most recognized artists of Azerbaijan, Sakit Mammadov's exhibition titled "Opalizm", sponsored by SOCAR Turkey, welcomed its visitors in the Five Domes Hall of Tophane-i Amire Culture and Art Center in Istanbul between 5 September and 5 October 2019.

The exhibition, sponsored by SOCAR Turkey and visited free of charge, featured more than 160 works. The catalogue, which deals with the art of Sakit Mammadov, who draws attention with his originality in portrait paintings, and includes examples of his works, also met with art lovers simultaneously with the support of SOCAR Turkey.

In 2019, the third Istanbul Jazz Festival Showcase – Turkey Contemporary Music Meeting was held between 3-6 July 2019 with the sponsorship of SOCAR Turkey. Hosting many live performances, "Vitrin" has become a tradition within the scope of the Istanbul Jazz Festival.

APPENDICES



PERFORMANCE DATA

Operational Performance	2016	2017	2018	2019	2020
Production Capacity (million ton)					
STAR Refinery (Crude Oil Processing)				10,60	11,66
Petkim (Gross Production)				3,60	3,60
Capacity Utilization Rate (%)					
STAR Refinery				83,00	98,90
Petkim	88,00	96,00	78,00	97,00	88,00
Production Data					
STAR Refinery - Total Production (million ton)				7,00	10,30
Petkim - Total Production(million ton)				3,40	3,10
STAR Refinery - White Product Efficiency [%]				80,10	87,60
STAR Refinery - Nelson Refinery Complexity				9,00	9,20
Economic And Administrative Performance	2016	2017	2018	2019	2020
Total Sales (million TL) 1	6.601	10.454	13.811	31.364	31.315
Total Assets (million TL) 1	18.754	22.744	35.915	46.839	56.155
Total Net Assets (million TL) 2	9.964	12.073	17.451	22.102	24.410
Tax and Other Liabilities Payments (million TL)	37,08	40,25	71,73	71,96	117,73
Donations and Sponsorships (million TL)	-	-	-	17,89	12,90
Financial Assistance Received from Government and Other Institutions (million TL)	0	0	0	0	0
Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage (%)					
SOCAR Turkey					
Female Employees	-	-	-	122,32	128,58
Male Employees	-	-	-	122,32	118,80
Petkim					
Female Employees	-	-	-	121,07	149,96
Male Employees	-	-	-	103,68	132,37
STAR Refinery					
Female Employees	-	-	-	181,21	181,48
Male Employees	-	-	-	151,07	149,98
Median Salary Difference of Female and Male Employees(%)	-	-	-	-10,00	7,40
Number of Active Suppliers					
SOCAR Turkey	-	-	-	338,00	316
Petkim	-	-	-	1.363,00	1.179
STAR Refinery	-	-	-	640,00	684
Non-Crude Oil Local Purchase Rate (%)					
SOCAR Turkey					

Non-Crude Oil Local Purchase Rate (%)	2016	2017	2018	2019	2020
National	-	-	-	90,00	88,70
Domestic	-	-	-	0,00	0,00
International	-	-	-	10,00	11,70
Petkim					
National	-	-	-	79,28	74,68
Domestic	-	-	-	7,94	8,08
International	-	-	-	12,79	17,25
STAR Refinery					
National	-	-	-	73,83	79,38
Domestic	-	-	-	3,42	3,68
International	-	-	-	22,75	16,94
Crude Oil - Raw Material Local Purchase Rate(%)					
Petkim					
National	-	-	-	-	90,00
International	-	-	-	-	10,00
STAR Refinery					
National	-	-	-	-	4,76
International	-	-	-	-	95,24
Environmental Performance	2016	2017	2018	2019	2020
Direct Energy Consumption (TJ)³					
Petkim					
Fuel Gas	197.911	20.505	17.192	21.525	20.463
Natural Gas	11.685	15.377	14.024	14.794	15.981
STAR Refinery					
Fuel Gas	-	-	0	7.665	13.883
Natural Gas	-	-	2.521	15.602	12.552
Indirect Energy Consumption (TJ)⁴					
Petkim					
Electricity	450	586	282	323	-263
STAR Refinery					

1- Financial data is obtained from consolidated financial tables of SOCAR Turkey, compliant with UFRS Standards.

2- Minority shares are included.

3- Negative value is due to Petkim RES sale of excess production to electricity grid system.

4- Direct energy consumption of Petkim and Star Refinery includes fuel consumption of mobile vehicles and field equipment.



Environmental Performance	2016	2017	2018	2019	2020
Electricity	-	-	253	1.935	2.420
Steam	-	-	451	1.115	2.581
Renewable Energy Generation (TJ)					
Petkim RES	-	272	372	449	601
Energy Consumption per Raw Material Charge (GJ/Ton)					
Petkim	18,86	18,31	18,97	18,77	19,16
STAR Refinery	-	-	-	3,67	2,99
Energy Consumption per Production (GJ/Ton)					
Petkim	11,68	11,10	11,61	11,03	12,08
STAR Refinery	-	-	-	3,10	2,59
EII Density Value - STAR Refinery	-	-	-	92,60	101,60
Energy Savings (TJ)					
Petkim	43.541	77.237	110.932	328.011	72.000
STAR Refinery	-	-	0	0	82.800
Total Water Consumption- Surface Water (million m³)					
Petkim	18,78	18,79	18,77	22,42	20,58
STAR Refinery	-	-	2,23	6,21	6,68
Water Consumption per Raw Material Charge(m³/ton)					
Petkim	9,88	9,27	11,30	11,35	10,63
STAR Refinery	-	-	-	0,87	0,64
Total Waste Water Discharge - Natural Receiving Environment (million m³)					
Petkim	7,33	8,00	7,68	8,26	7,09
STAR Refinery	-	-	1,28	4,10	4,79
Total Solid Waste Amount (thousand tons)					
Petkim	30,69	55,20	38,94	59,25	49,13
Recovered Non-Hazardous Waste	7,19	6,38	7,59	8,70	7,24
Disposal of Non-Hazardous Waste	4,98	29,01	18,63	29,73	13,48
Recovered Hazardous Waste	2,98	2,04	2,23	7,89	19,21
Disposal of Hazardous Waste	15,54	17,77	10,49	12,94	9,21
STAR Refinery	-	-	266,86	7.219,49	12.333,46
Recovered Non-Hazardous Waste	-	-	23,35	112,17	286,16
Disposal of Non-Hazardous Waste	-	-	243,50	314,53	311,26
Recovered Hazardous Waste	-	-	-	6.792,69	11.735,92
Disposal of Hazardous Waste	-	-	0,003	0,11	0,13
Solid Waste Recovery Rate (%)					
Petkim	33,14	15,25	25,22	27,99	53,83
STAR Refinery	-	-	8,75	95,64	97,48
Direct (Scope 1) GHG Emissions (ton CO₂e) 5					
Petkim	2.061.875	2.176.535	1.409.164	1.737.560	1.877.965
STAR Refinery	-	-	177.861	2.006.906	1.914.451
Energy indirect (Scope 2) GHG emissions (ton CO₂e)					
Petkim	-	-	111.531	112.022	84.744
STAR Refinery	-	-	-	306.516	432.560

5- Only process-related emissions are calculated in Petkim and STAR Refinery's direct GHG emissions (Scope 1) reporting.

Environmental Performance	2016	2017	2018	2019	2020
Air Emissions (ton/year)					
Petkim					
SOx	-	1.624,38	-	1.106,10	1.341,19
NOx	-	4.495,38	-	3.919,58	1.830,82
UOB	-	0,96	-	0,96	0,85
Particles	-	21,35	-	26,22	25,20
Metals	-	0,01	-	0,01	0,00
HAP	-	0,22	-	0,80	0,46
POP	-	0,00	-	0,00	0,01
STAR Refinery					
SOx	-	-	-	179,51	259,39
NOx	-	-	-	521,45	671,12
UOB	-	-	-	-	-
Particles	-	-	-	-	-
Metals	-	-	-	22,32	5,37
HAP	-	-	-	-	-
POP	-	-	-	-	0,74
Number of Leakage and Spill Cases					
Petkim	1	0	0	1	0
STAR Refinery	0	0	0	0	0

Social Performance	2016	2017	2018	2019	2020
Employee Trainings - Total Hours (personxhour) 6					
SOCAR Turkey					
Female	847	2.849	3.831	7068	1.427
Male	2.000	4.313	19.582	8489	2.901
Petkim					
Female	3.889	8.376	9.925	9839	5970
Male	86.664	75.008	87.763	78963	89532
STAR Refinery					
Female	1.320	9.921	18.052	11757	4.717
Male	9.746	224.998	554.657	88929	49.497
STAR Rafineri					
Training Hours per Employee (hour/person) 6					
SOCAR Turkey					
Female	15,69	36,53	36,49	55,23	46,03
Male	18,87	29,34	119,40	40,04	37,19

**Social Performance****2016** **2017** **2018** **2019** **2020**

Petkim					
Female	36,35	62,04	67,06	63,89	55,28
Male	212,93	170,47	183,99	160,82	218,90
STAR Refinery					
Female	35,68	127,19	165,61	113,05	62,07
Male	61,68	786,71	1.549,32	235,89	139,82
Employee Trainings - Number of Participants (person) ⁶					
SOCAR Turkey					
Female	42	53	62	132	69
Male	89	118	142	211	130
Petkim					
Female	130	159	180	196	163
Male	2329	2339	2.377	2391	2.274
STAR Refinery					
Female	36	71	97	118	92
Male	244	757	997	1017	1.023
OHS Trainings - Total Hours (personxhour)	37.524	74.305	336.110	114.417	120.806
SOCAR Turkey	712	839	13.025	1.797	1.850
Petkim	31.922	43.157	32.390	55.239	80.806
STAR Refinery	4.890	30.309	290.695	57.381	38.150
OHS Trainings - Number of Participants					
SOCAR Turkey	95	127	126	251	178
Petkim	2.385	2.446	2.424	2.490	2.396
STAR Refinery	224	823	1.077	1.116	1.106
Accident Frequency Rate ⁷					
SOCAR Turkey	0	0	0	0	0,19
Direct Employment	0	0	0	0	0
Contractor Employee	0	0	0	0	1,86
Petkim	-	0,98	0,81	1,19	0,84
Direct Employment	-	1,08	0,77	1,42	0,89
Contractor Employee	-	0,86	0,84	0,91	0,79
STAR Refinery	-	-	0,10	0,54	0,76
Direct Employment	-	-	0,52	1,25	0,31
Contractor Employee	-	-	0,08	0,19	1,27
The Lost Workday Rate ⁸					
SOCAR Turkey	0	0	0	0	0
Direct Employment	0	0	0	0	0
Contractor Employee	0	0	0	0	0
Petkim	-	0,81	0,29	0,07	0,31
Direct Employment	-	0,90	0,39	0,13	0,36
Contractor Employee	-	0,70	0,20	0,00	0,26
STAR Refinery	-	-	0,03	0,08	0,12

Social Performance**2016** **2017** **2018** **2019** **2020**

Direct Employment	-	-	0,17	0,16	0,08
Contractor Employee	-	-	0,02	0,04	0,17
Occupational Disease Rate					
SOCAR Turkey	0	0	0	0	0
Petkim	0	0	0	0	0
STAR Refinery	0	0	0	0	0
Total Number of Work Related Deaths					
SOCAR Turkey	0	0	0	0	0
Direct Employment	0	0	0	0	0
Contractor Employee	0	0	0	0	0
Petkim	-	0	1	0	0
Direct Employment	-	0	0	0	0
Contractor Employee	-	0	1	0	0
STAR Refinery	-	1	2	0	1
Direct Employment	-	0	0	0	1
Contractor Employee	-	1	2	0	0
Total Number of Disaster and Emergency Drills	12	14	16	25	23
SOCAR Turkey	0	0	0	2	0
Petkim	12	14	14	11	9
STAR Refinery	0	0	2	12	14
Disaster and Emergency Trainings - Number of Participants (person)	1.324	1.384	2.195	2.049	3.204
SOCAR Turkey	0	0	333	36	14
Petkim	1.324	1.384	1.680	980	2.203
STAR Refinery	0	0	182	1.033	987
Disaster and Emergency Trainings- Total Hours (person x hour)	1.594	2.043	2.884	7.855	5.286
SOCAR Turkey	0	0	333	37	13
Petkim	1.594	2.043	2.278	1.999	3.638
STAR Refinery	0	0	273	5.819	1.636
Leadership Program- Number of Participants (person)					
SOCAR Turkey					
Female	0	0	0	52	9
Male	0	0	0	155	31
Petkim					
Female	0	33	33	51	12
Male	1	159	170	202	55
STAR Refinery					
Female	0	0	1	20	11
Male	0	0	16	130	45
Total Number of Employees Receiving Nursery Services					
SOCAR Turkey					
Female	0	0	8	20	18



Social Performance

	2016	2017	2018	2019	2020
Male	0	0	0	0	0
Petkim					
Female	0	0	0	1	28
Male	0	0	0	0	0
STAR Refinery					
Female	0	0	0	1	5
Male	0	0	0	0	0

6- Data includes salaried employees

7- Total number of recordable accidents / Total working hour * 200.000

8- Total number of lost time injuries / Total working hour * 200.000

EMPLOYEE DEMOGRAPHICS

	2016	2017	2018	2019	2020
Total Number of Employees by Category					
SOCAR Turkey	160	225	269	340	109
Monthly Paid Employees	160	225	269	340	109
Female	54	78	105	128	31
Male	106	147	164	212	78
Hourly Paid Employees	0	0	0	0	0
Petkim	2.371	2.452	2.542	2.544	2.376
Monthly Paid Employees	514	575	625	645	517
Female	107	135	148	154	108
Male	407	440	477	491	409
Hourly Paid Employees	1.857	1.877	1.917	1.899	1.859
Female	20	22	37	39	39
Male	1.837	1.855	1.880	1.860	1.820
STAR Refinery	333	818	1.104	1.114	1.089
Monthly Paid Employees	195	364	467	481	430
Female	37	78	109	104	76
Male	158	286	358	377	354
Hourly Paid Employees	138	454	637	633	659
Female	0	3	6	6	6
Male	138	451	631	627	653
Total Number of Employees by Contract Type					
SOCAR Turkey					
Indefinite Term Contract	157	225	269	337	109
Female	54	78	105	127	31
Male	103	147	164	210	78
Temporary Contract	3	0	0	3	0
Female	0	0	0	1	0
Male	3	0	0	2	0

2016 2017 2018 2019 2020

Petkim					
Indefinite Term Contract	2.365	2.449	2.537	2.533	2.371
Female	127	157	183	193	147
Male	2.238	2.292	2.354	2.340	2.224
Temporary Contract	6	3	5	11	5
Female	0	0	2	0	0
Male	6	3	3	11	5
STAR Refinery					
Indefinite Term Contract	330	803	1.081	1.108	1.087
Female	36	77	105	109	82
Male	294	726	976	999	1005
Temporary Contract	3	15	23	6	2
Female	1	4	10	1	0
Male	2	11	13	5	2
Total Number of Employees by Education Level					
SOCAR Turkey					
Uneducated	0	0	0	0	0
Primary School	10	13	14	18	0
High School	18	30	32	32	0
Undergraduate and Graduate	132	182	223	290	109
Petkim					
Uneducated	0	0	0	0	0
Primary School	50	49	42	38	35
High School	1.085	1.067	1.010	947	912
Undergraduate and Graduate	1.236	1.336	1.490	1.559	1.429
STAR Refinery					
Uneducated	0	0	0	0	0
Primary School	0	0	0	0	0
High School	130	169	260	278	261
Undergraduate and Graduate	203	649	844	836	828
Total Number of Employees by Age Group					
SOCAR Turkey					
Female	18	28	36	39	12
18-30	34	45	61	79	17
30-45	16	5	8	10	2
45+					
Male	27	30	24	28	14
18-30	63	96	112	145	50
30-45	2	21	28	39	14
45+					
Female					

	2016	2017	2018	2019	2020
18-30	34	50	69	65	49
30-45	73	84	92	108	80
45+	20	23	24	20	18
Male					
18-30	477	439	445	410	319
30-45	1.272	1.433	1.559	1.664	1.700
45+	495	423	353	277	210
STAR Refinery					
Female					
18-30	19	55	72	70	51
30-45	18	25	42	40	30
45+	24	1	1		1
Male					
18-30	90	337	407	381	372
30-45	182	295	428	460	478
45+	0	105	154	163	157
Senior Management Structure (Number)					
SOCAR Turkey	18	19	27	36	26
Female	3	2	2	6	4
18-30	0	0	0	0	0
30-45	2	1	2	4	3
45+	1	1	0	2	1
Male	15	17	25	30	22
18-30	4	1	0	0	0
30-45	6	12	19	19	13
45+	5	4	6	11	9
Petkim	28	24	32	46	30
Female	0	1	0	0	0
18-30	0	0	0	0	0
30-45	0	1	0	0	0
45+	0	0	0	0	0
Male	14	11	16	23	15
18-30	1	2	2	0	0
30-45	3	2	6	7	7
45+	10	7	8	16	8
STAR Refinery	14	18	30	28	26
Female	1	3	3	1	1
18-30	0	0	0	0	0
30-45	1	2	2	1	1
45+	0	1	1	0	0
Male	6	6	12	13	12
18-30	0	0	0	0	0
30-45	2	3	5	7	7
45+	4	3	7	6	5

	2016	2017	2018	2019	2020
Mid-Level Management Structure (Number)					
SOCAR Turkey					
Female	13	17	18	11	1
18-30	1	0	0	0	0
30-45	11	15	16	10	1
45+	1	2	2	1	0
Male	24	31	35	36	26
18-30	0	0	0	3	1
30-45	20	22	27	28	22
45+	4	9	8	5	3
Petkim					
Female	4	5	4	7	3
18-30	0	0	0	0	0
30-45	1	2	2	6	2
45+	3	3	2	1	1
Male	34	41	42	52	44
18-30	2	2	2	2	1
30-45	15	20	21	37	34
45+	17	19	19	13	9
STAR Refinery					
Female	4	3	4	2	0
18-30	0	0	0	0	0
30-45	4	3	4	2	0
45+	0	0	0	0	0
Male	32	36	32	32	28
18-30	2	1	2	1	1
30-45	23	24	21	26	25
45+	7	11	9	5	2
Newly hired employees (Number)					
SOCAR Turkey					
Monthly Paid Female	22	31	35	30	18
Monthly Paid Male	44	61	40	50	29
Petkim					
Female					
Monthly Paid	15	34	20	23	12
Hourly Paid	0	3	15	2	0
Male					
Monthly Paid	44	46	54	53	49
Hourly Paid	62	145	119	70	0
STAR Refinery					
Female					
Monthly Paid	14	52	39	10	7
Hourly Paid	0	3	3	0	0
Male	0	0	0	0	0



	2016	2017	2018	2019	2020
Monthly Paid	57	128	87	37	24
Hourly Paid	0	480	184	10	49
Leaving Employees (Number)					
SOCAR Turkey					
Monthly Paid Female	14	12	8	8	20
Monthly Paid Male	36	26	17	23	42
Petkim					
Female					
Monthly Paid	7	6	7	18	10
Hourly Paid	1	1	0	0	0
Male					
Monthly Paid	74	19	19	36	58
Hourly Paid	122	124	92	89	39
STAR Refinery					
Female					
Monthly Paid	2	10	6	14	6
Hourly Paid	0	0	0	0	0
Male					
Monthly Paid	41	29	18	19	30
Hourly Paid	3	136	1	3	6
Number of Female Employees on Maternity Leave					
SOCAR Turkey					
Petkim	14	14	8	13	7
STAR Refinery	3	3	1	4	3
Number of Female Employees Returning from Maternity Leave					
SOCAR Turkey	3	4	7	3	3
Petkim	9	12	5	8	6
STAR Refinery	3	2	1	4	3
Male					
Monthly Paid	74	19	19	36	58
Hourly Paid	122	124	92	89	39
STAR Rafineri					
Female					
Monthly Paid	2	10	6	14	6
Hourly Paid	0	0	0	0	0
Male					
Monthly Paid	41	29	18	19	30
Hourly Paid	3	136	1	3	6

	2016	2017	2018	2019	2020
Number of Employees Who Didn't Leave Work for the Last 12 Months After Returning from Maternity Leave					
SOCAR Turkey	3	3	7	3	1
Petkim	7	12	5	8	6
STAR Refinery	2	1	7	3	2
Number of Employees with Disabilities					
SOCAR Turkey					
Female	0	0	2	3	0
Male	2	2	2	2	1
Petkim					
Female	4	14	15	17	8
Male	44	54	52	53	35
STAR Refinery					
Female	0	4	5	6	3
Male	3	6	13	19	11
Labor Force Under Collective Agreement (Number)					
Petkim	1,857	1,857	1,917	1,899	1,859
STAR Refinery	138	159	440	509	593

GRI CONTENT INDEX



Disclosures — Descriptions and Page Numbers — Excluded

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GGRI 102: General Disclosures 2016
Corporate Profile

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102-3	Contacts (p.107)	●
102-4	About the Report (p.7), Contacts (p.107)	●
102-5	SOCAR Turkey (p.20)	●
102-6	SOCAR Turkey (p.21, 26-27)	●
102-7	SOCAR Turkey (p.23-24, 26-27)	●
102-8	"Performance Indicators (p.94-95) There are no periodic business lines in the number of employees in SOCAR Turkey operations. Employee demographic data is calculated based on the number of employees operating in the company on the last day of the relevant year."	●
102-9	Responsible Supply Chain (p.54-55)	●
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Strategy

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Disclosures — Descriptions and Page Numbers — Excluded

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Corporate Profile

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Reporting Practices

102-45	About the Report (p.7), SOCAR Turkey (p.21)	●
102-46	About the Report (p.7)	●
102-47	SOCAR Turkey Sustainability Priorities (p.39)	●
102-48	During the reporting period, there is no changed reporting practice or information for previous periods.	●
102-49	The material bounding issues in the report were determined by the studies carried out in the relevant reporting period.	●
102-50	About the Report (p.7)	●
102-51	This report is the first sustainability report that the company shared with the public.	●
102-52	About the Report (p.7)	●
102-53	Contacts (p.107)	●
102-54	About the Report (p.7)	●
102-55	GRI Content Index (p.100-104)	●
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For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

Material Issues

Standard — Disclosures — Descriptions and Page Numbers — Not Included

Climate and Environment Focused Operation

GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	SOCAR Turkey Sustainability Priorities (p.39-41), Sustainability Management (p.42), Climate and Environment-Oriented Operation (p.70)	
	103-2 The Management Approach and its Components	Sustainability Management (p.42), Climate and Environment-Oriented Operation (p.70)	
	103-3 Evaluation of the Management Approach	Sustainability Management (p.42), Climate and Environment-Oriented Operation (p.72)	
GRI 302: Energy 2016	302-1 Energy Consumption within the Organization	Performance Indicators (p.89-90)	
	302-3 Energy Intensity	Energy Management (p.72-73), Performance Indicators (p.89-90)	
	302-4 Reduction of Energy Consumption	Performance Indicators (p.90)	
GRI 303: Water and Effluents 2018	303-1 Interactions with Water as a Shared Resource	Climate and Environment-Oriented Operation (p.74), Water Management (p.90)	
	303-2 Management of Water Discharge-Related Impacts	Climate and Environment-Oriented Operation (p.74), Water Management (p.90)	
	303-3 Water Withdrawal	Water Management (p.74), Performance Indicators (p.90) The most significant portion of water consumption in SOCAR Turkey operations originates from Petkim and STAR Refinery activities, and all water withdrawal is from surface sources.	
	303-4 Water Discharge	Water Management (p.74), Performance Indicators (p.90) The most prominent part of wastewater discharge in SOCAR Turkey operations is realized in Petkim and STAR Refinery operations. All the waste water generated is discharged to the sea after being treated until it is reduced below the parameter values specified by the laws.	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Climate Change (p.70), Performance Indicators (p.90)	
	305-2 Energy indirect (Scope 2) GHG Emissions	Performance Indicators (p.90)	
	305-7 Nitrogen Oxides (NOX), Sulfur Oxides (SOX), and Other Significant Air Emissions	Waste Management (p.76), Performance Indicators (p.91)	
GRI 306: Waste 2020	306-1 Waste Generation and Significant Waste-Related Impacts	Waste Management (p.75-76)	
	306-2 Management of Significant Waste-Related Impacts	Waste Management (p.75-76)	
	306-3 Waste Generated	Waste Management (p.75-76), Performance Indicators (p.90)	
	306-4 Waste Diverted from Disposal	Waste Management (p.75-76), Performance Indicators (p.90)	
	306-5 Waste Directed to Disposal	Waste Management (p.75-76), Performance Indicators (p.90)	

Material Issues

Standard — Disclosures — Descriptions and Page Numbers — Not Included

Continuity and Future-Oriented Business Strategy

GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	SOCAR Turkey Sustainability Priorities (p.39-41), Sustainability Management (p.42), Continuity and Future-Oriented Business Strategy (p.48, 52-53)	
	103-2 The Management Approach and its Components	Sustainability Management (p.42), Continuity and Future-Oriented Business Strategy (p.48, 52-53)	
	103-3 Evaluation of the Management Approach	Sustainability Management (p.42), Continuity and Future-Oriented Business Strategy (p.48, 52-53)	
GRI 201: Economic Performance 2016	201-4 Financial Assistance Received from Government	Performance Indicators (p.88)	
GRI 202: Market Presence 2016	202-1 Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	Performance Indicators (p.88)	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure Investments and Services Supported	Corporate Responsibility (p.80-85)	
	203-2 Significant Indirect Economic Impacts	Continuity and Future-Oriented Business Strategy (p.48-51)	
GRI 204: Procurement Practices 2016	204-1 Proportion of Spending on Local Suppliers	Responsible Supply Chain (p.54-55)	
GRI 205: Anti-Corruption 2016	205-1 Operations Assessed for Risks Related to Corruption	Business Ethics and Anti-Corruption (p.32-34)	
	205-2 Communication and Training about Anti-Corruption Policies and Procedures	Business Ethics and Anti-Corruption (p.32-34)	
	205-3 Confirmed Incidents of Corruption and Actions Taken	Business Ethics and Anti-Corruption (p.32-34)	
GRI 207 Tax 2019	207-1 Approach to Tax	Tax Policy (p.25)	
	207-2 Tax Governance, Control, and Risk Management	Tax Policy (p.25)	
	207-4 Country-by-Country Reporting	Tax Policy (p.25), Performance Indicators (p.88)	
GRI 308: Supplier Environmental Assessment 2016	308-1 New Suppliers that were Screened Using Environmental Criteria	Responsible Supply Chain (p.54-55)	
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers that were Screened Using Social Criteria	Responsible Supply Chain (p.54-55)	
GRI 415: Public Policy 2016	415-1 Political Contributions	Business Ethics and Anti-Corruption (p.34)	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-Compliance with Laws and Regulations in the Social and Economic Area	Business Ethics and Anti-Corruption (p.34) The definition of a significant fine includes amounts equivalent to US\$ 5,000.	

Material Issues

Standard —● Disclosures —● Descriptions and Page Numbers —● Not Included

Climate and Environment Focused Operation

GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and its Boundary	SOCAR Turkey Sustainability Priorities (p.39-41), Sustainability Management (p.42), Occupational Safety-Oriented Inclusive Workplace (p.58-62)	●
	103-2 The Management Approach and its Components	Sustainability Management (p.42), Occupational Safety-Oriented Inclusive Workplace (p.58-62)	●
	103-3 Evaluation of the Management Approach	Sustainability Management (p.42), Occupational Safety-Oriented Inclusive Workplace (p.58-62)	●
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover	Performance Indicators (p.98)	●
	401-3 Parental Leave	Occupational Safety-Oriented Inclusive Workplace (p.60), Performance Indicators (p.98-99)	●
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System	Occupational Health and Safety (p.61-64)	●
	403-2 Hazard Identification, Risk Assessment and Incident Investigation	Occupational Health and Safety (p.61-64)	●
	403-3 Occupational Health Services	Occupational Health and Safety (p.61-64)	●
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	Occupational Health and Safety (p.61-64)	●
	403-5 Worker Training on Occupational Health and Safety	Occupational Health and Safety (p.61-64)	●
	403-9 Work-Related Injuries	Occupational Health and Safety (p.63), Performance Indicators (p.92-93)	●
	403-10 Work-Related ill Health	Occupational Health and Safety (p.63), Performance Indicators (p.92-93)	●
GRI 404: Training and Education 2016	404-1 Average Hours of Training per Year per Employee	Employee Development (p.61), Performance Indicators (p.91-92) Data includes monthly paid employees.	●
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees	Performance Indicators (p.96-97)	●
GRI 406: Non-Discrimination 2016	406-1 Incidents of Discrimination and Corrective Actions Taken	Business Ethics and Anti-Corruption (p.35)	●

INDEPENDENT ASSURANCE STATEMENT



To the Management of SOCAR Turkey Enerji A.Ş. Istanbul, Turkey

This Assurance Statement (hereinafter 'Statement') is intended solely for the management of SOCAR Turkey Enerji A.Ş. (hereinafter 'STEAS' or 'the Company') for the purpose of reporting on the selected information for SOCAR Türkiye Enerji A.Ş., Petkim Petrokimya Holding A.Ş., STAR Rafineri A.Ş. locations in its 2019-2020 Sustainability Report (hereinafter 'the Report') that has been prepared by the Company for the two years period from January 1, 2019 to December 31, 2020.

Subject Matter Information and Applicable Criteria

In line with the request of the Company, our responsibility is to provide limited assurance for the indicators listed below and included in the GRI Content Index, within the scope of the sustainability reporting approach of the Company specified in the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and "About the Report" section.

The Scope of Our Assurance

The scope of our assurance is limited to the indicators listed in the Selected Information list shown below, which are reported as environmental, and social indicators for SOCAR Türkiye Enerji A.Ş. Headquarters, Petkim Petrokimya Holding A.Ş. and STAR Rafineri A.Ş. locations for 2019 and 2020 years.

Environmental Indicators

- Energy consumption within the organization (GJ)
- Water withdrawal by source (m³)
- Scope 1 - Direct greenhouse gas (GHG) emissions (tCO₂e)

Social Indicators

- Work-related accidents and injuries
- Work-related diseases
- Total training hours
- Number of employees who received training
- Number of employees receiving regular performance

evaluation and career development support (%)
The Company's Responsibilities
The Company's management is responsible for the preparation, collection and presentation of the Selected Information. In addition, the Company's management is responsible for ensuring that the documentation provided to the practitioner is complete and accurate. The Company's management is also responsible for maintaining the internal control system that reasonably ensures that the documentation and information described above is free from material misstatements, whether due to fraud or error.

Our Responsibilities

We conducted our assurance engagement in accordance with International Assurance Standards, particularly International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ISAE 3000 (revised) and International Standard for Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements. These regulations require that we comply with ethical standards and plan and perform our assurance engagement to obtain limited assurance about the Selected Information.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with what is necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

The procedures selected depend on the practitioner's judgment. The procedures include, in particular, inquiry of the personnel responsible for collecting and reporting on the Selected Information and additional procedures aimed at obtaining evidence about the Selected Information.

Procedures Applied

In respect of the Selected Information mentioned above the procedures performed include the following procedures:

1. Interviewed select key senior personnel of the Company to understand the current processes in place for capturing the Selected Information pertaining to the reporting period;
2. Reviewed Selected Information with online meetings covering SOCAR Türkiye Enerji A.Ş. Headquarters, Petkim Petrokimya Holding A.Ş., STAR Rafineri A.Ş. locations; as well as reviewed pertaining to the Company's other locations in Turkey, against evidence, on a sample basis;
3. Undertook substantive testing, on a sample basis, of the Selected Information;
4. Used the Company's internal documentation to evaluate and measure the Selected Information;
5. Evaluated the design and implementation of key processes and controls over the Selected Information;
6. Re-performed, on a sample basis, calculations used to prepare the Selected Information for the reporting period.
7. Evaluated the disclosure and presentation of Selected Information in the Report.

Our conclusion

As a result of our procedures, nothing has come to our attention that indicates the Selected Information reviewed for the two years period from January 1, 2019 to December 31, 2020, does not meet the requirements of Core option of the GRI Standards in terms of allimportant matters.

Limitations

We permit this report to be disclosed in SOCAR Turkey Enerji A.Ş.'s Sustainability Report for the two years period from January 1, 2019 to December 31, 2020, to enable the Directors SOCAR Turkey Enerji A.Ş. to show they have addressed their governance responsibilities by obtaining an independent 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 Directors as a body and SOCAR Turkey Enerji A.Ş. for our work or this Statement except where terms are expressly agreed between us in writing.

**for Güney Bağımsız Denetim ve Serbest Muhasebeci
Mali Müşavirlik A.Ş.
A member firm of Ernst & Young Global Limited**

**Zeynep Okuyan Özdemir, SMMM
Partner
Istanbul, 06.08.2021**

CONTACTS

You can contact **SOCAR Turkey Corporate Social Responsibility and Sustainability Unit** to get more detailed information about **SOCAR Turkey Enerji A.Ş** sustainability activities and the **2019-2020 Sustainability Report** and to submit your suggestions.

SOCAR Turkey Corporate Social Responsibility and Sustainability Unit

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