PETKİM ESG-FOCUSED RISK AND OPPORTUNITIES

Threat/Opportunity Area	Subject of Risk	Threat Definition	Effects of the Threat: Short-Term	Effects of the Threat: Medium-Term	Effects of the Threat: Long-Term	Opportunity Description	Effects of Opportunity: Short-Term	Effects of Opportunity: Medium-Term	Effects of Opportunity: Long-Term	Climate Connection of Risk/Opportunity (Physical-Transition)*	Severity of Risk (Low-Medium-High-Critical)	Measures and Actions Taken to Manage: Short	Measures and Actions Taken to Manage: Medium	Measures and Actions Taken to Manage: Long	Related Capital Item	Related Material Issue
GOVERNANCE	Real sector's need to adapt to climate change	Climate change, the effects of which have been felt more in recent years, is expected to cause greater physical damages both in the world and in Turkiye in the coming period. Therefore, it is necessary to raise awareness and support the capacity development of real sector firms to manage this risk. Increasing demand for low-carbon products and services also affects this risk. The fact that the Climate Law and related legislation have not yet been published and sectoral approaches have not been clarified in Turkiye also affects this risk. According to the National Contribution Intent submitted by Turkiye to the secretariat of the United Nations Framework Convention on Climate Change, Turkiye is committed to reduce its greenhouse gas emissions by 41%. Factors affecting this risk include the fact that the base year and the amount of greenhouse gas reductions by companies to be selected in the coming period are established in line with this target given by Turkiye have not yet been clarified.	• The fact that the annual greenhouse gas reduction amount is not in compliance with the regulation may adversely affect the reputation of the institution and cause a loss of public trust. • Sanctions to be encountered as a result of the increase in greenhouse gas emissions may adversely affect the financial status of the institution and cause it to face legal problems.	The introduction of the cost of carbon tax per ton in trade with EU countries may adversely affect the competitiveness of the institution and cause its costs to increase. This can reduce the profitability of the company and lead to losses in market share.	Environmental fines, permit and license cancellations that may arise from non-compliance with the legislation can adversely affect the reputation of the company and impose a great financial burden. This can strain the organization's ability to continue its operations and negatively impact future business opportunities. In addition, the revocation of permits and licenses may result in the company being unable to continue its existing operations, which can seriously jeopardize business continuity.	Green energy supply opportunities give rise to a strategy that aims to reduce greenhouse gas emissions by replacing fossil fuels with environmentally friendly and sustainable energy sources. This strategy includes the expansion and use of renewable energy sources such as solar, wind, hydroelectric, geothermal and bioenergy. Green energy is defined as energy that does not release harmful gases into the atmosphere unlike fossil fuels, these sources do not release harmful gases into the atmosphere and therefore contribute to the fight against climate change. This approach also offers economic opportunities, as the green energy sector often opens up new areas for employment and innovation, as it leads to the development of energy efficiency and renewable energy technologies. Turning to renewable energy production and expanding the energy portfolio, diversifying the energy production and consumption model by increasing the use of renewable and environmentally friendly energy sources; It enables more use of energy obtained from renewable sources such as solar, wind, hydroelectric, geothermal and bioenergy.	Increased incentive to switch to a sustainability-oriented business model	Reducing greenhouse gas emissions by using the opportunity of green energy supply	• Reducing environmental impact by focusing on renewable energy production and expanding the energy portfolio. • Reducing fluctuations in energy supply and increasing energy security by making energy supply more balanced and flexible with the use of various energy sources	Transition	Medium	• Under the leadership of the working group we have formed within the company, we are implementing cooperation studies with the Ministry of Environment in order to match the reduction targets with the realities of the sector. • We are working on the inclusion of the management of the additional costs to be incurred in the carbon tax in our investment decisions. • We plan to draw up sustainability roadmaps. We are preparing a roadmap that includes topics such as the evaluation of sustainable fuel products in co-processing renewable co-materials or wastes, the examination of renewable energy sources, and plastic recycling. We aim to make our production processes more sustainable and reduce our emissions in line with the 2050 zero emission targets. • In order for the company to achieve its short, medium and long-term sustainability goals and targets, we plan to draw up a roadmap and implement the appropriate projects after appropriate resource planning. • We plan to calculate the competitive and profitability impact of the emission reduction targets required by local and international regulations and relevant laws on the products and processes of our company, and to implement projects and activities in the relevant programs in order to become more competitive in the face of the limit emission values, taxes and additional financial obligations specified in the relevant laws. • We continue solar energy business development projects within the scope of Petkim REÜS SPP HYBRID and R&D* SPP Projects. In this context, The following EIA requests have been created: MLH-2022-540..Hybrid SPP Investment in WPP site MLH-2022-554..Gizelthree Dam Floating SPP Investment MLH-2022- 552..Renewable SPP Investments MLH-2022-510..WPP Site Additional Wind Turbine Investment	• We are moving towards our goal of becoming carbon neutral by 2050 in the selection of our technology tools and related techniques while creating investment plans. • First of all, we aim to reduce both our natural resource consumption and greenhouse gas emissions with our operational improvement and maintenance studies in our factories. We aim to start the Pinch and Margin Improvement studies in 2024 and plan new projects that need investment for the following years.	We are considering both preventing evaporation loss and installing SPP in the dam areas on raw water pools that will provide renewable energy production, building HEPP on the dam line, and at the same time benefiting from wave energies. We are also planning to start afforestation works in the dam area.	• Financial Capital • Natural Capital	• Digitalization and Technological Development • Transition to a Low Carbon Economy and Carbon Technologies
	Sustainable corporate reputation and stakeholder loyalty and trust	Reputational damage may cause the company to lose its social prestige, reduce demand for its products and services, and adversely affect its competitiveness. In this context, this risk can be eliminated through various activities and incentives that can gain the trust of stakeholders.	• Damage to public reputation can lead to loss of trust of customers and investors. • Dissatisfaction of customers, employees, business partners and other stakeholders can lead to loss of trust and reputation.	• A decrease in demand for products and services can cause a financial downturn. • It can lead to loss of competitiveness.	• Financial losses may adversely affect the company's growth targets. • Negative impact on R&D and innovation studies may cause the sector to lag behind.	• As a result of projects that increase the welfare of the society, the company means that it increases the reliability and reputation of the society by increasing the quality of life of the society through social responsibility projects or beneficial activities for the society. • Sustainable corporate reputation increases competitive opportunities, productivity increases and competitive advantage is provided. This reflects the organization's ability to continuously renew itself and increase its growth potential. • Strong stakeholder communication helps increase trust, improve reputation and strengthen relationships with stakeholders. • Employee satisfaction can increase the productivity of the workforce, while customer satisfaction increases loyalty and strengthens brand reputation. • For employees, engagement can increase work efficiency and reduce staff turnover rates, while for customers, engagement can increase loyalty and repeat transaction volume. Therefore, employee and customer engagement is critical to the long-term success of an organization.	• Strengthening reputation as a result of projects that increase community welfare • Productivity increase, cost reduction, competitive advantage, employee and customer satisfaction and loyalty increase with the creation of business improvement and innovation opportunities	Increased trust and loyalty along with strong stakeholder communication	• Increased investor confidence with a sustainable corporate reputation increases investment in the company and increases its long-term growth potential by improving financial performance • Strengthening the environment of trust with business partners thanks to the creation of a sustainable corporate reputation increased cooperation opportunities and supports the long-term success of business partnerships.	Transition	Medium	• We benefit society by investing in corporate, social and environmental responsibility projects. • We carry out our processes within the framework of the corporate policies and procedures we have established. • We strengthen our relations with our stakeholders by creating a participatory, timely, transparent and two-way communication environment. • We increase the satisfaction of our stakeholders with ethical reporting channels, suggestion and complaint systems, and manage our processes in accordance with ISO 10002 Customer Satisfaction Management System Standard. • We are in constant open communication with public institutions and organizations to follow and comply with changes in legislation. • Thanks to Sustainability Reporting, we plan to continue to share transparent and reliable information on sustainability with our stakeholders. • We work with written contracts with our suppliers and take the necessary measures to ensure the continuity of our business relations. • When purchasing, we evaluate practices that support sustainability and reducing carbon footprint. • We aim to maintain internal and legal standards by inspecting our long-term contractors in the RFBU field with the OHS and Quality teams.	Through the work of our Investor Relations Department, Communication and Public Relations Department, Strategy and Sustainability Department, we inform our stakeholders about our sustainability efforts, receive their feedback and evaluate these notifications in our work.	• We plan to carry out responsible supply chain practices for our suppliers. • Within the scope of the Green Procurement Policy we have prepared, we plan to observe social, economic and environmental requirements in supplier selection. • We plan to update our processes with a sustainability and ESG perspective. • In our purchases, we aim to disseminate practices that support sustainability and reducing carbon footprint.	• Social Capital • Human Capital • Financial Capital • Intellectual Capital	• Business Ethics and Integrity • Risk and Crisis Management • Sustainable Economic Value
	The path to the committed targets	The risk of loss of reputation is expressed by stakeholders in the event that strategic, financial, etc. targets prepared intensively within the organization are not achieved.	Dissatisfaction of customers, employees, business partners and other stakeholders can cause loss of trust and reputation.	Loss of trust among stakeholders can negatively affect the company's reputation and relationships.	• Significant negative impacts can occur on financial parameters such as earnings, cash flows, and financial condition. • Negative business performance may be damaged and investors' confidence may be shaken. • There may be a risk of falling into a disadvantageous position in matters that require competitive advantage, such as new project proposals. • There is a possibility that R&D and innovation studies will be adversely affected.	• Opening up space for learning and development opportunities can increase the overall competitiveness of the company by increasing the quality of its human capital. Employees who have acquired new knowledge and skills can work more efficiently and positively impact the company's business results. • Reviewing existing processes and creating innovation and innovation opportunities. This goal motives the implementation of new technologies and methods that increase competitiveness and efficiency. • With the increase in competitive advantage with the developed employee competencies, the focus is on the learning and development of the right people in the right place, at the right time, and performed in accordance with the qualifications required by the organization. • The sustainable financial model aligns profitability, growth and value creation goals with sustainability principles. In this way, the organization combines financial, environmental, and social performance to drive long-term success and stakeholder value.	Increasing competitive advantage with developed employee competencies can strengthen the company's marketing strategies and increase its market share. Thus, it can gain economic and helping	Creating a more sustainable financial model can improve the long-term sustainability and resilience of the company. Sustainable financial practices can reduce risks, base costs under control, and increase the company's long-term growth potential.	Transition	Low	• We regularly monitor customer and employee feedback and evaluate our performance in line with our targets. • We continue our training and development programs to increase the skills and competencies of our employees and include them in our strategic goals. • We carry out our work through a comprehensive corporate risk management model in order to achieve the strategic goals of the company and to minimize the risks that may arise in the process. • We conduct target-based risk assessments, impact analyses and probability calculations for achieve strategic goals through the risk management model in our business processes. • We periodically review our strategic goals and revise them when necessary, increasing our chances of adapting to changing conditions. faster and achieving our goals.	Through the work of our Investor Relations Department, Communication and Public Relations Department, Strategy and Sustainability Department, we inform our stakeholders about our sustainability efforts, receive their feedback and evaluate these notifications in our work.	• We shape our Corporate Strategy in order not to encounter reputational risks. • We diversify our R&D studies on circular economy, sustainability and environmental technologies, and our search for new joint studies and technologies is continuous according to current developments.	• Social Capital • Human Capital • Financial Capital • Intellectual Capital	• Risk and Crisis Management • Employee Training and Talent Development • Employee Engagement and Wellbeing • Sustainable Economic Value
	Disasters and Business Continuity	Natural disasters, climate change and other environmental factors that may adversely affect the Company's operations and business continuity.	• Temporary shutdowns of plants or production lines can cause operational disruptions and loss of productivity. • Business continuity may be endangered due to the supply chain.	• Customer dissatisfaction and customer losses may be encountered. • In the event of a disaster, the damage may cause damage to the reputation of the company and legal problems.	• Damage caused by severe disasters can lead to increased long-term reconstruction and investment costs for the company. • As a result of the negative impact on company continuity, social reactions and loss of reputation may come to the fore. • Regulatory risks and penal sanctions may be encountered.	• Disaster and business continuity plans should be ready in advance • Earthquake resistance of the company, facilities and infrastructure	The readiness of disaster and business continuity plans in advance ensures that the company is prepared for crisis situations and reveals the effects of the crisis on the company. This can reduce operational risks, ensuring business continuity, and protecting employee safety. • The company can ensure business continuity by ensuring that the facilities and infrastructure are earthquake resistant. This brings reliability and stability to operations.		Preparing disaster and business continuity plans in advance positively affects reputation.	Physical	High	• Within the scope of the Master Earthquake Program, which we started as of July 2021 as Socar Turkiye, a comprehensive Earthquake Program has been prepared and implemented in the Business Continuity Crisis Management studies. With this program, we aim to make the locations where we operate resistant to the expected large and destructive earthquakes in the future, to be able to continue our business and to see working areas such as operational and organizational continuity, disaster communication, supplier continuity, technology continuity, and reputation management. Maturity analyses were carried out through field visits and meetings with critical operation units, including Petkim Peninsula and Aliağa Special Industrial Zone, and roadmaps were put forward to reach the current maturity level and the targeted level. Response plans have been prepared for locations at risk of destructive earthquakes. • Crisis Drills: We carry out exercises at strategic and operational level within the framework of natural disaster scenarios in order to strengthen the reaction muscles to the crisis. • In 2022, we established radio towers and infrastructure to cover the Petkim Peninsula and Aliağa Special Industrial Zone in accordance with the standards and can communicate jointly throughout the peninsula in case of emergency. • We have many systems and tools for the management of emergencies in the Aliağa Special Industrial Zone domain. Active warning systems have been established throughout the Petkim Peninsula and Aliağa peninsula to detect emergencies immediately and ensure the safe shutdown of all facilities. In addition to the facilities, we also have trained and professional teams that can intervene in the field, and a trained and professional team that can provide 24/7 service to respond to possible pollution on the sea surface, as well as materials, equipment and marine vehicles to respond to marine pollution with the capacity to serve the entire peninsula. • In the event of a disaster, communication systems are available to ensure fast and direct communication with the relevant business units, emergency personnel, neighboring organizations, key local authorities, public institutions responsible for emergencies such as AFAD and the Gendarmerie. • We control emergency equipment periodically. • With the WORKS application, we are working on digitizing the tracking system of emergency response equipment. • We prepare and implement training plans within the scope of emergency preparedness and legal regulations. • We carry out earthquake, fire, search and rescue, terrestrial spill and marine pollution response drills at regular intervals. • We carry out employee trainings. • We carry out drills and social responsibility projects in schools related to disasters. Drills carry out earthquake and fire drills in schools, Bursagaz Search and Rescue Team, AFAD Disaster Awareness Training to Emergency Teams. Due to the earthquake disaster that occurred in 2023, our teams were assigned to the region and carried out search and rescue activities.)	• We ensure regular follow-up of regulations and standards that may change in the medium terms. • As part of financial resilience strategies, we regularly review insurance coverage and risk financing mechanisms.	• We adopt an engineering design suitable for the highest intensity earthquake scenarios that may occur in the region. • We plan to carry out social responsibility projects initiated after the disaster in the long term.	• Human Capital • Financial Capital • Social Capital • Manufactured Capital • Intellectual Capital	• Risk and Crisis Management • Employee Engagement and Wellbeing
	Compliance with Business Ethics, Social, Environmental and Other Legislation	The risk of non-compliance with local legislation, regulations and other social and environmental issues is expressed. Risks arising from non-compliance with legislation due to the lack of compliance of Information and Communication Technologies (ICT) with regulations are included.	• While trying to comply with local legislation in all trading countries, the company may be subject to financial penalties or sanctions in case of possible non-compliance. • Financial penalties and reputational losses may be encountered. • Business continuity may be interrupted by the suspension of licenses.	• Negative effects such as decrease in financial resources and decrease in competitive advantage may occur. • There may be a decrease in the trust of investing and potential customers, stakeholders and employees.	There may be negative effects on the financial situation due to loss of reputation.	• Improving environmental performance and increasing operational efficiency with technological solutions is expressed. • Providing competitive advantage by customers and investors approaching companies with social and environmental sensitivity more positively contributes to gaining competitive advantage by enabling customers and investors to approach companies with social and environmental sensitivity more positively. • Raising awareness of business ethics and environmental compliance through regular training for employees, adopting long-term sustainability-oriented goals and ensuring that the company's growth is a sustainable way also help organizations achieve their sustainability goals. In addition, efforts to strengthen stakeholder relations, increase brand reputation, ensure compliance with regulations, develop relations with the public and other institutions, increase cooperation opportunities, and ensure the participation of suppliers are also allow companies to pursue a successful sustainability strategy.	• Improving environmental performance and increasing operational efficiency with technological solutions is expressed. • Providing competitive advantage by customers and investors approaching companies with social and environmental sensitivity more positively contributes to gaining competitive advantage by enabling customers and investors to approach companies with social and environmental sensitivity more positively. • It provides a competitive advantage by customers and investors approaching companies with social and environmental sensitivity more positively, while increasing the brand value of the company. • Raising awareness on business ethics and environmental compliance through regular training for employees, adopting long-term sustainability-oriented goals and ensuring that the growth of the company culture and motivate employees. This, in turn, improves business performance and enables the company to achieve its sustainability goals.	• Strengthening stakeholder relations allows the company to communicate better with its external environment. Strong stakeholder relationships can strengthen a company's reputation and provide support in crisis situations. • Ensuring compliance with regulations reduces the company's legal risks and provides transparency and credibility in compliance. This increases the company's reputation and prevents potential problems in the future.	More sustainable use of natural resources through long-term environmental adaptation strategies	Transition	High	• With Continuous Emission Measurement Systems, we monitor environmental impacts leaked and report them daily. In addition, we instantly monitor the data of the Continuous Emission Measurement Systems through the DCS system and instantly detect limit exceedances thanks to the determined alarm systems. • With Wastewater Monitoring Systems (SAS), we continuously monitor the quality of the wastewater we discharge from the Petkim Peninsula, and ensure that it is discharged in accordance with these limits. • We apply and regularly review the current Code of Ethics. • We provide training to raise our employees' knowledge and awareness of our employees on business ethics, human rights and anti-corruption. We make ethical orientation training mandatory for all our employees at the first employment, including management. • We receive annual compliance statements from all employees, review and update our ethics and compliance policies. • We closely follow international and local regulations and continuously optimize our operations in line with updates. • We do not tolerate any forms of forced and compulsory labor and child labor throughout the supply chain. • We are ISO/IEC 27001 Certified, we carry out risk assessments, risk mitigation activities, internal and external audits annually. • We carry out activities to increase the awareness of our employees and business partners on information security and cyber attacks. We continue to work on improving the information security culture. • Within the scope of compliance with the KVKK legislation, we carry out the implementation of technical controls and the review of controls. We continue our efforts to have ISO 27701 Personal Data Management System Certificate. We carry out the work to be carried out for the protection of personal data (discovery, masking, etc) of personal data in SAP HR environments. • In accordance with the Law 4857, we identify our critical suppliers, analyze their Information Security checklists and levels, and monitor their Security Scores. • We carry out studies by taking technical and administrative measures in order to comply with the Personal Data Protection Legislation and to increase the awareness. • In the selection of suppliers, we apply a checklist to measure whether the supplier candidates fulfill their obligations arising from the Personal Data Protection Legislation. • We closely follow the legislative changes related to information security and cyber attacks, and we ensure that we contribute to the publications with our opinions and suggestions. • We implement relevant organizational, processual, and technical controls within the scope of ISO27001 Information Security Management System.	We plan to implement local legislation, regulations and other social and environmental issues as part of the supplier audit plan.	• We are planning to deploy a PDP solution for the protection of personal data (discovery, masking, etc.) in SAP HR environments. • We continue our efforts to have ISO 27701 Personal Data Management System Certificate. • We update the Information Security strategy and roadmap every year and plan the necessary projects and studies.	• Human Capital • Social Capital • Natural Capital • Manufactured Capital	• Business Ethics and Integrity • Risk and Crisis Management • Employee Engagement and Wellbeing • Air Quality • Water Quality and Wastewater Management • Circular Economy and Waste
	Information Protection and Cyber Security	It refers to the risks of breaches in access to Information and Communication Technologies (ICT), integrity and confidentiality of data due to cyber attacks.	• Business interruptions, service or service interruptions may occur due to Cyber Attacks. • Reputational records may occur as a result of information leakage. • As a result of the disclosure of information, criminal sanctions may be encountered.	There may be a decrease in the trust of existing and potential customers, stakeholders and employees, thus customer dissatisfaction and loss of competitive advantage.	There may be negative effects on the financial situation due to loss of reputation.	It refers to the company's continuous adoption of new and secure technologies, encouraging innovation and paving the way for continuous improvement in business processes. At the same time, the increase in trust among stakeholders provides a competitive advantage by reinforcing the company's trustworthy image.	The company's continuous adoption of new and secure technologies can improve operational efficiency and reduce costs. At the same time, it reduces environmental impact by enabling the adoption of more sustainable business practices.	Innovation increases the competitiveness of the company and enables it to differentiate in the market. Offering innovative products and services increases customer satisfaction and can open doors to new markets.	• Strong stakeholder relationships enhance the company's reputation and credibility. Increasing trust in stakeholders expands opportunities for collaboration and supports the long-term success of the company. • A reliable image helps to gain the preference of customers and other stakeholders. This, in turn, provides a competitive advantage, increasing the company's market share and fostering long-term growth.	Transition	High	• We provide information security awareness training to all new recruits within the scope of the orientation program. Online information security awareness is present and mandatory for all our employees. In addition, we provide information security awareness training to all our suppliers. • We conduct phishing tests three times a year to increase the awareness of our employees on information security. • According to our Corporate Technical Vulnerability Management Procedure, we rate the detected vulnerabilities as critically level and monitor them according to the risk score. • Penetration tests are carried out by external companies at least once a year. • With the Cyber Attack Simulation platform, we enable us to verify our security controls, obtain an effective proactive approach by verifying cyber threat preparedness, identify detection gaps and reduce our risks. • With the threat intelligence service, we detect threats that target, will receive or are currently targeting our organization. • With Web Vulnerability Scans (DAST) and/or Static Application Security Tests (SAST), we detect vulnerabilities in our web and mobile software before it goes live. We improve our processes with Secure Software Developments. • We integrate our Firewall monitor logs with the Security Information and Event Management (SIEM) system. • We monitor security incidents with a 24x7 Security Operations Center (SOC) by our outsourced Managed Security Service Provider (MSSP), inform all relevant units about the detections and ensure that actions are taken to prevent incidents. • We use the Network Detection and Response (NDR) system to detect suspicious or malicious activity on the network and respond to cyber threats. * We use the File Integrity Monitoring (FIM) tool to alert you to unauthorized changes to critical files, configurations, and system logs. * We use the DB audit tool for database monitoring and auditing, which meets a wide range of compliance requirements while providing real-time data protection with little or no negative impact on database performance. • We use Data Leak Prevention (DLP) systems and Sensitive Data Discovery Software and Tools to protect your personal data. • We use the EDR system for endpoint detection and intervention. We provide protection against Ransomware, Malware, Zero-Day Attacks and against attacks made specifically for mobile devices and operating systems, such as Apple iOS and Google Android. • We provide protection against distributed denial-of-service attacks with the DDoS Protection system. • We have implemented the forensic analysis capabilities with the implementation of the Forensic Analysis system. • We aim to detect attackers with deception/trap system implementation. • We continue to provide CIDM (Cyber attack surface management) implementation. • We plan to provide security orchestration, automation and response with SOAR (security orchestration & automation & Respond) implementation.	We continuously measure our cyber security competencies and improve them when necessary.	We update the Information Security strategy and roadmap every year and plan the necessary projects and studies.	• Manufactured Capital • Social Capital • Human Capital	• Digitalization and Technological Development • Risk and Crisis Management
	Organizational Sustainability	Business strategies should focus on ethical, social, environmental, cultural and economic concepts and aim to create long-term value in the company. Failure to implement these concepts in the long term, or to do so, may lead to a failure to ensure sustainability effectively throughout the organization are expressed.	With the decrease in business performance, customers, employees, business partners and other stakeholders may experience dissatisfaction.	• There may be negative effects on the retention of talent in the company and the acquisition of new talent. • Business continuity may be endangered due to the loss of corporate memory.	There may be a loss of competitive advantage due to reduced demand by investors.	• The increase in employee engagement and satisfaction of the company refers to the environment in which it positively affects the company's performance by increasing the motivation and productivity of the workforce. • Transparently shared sustainability statements increase the company's reputation and provide an opportunity to increase trust with stakeholders. • Efforts to adapt to rapid growth trends in the energy sector at national and international levels increase the competitiveness of the company, while the opportunity to be included in sustainability and ESG indices increases the company's visibility to investors, improves business performance and communicate more effectively with stakeholders. High ESG scores increase access to green finance, which in turn provides an advantage in financing environmentally sustainable projects. • Being a preferred company with new hires makes it easier to attract and retain young talents and means strengthening the future talent pool. • Finally, gaining an advantage in access to finance supports the company's growth and development goals and creates an opportunity to increase operational flexibility.	Adapting to rapid growth trends in the energy sector increases the company's competitiveness and creates new opportunities. An innovative and cohesive strategy strengthens the company's position in the market.	• Together with happy and engaged employees, the long-term success of the company is supported. • Thanks to the ESG indices, the company is able to gain access to green finance and support sustainability-focused projects. This strengthens the company's financial soundness and promotes long-term growth. • The company's advantage in accessing finance increases opportunities for growth and expansion. More favorable financial conditions expand the company's capacity to invest and launch new projects.	Transition	High	• With our policies and Management System Certificates, we monitor compliance with both the provisions of local legislation and the requirements of international standards and conventions. • We monitor our annual sustainability performance with an integrated annual report. • With the Sustainability Committee under the leadership of the CEO of SOCAR Turkiye, we regularly evaluate our ESG performance, take concrete steps to improve, manage our related risks and opportunities, and actively pursue sustainability targets.	We focus on transparently sharing our sustainability disclosures in our reports, improving our performance and creating long-term value in our value chain.	We focus on transparently sharing our sustainability disclosures in our reports, improving our performance and creating long-term value in our value chain.	• Financial Capital • Manufactured Capital • Social Capital • Human Capital • Natural Capital • Intellectual Capital	• Sustainable Economic Value • Risk and Crisis Management • Business Ethics and Integrity
SOCIAL	Talent attraction, retention and professional development	It is aimed to attract qualified labor force to the company and to utilize the talents in the most efficient way. In this direction, the risks that may arise for the development of employees' professional and personal knowledge and skills and behavioral competencies are expressed.	• Due to the deterioration of work-life balance, there may be a decrease in employee engagement, motivation and performance. • A working environment without less collaboration and teamwork can occur.	• Business continuity may be endangered due to the loss of corporate memory. • There may be a decrease in the competence level of the organization due to the difficulty in attracting talents to the organization.	A decrease in competitiveness may be encountered due to the endangerment of business continuity and proper execution of business processes.	• One of the important factors that support the success of the company is the development of corporate culture. A correct corporate culture determines the way employees work together and do their jobs effectively, while also contributing to the increase of the institution's knowledge. As a result of this culture, there is an increase in employee satisfaction and loyalty, and the sustainability of knowledge is ensured in a sustainable way thanks to employee succession plans. • In addition, making the work-life balance of employees more convenient increases employee satisfaction and contributes to the decrease in employee turnover rate. When these factors come together, the institution's knowledge management is strengthened and a solid foundation is created for long-term success.	• A strong corporate culture allows employees to collaborate better with colleagues, increase their motivation, and be more committed to the company's goals. This, in turn, increases business efficiency and supports the success of the company. • Increased knowledge increases the competitive advantage of the institution. This knowledge can be used to develop innovative products and services, which helps to ensure environmental responsibility and maintain reputation. • Reducing the negative impact on the environment contributes to the protection of natural resources and increases the company's environmental sensitivity in the short term. • Ensuring business continuity positively affects increasing customer satisfaction, strengthening supply chain management and protecting the company's reputation. • Reducing the negative impact on the environment contributes to the protection of natural resources and increases the company's environmental sensitivity in the short term.		• Strengthening the corporate culture in the long term ensures that the company remains more firmly committed to its core values and mission. This increases the long-term commitment of employees and ensures the stable growth of the company. • The long-term commitment of employees protects the company's know-how and ensures business continuity.	Transition	High	• We carry out strategic workforce planning and room staff studies. • We provide consultancy and information services to our employees and their families through the Avita Employee Assistance Program. • We are working to minimize and prevent overtime. • We create a shift arrangement for shift workers in a way that is most suitable for them. • We offer special excuse leave to our female employees. • With the internal recruitment process, we increase the loyalty of our employees to the organization and contribute to the advancement of their career choices within the organization. • We make our compensation and benefits more competitive. • In order to increase women's representation at all levels, we are working to increase the number of women in management roles and to improve the gender balance. • Within the scope of the talent process, we determine the retention risk for each employee and take actions. • We create backup plans within the scope of development plans by reviewing critical roles at the employee and senior management level. • We conduct succession studies. • With Strategic Competency Development Programs, we make investments for our employees to gain new experiences and skills. • We have implemented the Technical Career Path Project and the CAMS Project to support our employees in choosing a career and to ensure their development in accordance with their competencies. • We offer Leadership and Core Competency Development trainings to all our white-color employees on the online platform with a cross-participation. • Progress is monitored through the "Regular Feedback Module" with a performance management approach that focuses more on regular and open feedback, coaching and development. • The Continuing Professional Development Program (CPD) has been launched in December 2022. The Talent Management Program has been largely completed. Bid-raw material research has been carried out for the production of SAF. Feasibility studies are carried out in different countries in terms of the accessibility of raw materials. • We are planning to work on the use of hybrid and electric vehicles in company vehicles.			• Human Capital	• Employee Engagement and Wellbeing • Employee Training and Talent Development
	Diversity, equal opportunity and well-being within the organization	Increasing women's participation in the workforce is a driving force in the economic development and progress of countries. From this point of view, we act beyond sectoral habits and stereotypes and pursue an inclusive and egalitarian workplace as one of the priorities of our sustainability strategy.	There may be a loss of employee motivation due to the difference in participation, access, rights, remuneration and fringe benefits between employee genders.	As a result of the occurrence of legal risks, the company/brand reputation may be adversely affected.	In an environment where there is little diversity, job performance may be negatively affected and there may be difficulty in attracting talent.	• The coming together of different perspectives and talents allows for diverse and creative ideas to emerge. • As the company's inclusivity and diversity, it is stated that the brand image of the company increases and becomes preferred by investors. • Inclusive policies and egalitarian practices increase employee engagement and contribute to increasing business performance. Increasing the quality of life of employees in this way also has the opportunity to achieve more competitive and sustainable success.	• The emergence of a variety of ideas with different perspectives and capabilities allows the company to develop innovative solutions that increase competitiveness. • Taking precautions against risks and ensuring production continuity with improvements in the compliance process can increase business continuity and operational efficiency in the short term. This, in turn, increases customer satisfaction and helps maintain market share.	• Innovative improvements can be made in the company's products and services and market share can be increased by using different perspectives and capabilities to develop innovative solutions. • The company's brand image is strengthened, its customer base expands, and its competitive advantage increases. • The inclusive and egalitarian structure of the company increases the likelihood of being preferred by investors in the medium term and positively affects financial performance.	• The continuous encouragement of different perspectives and creative ideas strengthens the company's innovation culture in the long run and increases its competitiveness in the market. • Maintaining and increasing employee engagement enables the company to face less costs in human resources management and increases long term business continuity. • An inclusive and equitable business environment contributes to the sustainability of the company, creates sustainable competitive advantage, and improves its financial performance.	Transition	Medium	• We plan to cooperate with the Ministry of Environment in order to align the reduction targets with the realities of the sector. • We continue our studies on the Carbon Border Tax regulation in our company strategies. • Plans are made to create decarbonization roadmaps by evaluating clean energy sources. With the project of the R&D, the aim is to transfer know-how and technology by taking part in projects in line with the goals of the sector. We continue our studies on roadmaps for our decarbonization and sustainability. We continues in 2023, one project has been awarded funding, another has passed the first evaluation stage, and there are two applications in the stage of results. (The part indicated in red text will be given as a footer). • In the light of the roadmaps, we plan investment, feasibility and strategy programs in order to make the risk credits on carbon tax, taxes and additional financial obligations required by national and international regulations more visible. • In order for the company to achieve its short, medium and long-term sustainability goals and targets, we plan to draw up a roadmap and implement the appropriate projects after appropriate resource planning. • We plan to calculate the competitive and profitability impact of the emission reduction targets required by local and international regulations and relevant laws on the products and processes of our company, and to implement projects and activities in the relevant programs in order to become more competitive in the face of the limit emission values, taxes and additional financial obligations specified in the relevant laws. • We continue solar energy business development projects within the scope of Petkim REÜS SPP HYBRID and R&D* SPP Projects. In this context, The following EIA requests have been created: MLH-2022-540..Hybrid SPP Investment in WPP site MLH-2022-554..Gizelthree Dam Floating SPP Investment MLH-2022- 552..Renewable SPP Investments MLH-2022-510..WPP Site Additional Wind Turbine Investment	• We plan to implement local legislation, regulations and other social and environmental issues as part of the supplier audit plan.	• We are planning to deploy a PDP solution for the protection of personal data (discovery, masking, etc.) in SAP HR environments. • We continue our efforts to have ISO 27701 Personal Data Management System Certificate. • We update the Information Security strategy and roadmap every year and plan the necessary projects and studies.	• Human Capital • Social Capital • Natural Capital • Manufactured Capital	• Business Ethics and Integrity • Risk and Crisis Management • Employee Engagement and Wellbeing • Air Quality • Water Quality and Wastewater Management • Circular Economy and Waste
	Changing working conditions	Risks that may arise for the Company to re-evaluate and adapt its current working conditions in line with changing working conditions, such as the widespread use of remote working practices shaped according to the expectations and needs of employees, the development of fringe benefits or an increase in the minimum wage.	• While trying to comply with local legislation in all trading countries, the company may be subject to financial penalties or sanctions in case of possible non-compliance. • Financial penalties and reputational losses may be encountered. • Business continuity may be interrupted by the suspension of licenses.	There may be interruptions in business processes as a result of poor performance in teamwork due to increased workload that cannot be managed properly with remote working, adaptation problems, and shaking the work-life balance.	A decrease in employee satisfaction and thus a negative impact on product quality and an increase in labor turnover can be observed.	As a result of the decrease in profitability by the employees in the sector, a decrease in operational efficiency may be encountered.	• Improving environmental performance and increasing operational efficiency with technological solutions is expressed. • Providing competitive advantage by customers and investors approaching companies with social and environmental sensitivity more positively contributes to gaining competitive advantage by enabling customers and investors to approach companies with social and environmental sensitivity more positively. • Raising awareness of business ethics and environmental compliance through regular training for employees, adopting long-term sustainability-oriented goals and ensuring that the company's growth is a sustainable way also help organizations achieve their sustainability goals. In addition, efforts to strengthen stakeholder relations, increase brand reputation, ensure compliance with regulations, develop relations with the public and other institutions, increase cooperation opportunities, and ensure the participation of suppliers are also allow companies to pursue a successful sustainability strategy.	• Improving environmental performance and increasing operational efficiency with technological solutions is expressed. • Providing competitive advantage by customers and investors approaching companies with social and environmental sensitivity more positively, while increasing the brand value of the company. • Raising awareness on business ethics and environmental compliance through regular training for employees, adopting long-term sustainability-oriented goals and ensuring that the growth of the company culture and motivate employees. This, in turn, improves business performance and enables the company to achieve its sustainability goals.	• Strengthening stakeholder relations allows the company to communicate better with its external environment. Strong stakeholder relationships can strengthen a company's reputation and provide support in crisis situations. • Ensuring compliance with regulations reduces the company's legal risks and provides transparency and credibility in compliance. This increases the company's reputation and prevents potential problems in the future.	More sustainable use of natural resources through long-term environmental adaptation strategies	Transition	Medium	• With "Innovation at Work", traditional-hybrid-remote working models were defined for our colleagues in accordance with the working order of the functions. • The defined working models are reviewed and updated every year in order to contribute to efficiency. • Fringe benefits are carefully designed within the scope of our new working model policy. As of March 2024, these fringe benefits are as follows: Ergonomics support is 5000 TL for remote workers and new employees, Remote 750 TL Hybrid 1000 TL, Classic 3000 TL for workers, and travel allowance differs according to the working model. (For example, Remote: 750 TL Hybrid: 1000 TL, Classic: 3000 TL for managers and below employees in Istanbul). • An Employee Engagement and Experience survey is conducted twice a year to measure employee satisfaction. • It is aimed to increase performance communication with the continuous feedback module in our performance system. • With CPD, continuous professional development program and follow-up are provided. • Internal communication activities and events are met much more frequently in the office.	• Within the scope of the employee