

we are together
for **60** years
with Petkim



As Türkiye's first and only integrated petrochemical company
producing industrial products to create sustainable value,
we are together for 60 Years!

We leave a sustainable mark with our actions that add value to life.

Petkim 2024 Integrated Annual Report



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About the Report

As Petkim Petrokimya Holding A.Ş. (Petkim), we implement our strategy, aligned with the goal of creating economic, environmental, social, and governance value. In this context, we strengthen our company's sustainability vision by periodically reporting our performance to our stakeholders. As in the previous year, we are presenting our 2024 Integrated Annual Report, our second integrated annual report, which covers our sustainability performance and annual report together. In this report, where we bring together our financial and non-financial performance, we share our risks and opportunities, our business model, strategy and management approach, and our environmental, social and economic performance in line with our focus on longterm value creation in a transparent and comparable manner with previous reporting periods.

Within the scope of 6 capital elements, we evaluate the impacts resulting from our operations, which we evaluate from an integrated perspective, within the framework of our Governance, Economy, Environment and Social focus areas. Petkim 2024 Integrated Annual Report covers the 12 month activities of our company between 1 January 2024 and 31 December 2024.

Our Integrated Annual Report has been prepared in accordance with GRI Universal Standards 2021 and GRI Oil and Gas Sector Standards published by the Global Reporting Initiative (GRI), taking into account the IFRS S1 and S2 frameworks published by the International Accounting Standards Board (IASB), which constitute the pillars of the Türkiye Sustainability Reporting Standards (TSRS). We have included our Company's direct or indirect contributions to the Sustainable Development Goals (SDGs) and their sub-goals.



In addition, under the Annexes heading of our report, you can find our declarations on the United Nations Global Compact (UNGC) principles and the United Nations Women's Empowerment Principles (UN WEPs), which we signed in 2021.

We continue to improve our work in line with TSRS expectations with the support of our different business units. In the coming months, we plan to publish our report where you can examine our company's compliance in detail in line with TSRS expectations.



Message from the Chairman of the Board



Dear Stakeholders,

As Türkiye's largest integrated industrial holding, we are proud to have been operating in the petrochemical sector for nearly 60 years. Together with our stakeholders, we work with the mindset of "We Are Together For 60 Years!" to create sustainable value. As Türkiye's first and only integrated petrochemical company, we have completed a year in which we led transformations, actively participated in the global sustainability agenda, and once again demonstrated our commitment through qualified initiatives in this field.

The year 2024 has been a year of transformation and challenges worldwide, in Türkiye, and in the energy sector. It was a year in which we all experienced a mix of emotions, leaving deep marks on our minds. While uncertainties and new opportunities intertwined in global energy markets, developments in Türkiye and the region shaped the dynamics that guide the sector. However, this year will be remembered not only for change and transformation but also for the challenging events we encountered.

In the last days of 2024, the tragic accident involving the Azerbaijan Airlines flight from Baku to Grozny deeply shook us all. Our hearts go out to those who lost their lives, and we extend our heartfelt condolences to their families and loved ones. In these challenging times, we were once again reminded of the priceless value of solidarity and unity.

In 2024, in line with our sustainability principle, we fulfilled both our environmental and social responsibilities, and we will continue working to leave a better world for future generations. By placing sustainability at the heart of all our business processes and strategies, we have played a vital role in numerous sectors, becoming an indispensable raw material supplier for the industry in Türkiye. Over the course of the year, we collaborated with our 15 main and 6 auxiliary facilities in İzmir Aliağa, achieving a total production of 2.05 MTA and manufacturing nearly 60 petrochemical products.

To closely monitor global themes such as the decline in global supply growth, inflation, and low-carbon new products, which have emerged as common points in different geographies and are closely affecting the energy sector, and to evaluate them more effectively within the framework of our sustainability strategy, we participated in the 29th Conference of the Parties to the UN Framework Convention on Climate Change (COP29) held in Baku. At the COP29 Türkiye Pavilion, we organized the SOCAR Türkiye Sustainability Panel, where we had the opportunity to consider the views and suggestions of our stakeholders on sustainable development, and we shared our sustainability journey with a wide audience from three different perspectives. Our presence at COP29 also showcased our leadership in R&D and innovation. Our investments in innovative technologies that reduce carbon footprints, increase energy efficiency, and contribute to the circular economy demonstrate our determination to lead the transformation in the sector. In this regard, both our projects aimed at reducing environmental impact and our efforts to enhance efficiency through digitalization are further strengthening our position.

At the panel, the Head of the Sustainability Standards Department of the Public Oversight Accounting and Auditing Standards Authority (KGK) also highlighted that around 500 companies, including Petkim, will publish their mandatory sustainability reports in a transparent and comparable manner by 2025. At Petkim, we take pride in having embraced this process for a long time and in being among the leaders of transformation in sustainable development, especially as sustainability reporting has transitioned from being voluntary to mandatory, based on specific standards.



In line with the comprehensive sustainability strategy we have implemented at Petkim, we continue to carry out value-creating activities in alignment with the industry. Our sustainability vision includes goals such as decarbonization, circular economy, green finance, and an opportunistic operating model. The tangible outcomes of the research and indices we are part of clearly demonstrate the significant achievements we have made, reflecting our firm commitment to sustainability. During this reporting period, in the results of the Fortune Türkiye and CRIF Türkiye Sustainability Research, which involved Türkiye's largest companies, including those on the Fortune 500 list, and where participation was voluntary, we achieved significant successes under the environmental, social, and corporate governance (ESG) criteria. By receiving an A rating in this research, we reached the 'Excellent Level of Sustainability.' Furthermore, as a result of the evaluation conducted by S&P Global, we ranked first in Türkiye's chemical subsector with the highest score of 43 points under the ESG category. Last year, as the first company in the petrochemical sector included in the BIST Sustainability 25 Index, we continued to maintain our leading position in 2024.

At the core of our corporate values—occupational safety, teamwork, responsibility, continuous improvement, and putting people first—we continue our efforts to minimize our environmental impact, use resources efficiently, prioritize employee well-being, create value beyond our social responsibilities, and ensure economic sustainability. As part of our sustainability goals, key investments we made in 2024 included securing a 10-million-dollar, four-year green financing for the wastewater disposal unit we developed and implemented, as well as the launch of our "Master Plan Project". This project, initiated under the growth strategy approved by our Board of Directors, aims to establish new production units and modernize the existing infrastructure. As we do every year, we closely monitored developments in the petrochemical sector this year as well, conducting thorough analyses and diligently working to create sustainable solutions that focus not only on the present but also on the future.

I would like to thank all our employees and stakeholders who contributed to the preparation of this report for their efforts. As Türkiye's first and only integrated petrochemical company producing industrial products, we take pride and joy in being united for 60 years to create sustainable value. On this long and meaningful journey, with the principle of "Stronger.Together" and the support of all our stakeholders, we believe we will achieve many more successes.

Sincerely,

Anar Mammadov

Chairman of the Board



Message from the General Manager



Dear Stakeholders,

The tragic event involving the passenger plane of Azerbaijan Airlines, operating the Baku-Gronzy flight in the last week of 2024, deeply saddened all of us. This difficult time has reminded us once again of the importance of solidarity and supporting each other. I extend my condolences and wish the families, who have lost their loved ones, strength and resilience during this difficult time.

The year 2024 also stood out as a year in which Türkiye and Azerbaijan strengthened their relations through the shared historical awareness and national identity emphasized by SOCAR Türkiye and Petkim. The immortal leaders of two countries were remembered on the anniversary of their death with ceremonies that evoked strong emotions and a sense of unity.

As Petkim, preparing to celebrate our 60th anniversary with great pride and excitement as one of the cornerstones of Türkiye's industry, we reflect on our journey of success over the years, once again highlighting the unique contributions we have made and will continue to make to the national economy and the petrochemical industry. Since the foundation of this company in 1965, we have written a great success story not only through our production figures but also by leading Türkiye's industrialization efforts. Today, with our accumulated experience, wide product range, and focus on sustainability and production, we continue to be a source of pride in Türkiye's petrochemical sector. With a vision extending over 60 years, we continue our path with the mission of strengthening our leadership in the petrochemical industry and adding value to Türkiye's industry.

Despite challenging global conditions and economic turbulence, our company has taken significant steps in 2024 to maintain both financial and non-financial sustainability performance. As Türkiye's first and only integrated petrochemical company, we continued our production journey and proved our resilience even in turbulent times. As a reliable raw material supplier for Türkiye's industry, we have once again been honored with various awards for our activities this year.

We were awarded the "Industry Leader" award in the chemicals category at the CAPITAL 500 awards. We ranked 3rd on the "Largest Companies in the Aegean Region" list. In addition, according to the Aegean Exporters' Associations' "The Stars of Export List" list, we maintained our regional leadership as the "Export Champion" of the Aegean Region.

In 2024, we implemented several strategic projects for both Petkim and STAR Rafineri, in which we have a stake. The most comprehensive of these was the "STAR Rafineri 2024 Planned Maintenance Shutdown", designed in integration with Petkim, which will ensure the safe and efficient operation of STAR Rafineri over the next 5 years. We successfully completed the planned maintenance shutdown of our refinery in less than two months and in line with the targeted scope. We have also successfully completed the "SCADA" system, which enabled the modernization of Petkim's electrical infrastructure, and the "Petkim Pier-3 Modernization Project", which enhanced the efficiency and safety of Petkim's pier operations. Furthermore, within the scope of our environmental responsibility, we completed the "Petkim Waste Treatment Disposal Unit Improvement Project" to further enhance Petkim's environmental performance. While planning all these projects, we also launched our OHS-E transformation program, the "Journey to Zero Program", at the beginning of the year, with the aim of enhancing our OHS-E performance under our "People First" approach. This transformation program, whose impact we quickly observed in our processes, allowed us to successfully complete the field activities of the projects we implemented throughout the year with safety and high environmental performance.



Throughout the year, we successfully implemented numerous initiatives to achieve our strategic goals, maintain and improve our financial structure, and increase our operational efficiency. In line with our short, medium, and long-term investment strategies, we made investment expenditures exceeding TRY 6 billion despite the low profitability environment. By the end of the year, our total sales reached TRY 79 billion. Aligned with our focus on diversifying our financing sources in 2024, we secured green financing of USD 10 million with a 4-year maturity for the wastewater disposal unit we are working on. Last year, we took pride in being the first company in the petrochemical sector to be included in the BIST Sustainability 25 (XSD25) Index, and in 2024, we continued to uphold this leading position.

Environmental protection is an essential part of our operations and activities; these elements are among the priorities and core responsibilities of our company. In this context, we have once again demonstrated our commitment by allocating USD 13.1 million to our environmental investments and approximately USD 1.3 million to our environmental R&D efforts in 2024. Between 2021 and 2024, through our "My Value (Değer Benim)" program, we have implemented more than 40 sustainability projects. Through these projects, we not only saved water but also reduced our carbon footprint by continuing our energy efficiency initiatives.

At every step, from production to export, we support our country's economic goals and consider enhancing the well-being of society as our fundamental priority. We continue to add value to the future with our strong collaborations and vision for sustainable growth, contributing to Sustainable Growth and a Strong Economy. During the reporting period, in line with our goal of increasing efficiency at Petkim, we continued activities in quality management systems, continuous improvement, agile value creation, customer solutions, operational analytics, change management, and product compliance.

By prioritizing local development, we worked with local suppliers, who constitute 85% of our supplier network, in 2024. With our strong focus on promoting local development, we partnered with local suppliers, who account for 85% of our supplier network, in 2024.

Through our projects that support social development, we aim to enhance individuals' quality of life, strengthen equal opportunities, and build an inclusive future. We take responsibility across a wide range of areas, from education to working life, gender equality to occupational health and safety, and contribute to sustainable development through projects that have a significant social impact. In this context, we made a training investment of USD 722 per employee, resulting in a total of 136,528 hours of training.

Our social responsibility projects in areas such as education, health, and the environment show that we are more than just a business organization. We will continue to invest in our social responsibility projects in the coming years, striving to benefit society and contribute to the future of Türkiye.

As we did in the past, we will continue to support our development towards operational excellence with our sustainability perspective, strengthened by our strong organizational structure and culture. I would like to express my deepest gratitude to our employees who have contributed to this process and to all the stakeholders in our value chain. It is with great pride that I present to you, our esteemed stakeholders, Petkim's second integrated annual report.

Sincerely,

Kanan Mirzayev

General Manager of Petkim and

Head of SOCAR Türkiye Refinery and Petrochemical Business Unit



About SOCAR Global & SOCAR Türkiye

SOCAR Global

SOCAR, founded in 1992, the Azerbaijan State Oil Company SOCAR provides the resources of Azerbaijan, one of the wealthiest countries in the world in terms of oil and natural gas, for global development and benefit. In addition to the exploration, production and processing of oil and natural gas resources, the distribution of oil, natural gas and natural gas condensates, the national and international marketing of crude oil and petrochemical products and the supply of natural gas in Azerbaijan are among SOCAR's operations.

Operating globally with liaison offices in 13 different countries, SOCAR has international trade companies incorporated in Switzerland, Nigeria, Singapore and Vietnam along with asset investments in Georgia, Switzerland, Romania, Türkiye, Ukraine and Greece. The most significant one of the strategic projects executed by the Company on a global scale is in located in Türkiye. Playing an important role in the future of two brotherly countries and creating an integrated value chain in the field of energy, SOCAR Türkiye draws its strength from friendship, cooperation and trust. The projects realized in Türkiye in this context are proof of the company's international achievements and strong economic contributions.

Fields of Activity



Exploration



Petrochemicals



Refining and Gas Processing



Transfer



Production



Services





SOCAR Türkiye

As Türkiye's largest integrated industry group, we maintain our leading position in the industry. By operating in the petrochemical, refining, natural gas, trade, transmission, and distribution sectors, we play an active role in various fields of activity.

As a subsidiary of SOCAR, Azerbaijan's state-owned oil and gas company, SOCAR Turkey Enerji A.Ş. (SOCAR Türkiye), we are one of Türkiye's largest oil and natural gas companies. As the strongest representative of the economic cooperation between Azerbaijan and Türkiye, we assume a key role in strengthening the trade and investment relations between these two brotherly countries. The Company was incorporated in 2008, following the privatization of Petkim, upon purchasing 51% shares thereof from the Directorate of Privatization Administration. For 16 years, we have been fulfilling our social responsibility not only economically but also through our contributions to employment and production.

We have the distinction of being Türkiye's largest foreign investor and the largest integrated industrial group. Our facility in Aliğa, which houses the majority of our investments, is the first company in Türkiye awarded with the title of "Special Economic Zone (SEZ)". Owing to the projects that we have realized so far, our total investments in Türkiye reached about 18.6 billion American dollars (USD) in 16 years.

In this context, we stand out not only with our leadership in the industry but also as a significant player representing Türkiye's economic power in the international arena. Integrated operations of the Company offer a promising perspective regarding Türkiye's future based on its contributions to sustainable development and economic growth goals.

SOCAR Türkiye, At a Glance

As Türkiye's largest integrated industrial group with an investment of USD 18.6 billion, we maintain our contemporary and leading position in the market with each of our business units. By keeping our companies in different sectors together, we carry out our business processes in a coordinated and operationally efficient manner. We continue our operations as an integrated group with sectoral diversity that enhances competitive advantage and supports sustainable growth.

Refinery and Petrochemical Business Unit

Petkim

Türkiye's first and only integrated petrochemical producer

STAR Rafineri

Diesel, jet fuel, LPG, reformat and naphtha producer

SOCAR Depolama

Storage and operation

SOCAR Petrol Ticaret

Wholesale and retail sale of fuel oil, air and marine fuels

SOCAR Ar-Ge

Innovative, sustainable, environmentally friendly and market-oriented products and technologies

Other Operations

Liman Operasyonları (SOCAR Terminal ve PETLİM)

The largest container terminal and port activities in the Aegean Region

SOCAR Fiber

Fiber optic line investment for electronic communication

SOCAR Broker

Insurance, reinsurance and damage consultancy services

SOCAR Gemi Acenteliği

Ship agency services in all accessible ports

SCR Müşavirlik

Design, construction and control works, comprehensive renovation and construction

TANAP*

The largest link in the Southern Gas Corridor that will transport Azerbaijani natural gas to Europe over Türkiye

Millenicom**

Telecommunication service provider

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

**Millenicom shares were transferred in the fourth quarter of 2024.

Natural Gas Business Unit

SOCAR Enerji Ticaret

Natural gas and electricity, trading and sales activities

Bursagaz

Natural gas distribution company

Kayserigaz

Natural gas distribution company

SOCAR Türkiye Doğal Gaz Yatırım

Gas import, gas and energy wholesale trade and gas distribution business activities



About Petkim

As Türkiye's first and only integrated petrochemical company, Petkim is the leader in the sector and we have been working with our "Stronger. Together." approach for more than 60 years. Beyond the supply of raw materials, we support sustainable development, contribute to employment and have a strong impact on the economy.

As the export champion of the Aegean Region, our company operates at full capacity with 15 main and 6 auxiliary facilities in Aliağa, İzmir, producing nearly 60 types of petrochemical products. We meet approximately 10.5% of Türkiye's petrochemical raw material needs and supply approximately 50 countries in the international market. With our high value-added products such as thermoplastics, fibers and paint raw materials, we give life to numerous sectors such as plastics, chemicals, packaging, pipes, paint, construction, agriculture, automotive, electronics, textiles, pharmaceuticals, detergents and cosmetics.

We fulfill our environmental and social responsibilities by supporting the experience we have gained in the sector for many years with multiple investments in energy efficiency, occupational health and safety, process safety, optimum use of resources, orientation towards clean energy sources, product quality improvement and environmentally friendly production processes. As an indispensable raw material supplier to the Turkish industry, we strengthen the national economy while continuing to support sustainable development and improving our support every year.



Corporate Profile, Vision, Mission and Corporate Values

Corporate Profile

As Türkiye's first and the only integrated petrochemical company, we adopt a responsible production approach that respects the environment people and is based on efficiency.

As Petkim, we contribute to the Turkish economy and industry with our experience and expertise attained in over 60 years and our huge production power of strategic importance.

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

Our sustainability performance implemented in 2021 was ranked among the top 10 companies of the world in our category in the global ESG rating which reveals the Environmental, Social and Governance (ESG) performance of our operations. In consequence of all these efforts, we became the first company in the petrochemical industry to be included in the BIST Sustainability 25 Index in previous year.

In 2024, we accelerated our efforts focused on sustainability and digitalization and worked with all our business units to improve our performance in these areas.

Corporate Values



Safety

Safety is our top priority and we are committed to safeguarding our employees, society, environment and future generations through every action we take.



One Team

We are enthusiastic to work as one team firmly believing in the power of co-operation at all levels, both within the company and with external partners, to achieve our goals and objectives.



Accountability

We recognize the scale and impact of our operations. We take responsibility for every step we take in line with our corporate mission, vision and strategy.



Continuous Development

We thrive to continuously learn, share and apply best practices with the aim of overachieving the targets, exceeding expectations and delivering the best possible outcome.



Care

We care for the environment and are responsible in the way we treat it; we care and prioritize well-being of our employees and of the communities we serve.

Working Principles



"Human-Centric" Approach

We prioritize humans in all our decisions and adopt human-focused strategies to ensure excellence.

Strategic Game Plans:

We value having a game plan. To remain flexible and agile in the face of challenges, we always have our Plan B ready.



High Performance Culture

We are developing a high-performance culture that supports continuous professional development.

Our Energy is 'Team Spirit'

We are transforming our energy into ambitious collaborations. We seize opportunities to simplify our work and cultivate a constructive team-oriented approach.



Vision

To strengthen the Turkish economy with our superior petrochemical products.



Mission

To sustain our development which aims for operational excellence with its strong organization and culture, together with our stakeholders.



Milestones

1965 -1970

- Petkim Petrokimya A.Ş. was incorporated with a capital investment of TRY 250 million.
- The construction of the Ethylene, Polyethylene, Chlorine Alkali (CA), VCM (Vinyl Chloride Monomer) and PVC plants at the Yarımca, İzmit were completed and test productions were initiated.
- The resolution to establish a second petrochemical complex in the Aliğa region was adopted.

1971 -1975

- Çanakkale Plastics Processing Plant and Carbon Black, Synthetic Rubbers, Styrene and Polystyrene facilities were commissioned.
- The DDB plant within the Yarımca Complex began its operations. Ethylene and Polyethylene plants were expanded.
- Petkim's capital was increased to TRY 1.5 billion. The foundations of the Petkim Aliğa Complex were laid.

1976 -1983

- Expansion projects for the VCM and PVC plants at the Yarımca Complex were completed. Caprolactam units were commissioned.
- Petlas Lastik Sanayi A.Ş. was incorporated on 19 August 1976, under the leadership of Petkim.
- The company's capital was increased to TRY 8,40 and 100 billion respectively on various dates. Auxiliary plants and shared facilities at the Aliğa Complex were completed.

1984-1989

- Plants at the Aliğa Complex were commissioned.
- The Aliğa and Yarımca complexes were transformed into subsidiary companies as Alpet A.Ş. and Yarpet A.Ş.
- Petkim was brought within the scope of the state privatization program on 28 May 1986 within the framework of Law No. 3291.

1989-1995

- Petkim's capital was raised to TRY 2 trillion in 1990 and then to TRY 3 trillion in 1991.
- Along with the expansion and rehabilitation projects at the LDPE, HDPE, PP and ACN plants of Aliğa Complex and the PVC, PS, CB, SBR, CBR and BDX plants of Yarımca Complex, a significant capacity increase was achieved.

1995-1999

- Petkim was awarded a TS-EN-ISO 9002 Quality Assurance Certificate.
- Petkim's capital was increased by TRY 114 trillion to TRY 117 trillion with the difference being covered from the Revaluation of Fixed Assets Fund.

2000-2004

- An additional facility aimed at increasing the chlorine production capacity of the Chlorine Alkali plant to 100 thousand tons per year has been commissioned.
- Petkim's capital was increased to TRY 204.75 billion. As per the Privatization High Council's decree (the "PHC"), the Yarımca Complex was transferred to Tüpraş.



- The production capacity of the HDPE Plant was increased from 66,000 tons/year to 96,000 tons/year. The production capacity of the PVC factory was improved to increase by 10 thousand tons per year.
- The construction and installation of the Solid-Liquid Waste Incineration Unit began operations in 2003.

2005-2007

- The highest volume investment over the last 18 years was realized. The production capacity of the Ethylene plant was increased from 400,000 tons/year to 520,000 tons/year, production capacity of the LDPE plant was increased from 190,000 tons/year to 310,000 tons/year and production capacity of the PP plant was increased from 80,000 tons/year to 144,000 tons/year.
- In 2007, USD 90 million was invested in the Steam Production and Electricity Generation units and a 57 MW gas turbine was put into operation. Fuel flexibility was achieved by switching to the use of environmentally friendly natural gas in addition to fuel oil.
- The sale of Petkim to SOCAR & Turcas Joint Venture Group, which submitted the second highest bid within the tender process for the privatization of 51% public shares in the capital structure, was approved based on the decision of the Privatization High Council dated 22.11.2007.

2008 - 2009

- 51% of the public shares of Petkim Petrokimya Holding A.Ş. were transferred to SOCAR & Turcas Joint Venture Group on 30 May 2008 for USD 2.04 billion.



- The land of 1,300 decares owned by Petkim was allocated to STAR Rafineri A.Ş. to establish a raw material refinery. Within the framework of growth plans in the field of logistics, a feasibility and detailed terminal planning project were initiated at Petkim port.
- Technology was renewed to provide raw material flexibility and LPG was began to be cracked together with Naphtha.
- As a result of the Integrated Management System Certification Audit carried out by Turkish Standards Institute (TSI), the ISO 9001 Quality Management System Certificate was renewed and Petkim was further granted the ISO 14001 Environmental Management System and TS 18001 Occupational Health and Safety Management System Certifications.

2010

- STAR Rafineri A.Ş. was granted a license for the realization of a 10 million tons capacity refinery investment on Petkim's land. Petkim Limancılık Ticaret A.Ş. was incorporated in order to improve the efficiency of port operations.
- The Enterprise Resource Planning Project (ERP) was launched.
- Petkim's capital was increased from TRY 204,750,000 to TRY 1,000,000,000 by bonus issues.
- Petkim's application filed before EMRA to get a license for establishing a Wind Power Plant was approved on the grounds of the EMRA decision No. 2922-16 dated 15.12.2010.

**2011**

- The groundbreaking ceremony of STAR Rafineri was held.
- Production capacity of AYPE-T Plant was improved by 20%. An agreement was signed for the capacity increase of the ethylene plant.
- The foundations of Heydar Aliyev Vocational High School were laid.
- The Atmospheric Nitrogen and Oxygen plant was handed over to French Air Liquide.
- The land piece located in Yarımca owned by Petkim was sold by tender method.
- After Turcas left the partnership, 51% of Petkim's shares were transferred to SOCAR Turkey Enerji A.Ş.

2012

- A preliminary agreement for operating the container port was concluded by and between Petkim Limancılık Tic. A.Ş., a 100% subsidiary of Petkim, and the Dutch-based company APM Terminals.
- Petkim was awarded the 'National Quality Success Award' given by the Turkish Quality Association (KalDer) and Turkish Industrialists' and Businessmen's Association (TUSIAD).
- The project for to increase the capacity of the Ethylene and PTA plants received the "Strategic Investment Incentive Certificate".
- Petkim, participating in the 'Project for the Improvement of the Energy Efficiency in Industry' contest organized by the Ministry of Energy and Natural Resources with 7 projects that provide an annual income of TRY 58 million and a 140 thousand tons decrease in CO₂ emissions per year, was awarded the first prize in the large-scale manufacturers category. ➔

- The construction of the Heydar Aliyev Technical and Industrial Vocational High School was completed and the school was handed over to Aliğa Directorate of National Education.

2013

- Petkim was awarded the grand prize in the "Energy Efficiency in Industry" category of the National Energy Awards.
- Petkim has been the first industrial institution to obtain ISO 50001
- Energy Management System Certificate among the large-scale industrial institutions consuming energy over 500,000 TEP.
- Petkim crowned its customer oriented efforts with TS ISO 10002 Customer Satisfaction Management System Certificate.
- An agreement for operating the container port was concluded by APM Terminals.
- Petkim Academy was established.
- Petkim was awarded with four prizes in Successful Industrial Enterprises Award Ceremony which is organized traditionally by Aegean Region Chamber of Industry.
- Excavation works for the Petkim Container Port were initiated.
- Petkim became the exports champion of both the Aegean Region and the Aegean chemical industry by realizing an exports figure of 765 million 751 thousand USD.

2014

- A final agreement was concluded with Alstom for the Petkim Wind Power Plant Project (Petkim WPP). ➔

- Goldman Sachs purchased 30% of the shares worth USD 250 million and became a partner of Petkim Limancılık Tic. A.Ş.
- Production capacity of the Ethylene plant was increased by 13% to 588,000 tons/year, while the PTA plant reached a capacity of 105,000 tons/year from 70,000 tons/year. Consequently, Petkim's gross production capacity increased by 13%.
- Petkim's Corporate Governance Rating was affirmed by Kobirate as 9.01.
- Petkim received the ISO 27001 Information Security Management System Certification developed by TSI (Turkish Standards Institution).
- Petkim became one of the 15 companies listed on the BIST Sustainability Index.

2015

- Petkim's new R&D Center was put into service.
- Petkim celebrated its 50th anniversary.
- The production capacity of the PTA factory, which provides raw materials for textile and PET packaging, increased from 70 thousand tons to 105 thousand tons annually.
- Petkim Port was entitled to receive the 'Greenport Certificate' following an inspection carried out by the General Directorate of Maritime Affairs and TSI.
- Petkim was nominated as one of the most digital companies of Türkiye. According to Accenture Digitalization Index of Türkiye, Petkim became the leader of the 'Chemicals and Chemical Products Manufacturing Industry'.
- Petkim was awarded the first prize in the Industrial Energy Efficiency Project Competition organized by the General Directorate of Renewable Energy (GDRE) affiliated to the Ministry of Energy. It was ranked the first in the SEVAP-3 (50,001 TEP and above) category of the competition in which the Company participated with 8 projects and where the projects aimed at improving energy efficiency were evaluated.

2016

- The first phase of Petkim Container Terminal with a capacity of 800 thousand TEU was put into service.
- ACN plant has broken the production records of the recent 31 years and was selected as the 'Best Plant' among all Petkim enterprises.
- Realizing an exports figure of USD 438 million, Petkim received the 'The Company with the Highest Exports Figure in the Aegean Region' and 'The First Company with the Highest Exports Figure in the Chemical Industry' awards.
- Petkim Port Management was entitled to receive the 'Greenport Certificate' for the second time.
- The inspection carried out by TSI for the purposes of TS ISO 31000 Risk Management Verification was successfully completed and the Company was entitled to get the certification.

2017

- Realizing an exports figure of USD 671 million, the Company was awarded as 'The Company with the Highest Exports Figure in the Aegean Region' and 'The First Company with the Highest Exports Figure in the Chemical Industry'.
- While the Ethylene Plant reached a 100% production capacity, a record level production of 3.42 million tons was achieved in total with a record-breaking capacity utilization of 97% in all facilities.
- The installation of the WPP project with 17 turbines and 51 MW (17x3MW) power has been completed and production has started with a 25 MW electricity generation license.
- The construction of the second phase of Petkim Container Terminal has been completed.
- The Corporate Transformation Program titled 'My Petkim' was initiated.
- The digital transformation move was launched and the Deputy General Directorate of Digitalization and Technology was created.

**2018**

- Petkim's first international bills, worth USD 500 million, have been quoted on the Irish Stock Exchange.
- A Share Purchase Agreement (SPA) was signed for the sales and the transfer of shares with SOCAR Türkiye for the indirect acquisition of 18% shares in the capital structure of STAR Rafineri.
- Petkim's world-class digitalization project, Ethylene Furnace Optimization Model (EFOM), was launched.
- SOCAR Türkiye Aliağa Head Office Building and STAR Rafineri were opened with an official ceremony.
- The 1,453 hectare land in İzmir Aliağa, owned by SOCAR Türkiye, was declared as the first Special Economic Zone (SEZ) of Türkiye.
- A sponsorship agreement was signed with the Turkish Sports Federation for the Physically Disabled Boccia National Team.
- The second phase of SOCAR Terminal has started operations.

2019

- With a total production of 3.44 million tons, the highest production figure of all times was achieved and a record was broken in this regard.
- The integration process for SOCAR Türkiye group companies has been completed. With this integration, the subsidiaries of Petkim, STAR Rafineri, SOCAR Türkiye Akaryakıt Depolama and SOCAR Türkiye Enerji Dağıtım were consolidated under the umbrella of the SOCAR Türkiye Refinery and Petrochemicals Business Unit.
- STAR Rafineri delivered the first naphtha produced by SOCAR.
- Türkiye within the scope of refinery-petrochemical integration to Petkim.



- Petkim's Cultural Transformation Program entitled "My Petkim" was popularized to companies in the SOCAR Türkiye Refinery and Petrochemicals Business Unit and started to be rolled out under the name "My Value".
- Petkim was the only company to be selected from Türkiye for the World Economic Forum (WEF) "Global Lighthouse Network" comprising of facilities which best use Industry 4.0 technologies in production.

2020

- A COVID-19 Safe Production Certificate was awarded by TSI upon ensuring a safe working environment during the pandemic. Petkim not only maintained its production without interruption but also contributed to the production of sanitary wares and hygienic masks.
- Petkim was ranked the 3rd in Category 3 (50,000 TEP and above) at the 20th Industrial Energy Efficiency Project Competition.
- Petkim was the company to undertake the highest investment on R&D in the field of Chemicals and Products.
- In order to improve the reliability of STAR Rafineri, electricity supplies for the Utility and Hydrogen Production Units started to be supplied by Petkim.
- Petkim WPP's electricity generation license, which was originally granted for a capacity of 25 MW, was revised to 38 MW.
- The benefit attained from Petkim's integration efforts reached USD 30 million.
- Additional value was created with 31 new projects within the scope of the My Value Program.
- The Agile business methodology ensured a significant improvement in HSE and production performance.

2021

- Petkim was ranked the 8th among 206 companies in the "ESG Rating", where the world's leading institutions are evaluated under the "Environment, Social and Governance" titles in line with its sustainability goals.



- Petkim successfully completed the 'ISO 22301:2012 Social Security-Business Continuity Management System Certification' audit performed by TSI. Thereupon it was granted the new certification.
- Total amount of project proposals implemented within the scope of the My Value Program, which was executed to improve the efficiency and performance, reached USD 110 million.
- Petkim successfully switched to the Agile Working Model for its operations in all plants.

2022

- Petkim was ranked the first in all industries in the "Stars of Export" Awards traditionally bestowed by the Aegean Exporters' Associations (EİB) and became the "Exports Champion" of the chemical industry.
- Petkim ranked in the 22nd place in the Turkish Exporters' Assembly (TİM) Top 1000 Exporters list.
- Petkim was awarded the ISCC (International Sustainability and Carbon Certification) Plus certificate assuring that sustainable production requirements are met.
- Petkim was awarded the Successful Team of the Year Award by the Turkish Quality Association (KalDer) İzmir Branch with its "Capacity Increase and Reduction of Carbon Footprint Project based on 5S Application in the Product Packaging and Storage Areas".

2023

- Petkim repaid its first international bills worth USD 500 million.
- Petkim became the first petrochemicals company to be included in the BIST Sustainability 25 Index.
- Petkim became an indirect shareholder of 12% of STAR Rafineri which is the second largest industrial enterprise of Türkiye.
- Petkim became the "Exports Champion" once again, as in 2022, by ranking at the forefront of the "Stars of Export" list of the Aegean Exporters' Associations.
- Petkim, STAR Rafineri, Bursagaz and Kayserigaz were enlisted in Capital500 within the scope of Capital Magazine's "Largest 500 Private Companies of Türkiye" research.

2024

- Petkim received awards in the categories of "Best Investor Relations Team" and "Best Company in Investor Relations" at the 2024 Europe and Emerging EMEA Equity Awards.
- Petkim ranked 13th in the energy efficiency category in Türkiye's EN-VERIM 100 list, which highlights industrial and exporting companies with the highest investments in energy efficiency and management.
- Petkim secured green financing of USD 10 million with a 4-year maturity for the wastewater disposal unit that it is working on as part of its sustainability goals.
- Petkim's Board of Directors has decided to implement the Master Plan Project, which aims to establish new production units and modernize the existing infrastructure as part of the company's growth strategy. Within the scope of the project, initial feasibility studies have been completed. Pre-FEED and FEED phases of the project are now underway.
- As a result of the evaluation conducted by S&P Global, Petkim ranked 1st in the chemical sub-sector in Türkiye with the highest score in the ESG (Environmental, Social and Governance) category with 43 points.
- We were entitled to receive ISO 56001 Innovation Management System Certification for the first time in the industry in the world and TS EN ISO 17483-1 Protection of Critical Infrastructure for the first time in Türkiye.
- Petkim increased the amount of the USD 300 million loan agreement signed with J.P. Morgan Securities PLC in January 2023 to USD 400 million and extended its maturity to December 2027.
- STAR Refinery, in which Petkim has a 12% indirect partnership, has successfully completed its first planned major maintenance.



Highlights of 2024 at Petkim



ENVIRONMENTAL

- We invested **USD 13.1 million** in environmental investments.
- We invested **USD 1.3 million** in environmental R&D studies.
- We realized **USD 29 thousand** in environmental donations.
- We provided **3,345 hours** of environmental training to **2,398 employees**.
- We reduced our energy consumption from nonrenewable sources by **8%**.
- We implemented more than **10** projects within the scope of the My Value Program.
- We prevented **17 thousand tons** of CO₂ emissions.
- We saved **96 tons** of water.
- We reduced our emission intensity by **1.28%** compared to 2023.
- We reduced our Scope 1 and 2 emissions by a total of **12%** compared to 2023.
- By 2023, we reduced our water consumption by **6%** and our wastewater amount by **10%**.
- By 2023, we reduced our waste amount by **46%**.



SOCIAL

- We increased the number of female employees by **11%** compared to the previous year.
- We provided **136,528 person*hours** of training to our employees.
- We provided **80,087 person*hour** HSE training to our employees.
- Our female manager ratio increased to **22%**.
- **70%** of our total employees were covered by collective labor agreements.
- Local suppliers accounted for **85%** of our supplier portfolio and **82%** of our procurement budget.
- We donated TL **1.2 million**.



GOVERNANCE

- In 2023, we were proud to be the **first company** in the petrochemicals sector to be included in the BIST Sustainability **25 (XSD25)** index, and we maintained this pioneering position in 2024.
- We achieved a score of **47th** in S&P Global and **22.7th** in Sustainalytics, while reaching **A level (Excellent Sustainability)** in Fortune Türkiye and Criff Türkiye.
- We continued our efforts in line with TSRS expectations.
- Within the scope of our Sustainability Roadmap project, we accelerated our efforts, reviewed and updated our sustainability material issues. Monitoring was initiated at the Presidency level and a **Group Directorate** was established.
- We strengthened our internationally awardwinning Middle Office project, which we developed to manage financial risks more effectively, with new integrations and won **three international awards**.



ECONOMIC

- At the Aegean Exporters' Associations Stars of Export Awards, we were selected as the Aegean Region **Export Champion** in both the general ranking and the chemical sector category in 2024.
- Our 2024 investment expenditures amounted to **TRY 5 billion**.
- With our focus on creating sustainable economic value, our total sales reached **TRY 77 billion**, while total exports amounted to **TRY 30 billion**.
- We realized a total of **TRY 30 billion** in exports, including **TRY 17 billion** in direct exports and **TRY 13 billion** in transit exports.
- Our investment in Technology, R&D and Innovations reached **USD 4.9 million**, while the number of our researchers reached **42**.



Awards



S&P Global

As a result of the evaluation conducted by S&P Global, Petkim ranked 1st in the chemical sub-sector in Türkiye with the highest score of 43 points in ESG.



Aegean Region Chamber of Industry (EBSO) Aegean Region's Largest Companies List

We ranked 3rd in the list of "The Biggest Companies of the Aegean Region".



CAPITAL 500 List and Award

Petkim ranked 48th in the "CAPITAL 500" list. At the "CAPITAL 500" awards, we were deemed worthy of the "Leading Company of its Sector" award in the chemistry category.



Aegean Exporters' Associations Stars of Export Awards

In the "Aegean Exporters' Associations Stars of Export Awards," we were selected as the Aegean Region Export Champion in 2024, both in the general ranking and in the chemical sector category.



Industrialists and Exporters Spending the Highest Amount of Money on Energy Efficiency and Management (Türkiye EN-VERIM 100)

We ranked 13th in the "Energy Efficiency" category of the "Industrialists and Exporters Spending the Highest Amount of Money on Energy Efficiency and Management" (Türkiye EN-VERIM 100) survey, which was conducted for the first time this year in cooperation with Turkishtime and the Energy Efficiency and Management Association (EYODER).



9th Productivity Project Awards

We ranked 2nd in the "Process Improvement Category" at the "9th Productivity Project Awards".



Horizon Interactive Awards

We won a silver award for our Corporate & B2B Website at the "Horizon Interactive Awards".



2024 Europe and Emerging EMEA Equity Awards

We received the Best Investor Relations Team and Best Company in Investor Relations awards at the "2024 Europe and Emerging EMEA Equity Awards".



Ministry of Energy and Natural Resources - Energy Efficiency in Industry Project Competition

With our Hydrogen Generation Unit (HGU) optimization project, we were awarded the first prize by the Ministry of Energy and Natural Resources in the Industrial Energy Efficiency Project Competition Category-3 (50,001 TOE and above).



Stevie Awards 2024

At the Stevie Awards 2024, we received a silver award in the "Company of the Year - Energy" category.



Best in Biz Awards

With the Agile Business Model, we won the Gold Award in the "Best New Service of the Year" category at the Best in Biz Awards. At the same award ceremony, we were awarded silver in the "Company of the Year" category and bronze in the "Enterprise Software of the Year" category.



MENA Stevie Awards

We received a bronze award in the "Innovative Achievement in Sustainability" category with our Aliağa Energy Optimization Project.

We received a bronze award in the "Innovative Achievement in Human Resources" category with the GEN-D program.

We received the gold award in the "Award for Innovation in Human Resources Management, Planning & Practice" category with the GEN-D program.

We received the gold award in the "Career and Workforce Readiness Solution" category with the GEN-D program.





We are *together* in Sustainability and Corporate Governance!

We embrace sustainability and corporate governance principles to leave a responsible legacy for future generations and to lead by example in the business world. With a commitment to transparency, accountability, and ethical values, we strive to create value for all our stakeholders. Guided by the motto **"We are together in Sustainability and Corporate Governance!"**, we are working toward a more responsible and sustainable future!"



We are together in Sustainability and Corporate Governance!

Corporate Governance

Aware of the fact that the success of companies in our age is measured not only by financial results but also by their impact on society and the environment, we have built our Corporate Governance approach on sustainability principles. We have developed our corporate sustainability approach by including issues such as environmental awareness, ethical behavior, corporate strategy, compensation and risk management to the principles of accountability, transparency, fairness and responsibility, which are accepted as the basis of corporate governance.

In line with the importance we attach to the principle of openness and ethical principles, the announcement of policies regulating business processes and business relations is among Petkim's priorities in corporate governance. For this reason, within the scope of Capital Markets Board (CMB) regulations, every year we take decisions regarding our transactions with related parties and share them with the public.

Our company which has a unitary structure and consists of a president, a vice president and seven members, plays a central role in the implementation of ethical principles and the preservation of corporate culture within the company. The chairman and vice chairman do not assume executive roles. The CEO (General Manager) is not a member to the Board of Directors. Members of the Board of Directors are appointed at the General Assembly. Committee members are determined by the Board members appointed after the General Assembly. Regulations within the scope of CMB legislation are taken into consideration regarding the committee memberships. Pursuant to CMB legislation, 1/3 of the Board of Directors must be independent members.

Accordingly, there are a total of 3 independent members on the Petkim Board of Directors. Independent members are appointed in line with the criteria set out in the CMB legislation. The vacant Board member seats are replaced within the scope of the Turkish Commercial Code and submitted to the approval of the General Assembly.

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

The shares of the board members in the Company cannot exceed 5% throughout the financial year and this issue has been regulated in the independence statements of the independent members.

Shareholders have the right to vote on the appointment and removal of directors; this issue has further been regulated in the Turkish Commercial Code and the Company's Articles of Association.



Average term of office for current Board members is **1.5 years.**

Role	Board of Directors	Date of First Appointment to the Board of
Chairman	Anar Mammadov	15.09.2023
Vice Chairman	Kanan Najafov	09.09.2021
Member	Zaur Gurbanov	09.09.2021
Member	Elchin Ibadoy	22.04.2024
Member	Ömür Önk	24.04.2024
Member	Esra Niğde Şahiner	24.04.2024
Member	Bekir Emre Haykır	05.09.2022
Member	Naciye Kurtuluş Sime	06.05.2024
Member	Sedat Saruhan	19.08.2024



In case a Board member serves as a manager or board member or provides consultancy services to another company, the position in question should not cause a conflict of interest and should not disrupt the member's role in the company. Therefore, the board member's undertaking other duties or tasks outside the company has been restricted or subjected to certain rules. The principle governing that the duties of a board member outside the company and the reasons thereof should be submitted to the approval of the shareholders together with the agenda item regarding the appointment at the general assembly meeting where the appointment is discussed, making a distinction between whether such duties are within the group and outside the group, is partially complied with. There are no restrictions on Board members' assuming other duties outside the company. Investors are informed about extra duties undertaken by the members of the Board of Directors outside the company, particularly in the annual reports. Members of the Board of Directors devote as much time to company affairs as their duties require. No change is foreseen in the future management practices of the partnership within the framework of the said principle.

The Board of Directors holds regular board meetings throughout the year and meets extraordinarily when necessary to discuss the development, approval and updating of the organization's purposes, values and mission statements, strategies, policies, and goals with regard to economic, environmental and social issues.

Board of Directors' meetings are held meticulously in order to improve the knowledge level of the Board of Directors and the CEO on current economic, environmental and social issues. In addition to these meetings, a detailed 'monthly activity report' covering the issues such as macroeconomic overview, operational and financial highlights, updates on business units and HSE incident rates are periodically prepared and shared with the Board of Directors and managers every month.

The participation rate in the Board of Directors meetings held twice in 2024 was determined as **88%.**

Annual General Assembly Meetings

Petkim



PDP Notification Date
20.05.2024



Meeting Date
13.06.2024

Participation in Board Meetings

Board Member	Number of Meetings Scheduled	Number of Meetings Held
Anar Mammadov	3	3/3
Kanan Najafov	3	3/3
Zaur Gurbanov	3	2/3
Elchin Ibadov	3	3/3
Ömür Önk	3	3/3
Esra Niğde Şahiner	3	2/3
Bekir Emre Haykır	3	3/3
Naciye Kurtuluş Sime	2*	2/2
Sedat Saruhan	2*	2/2
Murat Zaman	1	0/1
Teymur Abasgulyev	-	-/-
Mehmet Celal Savaş	-	-/-
Sibel Uğur	-	-/-
Neslihan Tonbul	-	-/-

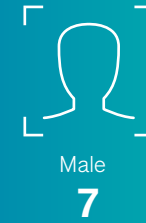
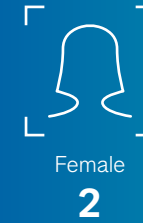
*They attended both meetings after their appointment.



Issues of Competence of the Highest-Level Governance Body

Board Members	Anar Mammadov	Kanan Najafov	Zaur Gurbanov	Elchin Ibadov	Ömür Önk	Esra Niğde Şahiner	Bekir Emre Haykır	Naciye Kurtuluş Sime	Sedat Saruhan
Management in Global Organizations	X	X	X	X	X	X	X	X	
Finance	X		X	X	X		X	X	
Corporate Governance	X	X	X	X	X	X		X	X
Supply Chain	X	X							
Human Resources, Employee Rights and Remuneration		X	X	X	X	X			X
Marketing and Sales	X	X		X	X				
Sustainable Financing and Investment	X		X	X	X		X	X	
Strategy and Risk Management	X	X	X	X	X		X	X	X
Sustainability		X		X	X				
Audit and Control	X	X	X	X	X		X		X
Digitalization	X	X	X	X	X				
Employee Rights and Social Security	X		X			X			X
Industrial Experience	X	X	X	X	X	X	X	X	X
R&D and Innovation	X			X	X				

Distribution of Board Members by Gender

Number of Board Members
by Independence and Gender StatusDistribution of
Board
Members by
Citizenship

Türkiye



Azerbaijan



44% of the Board's members
have a cultural background
different from where the company
headquarters is located.

Term of Office of the Board Members (Year)

	Anar Mammadov	Kanan Najafov	Zaur Gurbanov	Elchin Ibadov	Ömür Önk	Esra Niğde Şahiner	Bekir Emre Haykır	Naciye Kurtuluş Sime	Sedat Saruhan
Term of Office of the Board Members	>10	>10	>10	>10	>10	>10	>10	>10	>10



The Board of Directors' Committees

Deriving our strength from our deep-rooted corporate culture, we adopt a transparent, effective and integrated business approach. The Board of Directors' Committees at Petkim consist of the Early Detection of Risk Committee, Audit Committee and Corporate Governance Committee. The Corporate Governance Committee meeting was held once in 2024. The Audit Committee met 4 times and 6 Early Detection of Risk Committee reports were presented. All Board members participated in these meetings. The committees proceeded through solutions and reports without holding meetings in person and the members were further informed.

Audit Committee



Early Detection of Risk Committee



Corporate Governance Committee



For more detailed information about the committees, please refer to the **Board of Directors Annual Report in the Annexes.**

Senior Management Remuneration Policy

As Petkim, we adopt a balanced and competitive remuneration policy in all SOCAR Türkiye group companies that we are involved in. The pillars of this remuneration policy are based on market data. In order to compete strongly in terms of talent and qualifications, we closely follow the developments in global and local markets and take the right position in terms of wages and rewarding. The rewarding provided to senior managers comprises of two main components: "Fixed (Base) Wage" and "Variable Wages". Fixed wages paid to senior managers are determined in accordance with international standards and legal obligations taking into account the remuneration policies applicable in the market, the size of the company, long-term goals and individual's positions. An annual "Performance Bonus" is paid in addition to the fixed wage. The performance bonus budget is decided by the Board of Directors and the distribution of the bonus is decided by the Remuneration Committee, a sub-committee of the Board of Directors, taking into account the company's performance.

For the purpose of assessing the performance of senior managers, compliance with the principles of long-term sustainable improvement as well as Environment, Social and Governance policies are also taken into consideration in addition to financial targets.

The Talent Committee meets once a year for the succession planning of the Senior Management. The committee executes an assessment process for all candidates on the succession list and decides unanimously on the short-, medium- and long-term succession plans. Shareholders have the right to vote on the compensation paid to directors. This right is regulated in the Turkish Commercial Code (TCC) and the Company's Articles of Association. As the General Assembly is authorized to resolve on the distribution of the wages pursuant to Article 394 of the Turkish Commercial Code, a general assembly resolution should be adopted for the distribution of the wages.

Senior Management Remuneration*

Total compensation paid within the scope of Board membership is

USD 403,795

Total compensation paid to senior managers is**

USD 3,337,368

*The General Manager incentive pay is not associated with shareholder returns. Long-term incentive plans extended for Senior Executives cover a period of 3 years.

**Includes the President, Vice President and Group Director.





Corporate Risks & Risk Management

Corporate Risk Management

At Petkim, we have adopted a transparent, accountable, fair and responsible risk management process that is compatible with variable business and environmental conditions and pro-actively addresses risks and opportunities that may affect our operations and our stakeholders. We evaluate the risks arising from our current activities along with the risks that may have the potential to affect our operations and future performance in the short, medium and long run and we take relevant precautions and actions accordingly.

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

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

SOCAR Türkiye Risk Management Unit, which assumes a key role within the organization to provide support to the senior management and relevant business units, works affiliated to the Board of Directors in accordance with the ISO 31000 Risk Management Standard and other international standards. We refer to the "SOCAR Türkiye Risk Appetite Declaration" " approved by the Board of Directors in 2020 and examples of best practices around the world. We have developed the Risk Appetite Tolerance Limit Policy, which determines the approach to determining, monitoring and reporting the approved Risk Appetite Statement, in order to support the implementation of the risk appetite concept. This document provides a methodological guidance across the organization to define the implementation of required activities.

New metrics were introduced and necessary updates were made in the process of reviewing the Key Risk Indicators and Exposure Metrics regarding tracking and monitoring efforts to comply with next year's strategic operational goals and planning. Thus, the efficiency, objectivity and independence of the process has been guaranteed.

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

Besides monitoring our risks and opportunities at regular intervals, we further support our decision-making processes from a risk perspective by making situation-specific risk assessments at strategic investment demands that we may encounter in business processes, critical stages of projects and decision moments that may significantly affect operations. The Early Detection of Risk Committee prepared 6 reports evaluating the Committee's performance and the risk management activities undertaken in 2024 and presented them to the Board of Directors.

Within the scope of our corporate risk management approach, we analyze our risks in 6 main categories in 2023 and in 7 main categories as of 2024.

Throughout the reporting period, in addition to Petkim's traditional risk registry list, we developed our ESG (Environmental, Social and Governance) risk registry including our climate-related risks, in which sustainability risks are fully integrated into the process and updated this registry specifically for Petkim. We re-evaluated the risk headings in our risk registry, which was developed as the end of a comprehensive workshop held with the attendance of relevant individuals from all business units, taking into account the global sustainability agenda, mega trends and current reporting standards such as the Paris Climate Agreement, European Green Deal and Net Zero Carbon. We grouped them under environmental, social and governance headings. The list was developed taking into account the requirements of the ISO 31000 Risk Management System Standard as well as the TSRS Standards. Our assessment includes the short-, medium- and long-term consequences of the risks, their connections with the climate (physical, transition), maturity, severity, probability of occurrence, the measures and actions adopted to manage the risk in the short, medium and long term, emerging opportunities, relevant capital element and also further material issues that may be related to the risk.

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





Business Continuity and Crisis Management

Ensuring the continuity of our operations in a sustainable manner as well as the safety of all our stakeholders in case of a crisis are among our priority issues at Petkim. We follow the business continuity and crisis management issues within the framework of the Business Continuity Management System implemented throughout SOCAR Türkiye. We strive to effectively identify, measure and manage the risks that may arise by evaluating the effects of events, which may jeopardize the continuity of our products and services, in accordance with our risk management processes.

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

Internal and external audits along with the management reviews specific to Petkim were carried out within the scope of management system activities and it was decided to maintain the ISO 22301 Business Continuity Management System certificate. We further organized trainings and events to raise awareness throughout the organization about business continuity and crisis management. We have finalized the infrastructure and maintenance works for the main and backup data centers based on the uninterrupted continuity of processes.

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

Use of Disaster Management Software:

With this software, it is aimed to obtain a digital crisis management tool that enables coordination between the teams responsible for the management of the incident in emergency/ crisis situations that SOCAR Türkiye and its group companies will face, instant observation of SOCAR's assets affected by the crisis, effective management of the incident with minimum damage and the fastest provision of the resources needed.

Improvement of Crisis Communication Channels:

SOCAR Türkiye and its group companies aim to establish communication infrastructures and diversify crisis communication channels in order to minimize communication interruptions in crisis situations, ensure accurate and fast information flow by preventing information pollution, consolidate corporate reputation and protect stakeholder trust.

Climate Risk Management:

Within the scope of threat and opportunity management due to climate change, we plan to establish location-based and physical climate risk management processes in the coming periods.

The details of the "Master Plan" project, one of our long-term strategic investments, were shared with the public in early 2025. Within the scope of the project, important steps are planned for the establishment of new petrochemical production units and the modernization of existing facilities. Accordingly, within the scope of the "Master Plan" project, the study of physical climate risks will be important for engineering studies and the realization of long-term goals.

Strategic Risk Management:

Within the scope of our strategic risk management efforts, we aim to unify performance and risk reporting and to support strategy success from a risk management perspective. We also aim to further develop quantitative risk measurement methodologies and incorporate them into decision-making processes.

Third Party Risk Management:

With our third-party risk management efforts, we aim to identify, evaluate and control potential risks that may affect our company's business processes by using regular monitoring, evaluation and communication channels to ensure that suppliers, service providers and business partners operate within the framework of the organization's standards and risk appetite.

You can access our SOCAR Türkiye Corporate Risk Management and Business Continuity Policy [here](#).



You can access our Petkim's risk management policies and business continuity efforts [here](#).





Corporate Risk Management Practices

We conduct Company activities in a transparent, accountable, fair and responsible manner. The Board of Directors establishes internal control systems, including risk management, information systems and processes that can manage the effects and probabilities of risks that may affect the stakeholders of the Company, particularly shareholders, by taking into account the opinions of the relevant Board committees.

The Risk Management Policy sets out the approach to identifying and managing risks of SOCAR Türkiye and its group companies, including Petkim, and the responsibilities of the Board of Directors, management and other employees within the company in relation to risk management. The Policy aims to embed the need for risk management as part of the corporate culture, where a shared understanding of risk enables well-informed decision-making, and to define the principles to which SOCAR Türkiye and its group companies adhere in order to achieve risk management objectives. In order to systematically manage corporate risk management activities, we have categorized the company risks into 7 main categories based on the SOCAR Türkiye Risk Appetite Declaration document: **ESG (Environmental, Social, Governance), HSE risks, compliance risks, reputational risks, operational risks, financial risks and strategic risks.**

ESG Risks

In addition to the traditional risk register list, Petkim has created an ESG (Environmental, Social and Governance) Risk Register List that examines sustainability risks in line with global concepts such as the Paris Climate Agreement, the European Green Deal and Net Zero Carbon, as well as sectoral needs. While creating this list, we took into account the requirements of the ISO 31000 Risk Management System Standard.

In addition to risk definitions, we published our Petkim threat and opportunity analyses, which were developed with a focus on ESG, within the scope of risk definitions, short, medium and long term consequences of risks, links to climate (physical, transition), maturity, severity, probability of occurrence, measures and actions we have taken to manage the risk in the short, medium and long term, opportunities arising, and material issues arising from the Materiality Analysis that may be related to the risk, taking into account IFRS S1 standards and requirements.

HSE Risks

The Board of Directors also prioritized risks specific to HSE. Risks in this category primarily involve human life and health, but also the environment, biodiversity, society, operational safety and other similar issues. In this context, we have developed a specific risk management process to respond in a timely and effective manner to risks arising from climate change, which may be triggered by global trends and sectoral needs.



Compliance Risks

Based on the absence of any risk appetite by the Board of Directors for non-compliance with local legislation, regulations and other regulatory items, initiatives were taken to establish various governance structures within the company.

Different governance mechanisms, control environments and organizational structures were developed to ensure compliance with internal regulations, policies and procedures. We aim to deepen and broaden the established approaches over time.

The Regulatory Compliance Management Digital System (RCM) project is a project carried out by SOCAR Türkiye and its group companies, focusing on objectives such as ensuring compliance with legislation, protecting corporate reputation, managing risks and optimizing business processes. As a result of the RCM project, which hosts the legislation of SOCAR Türkiye and its group companies, we launched the system at the beginning of 2024. Along with compliance with the legislation, all processes such as legislative bulletins, legislative action monitoring reports, legislative draft opinions have also been digitized and thus we have created a corporate memory. We carry out the project with the objectives of ensuring compliance with legal requirements, ensuring long-term success and stability, identifying and managing risks in advance, increasing corporate transparency and making business processes efficient. Within the scope of the project, we carried out activities such as uploading data to the digital platform, systematic reporting, system improvements and enhancements. The digitized regulatory compliance database includes the regulatory obligations of 15 Ministries and 12 Regulatory and Supervisory Administrative Authorities, as well as the administrative sanctions that may be imposed in case of non-compliance.



Accordingly, our risks related to regulatory obligations are also monitored through the system and reported to our senior management. The Regulatory Compliance Report also includes the periods, severity level and details of our risks, and includes both business unit-based and department-based data. Thus, we systematically monitor the regulatory obligations of all business lines in which SOCAR Türkiye group companies operate, such as refinery, petrochemicals, ports, fuel storage, fiber infrastructure support, aviation, logistics and insurance.

The 2024 Competition Compliance Program ("CCP") has been prepared and fully implemented. Within the scope of program, the Online Competition Law Training Module was made available to all employees through the Company's e-learning system, and we have taken the necessary actions to ensure that employees complete their training. In 2024, simulations of on-site examinations were carried out by an expert in competition law and Türkiye's leading academician in this field. During the examinations, we provided a one-on-one, short training to the employees, and we attached importance to making this training interactive. We published an internal information note on "Issues to be Considered During the On-Site Examination" on the in-house screens.

We prepared a summary information note to reinforce the behavior of the company employees in accordance with the Competition Law and to briefly emphasize the actions that the legislation deems contrary to the Competition Law and announced it to all company employees via e-mail. We sent a "Competition Law Annual Compliance Declaration" to all employees, which they had to digitally approve or provide information. During this process, we held working group meetings periodically. We applied to the Competition Board against competition violations against the company, if we believe that they took place in the relevant markets, and we protected the company's interests by following up these applications.





Reputation Risks

As a public company, reputational risks are inherently included in the main risk categories. We have clearly stated that there is no risk appetite for any decision, activity or step that may harm the brand value by the Board of Directors at the highest level regarding the management of reputational risks. We always consider brand value as a priority issue when implementing any process within the company.

In addition to the above, necessary governance mechanisms have been established to prevent bribery, misconduct, abuse and human rights violations that may have a negative impact on reputation as a result of company activities. Prioritizing the protection of the rights of the company's large and small investors and not allowing any victimization in any way is one of the priority topics of reputation risks.

Operational Risks

We developed Risk Control Matrices that provide a risk-based control environment, which is crucial for the effectiveness and efficiency of the organization's overall resilience. We created risk register lists in consultation with risk owners and carried out risk identification, analysis, follow-up and monitoring processes.

Within the scope of operational risks, we work on managing production activities, human resources, information technologies and security risks. We also aim to comply with laws and regulations and protect physical assets through operational risk studies, which basically aim to manage operations in a safe manner.



We pay particular attention to risks that may jeopardize environmental and occupational health during our operations, continuously monitor laws and regulations and provide training to our personnel. In addition, we create emergency response plans and conduct drills to ensure the shortest and most effective response in emergencies. We conduct sample analyses to monitor the compliance of the wastes generated as a result of production with laws and regulations and monitor them on a daily and instant basis. Through periodic audits conducted throughout the year and incident detection and notification forms created on the system, we determined whether the risks arose due to human, process or system reasons and made the necessary corrections. Thus, we made operations safer.

We also monitor the risks in the field of human resources in order to realize company goals and strategies, maximize employee satisfaction and increase corporate loyalty. We carry out our work in this area in line with the principle of employee orientation, which is also among the company values. We increase employees' professional knowledge through trainings in various fields and employee motivation through activities organized for employees. We continuously evaluate and implement actions that can be taken to retain talent, ensure critical personnel redundancy and manage employee loyalty risks.



Our company, which continuously invests in the field of information technologies, tries to manage the risks that may arise in this field, both with its own personnel and by receiving consultancy when necessary. We carry out studies by taking consultancy in program changes and revisions and we implement the suggestions received from consultants as soon as possible. We periodically make backups and take measures to prevent loss of corporate information.

The Security Directorate, which operates to ensure security throughout the company, carries out deterrent and preventive activities with the measures and practices it takes in compliance with the Security Management Standard and relevant laws and regulations. In addition, we make effective use of technology and maintain a sufficient number of tools and equipment. We attach importance to the training and training of security personnel and periodically carry out and supervise activities in this field. In addition to the security measures taken, we also secure company assets with comprehensive insurances.



Financial Risks

Within the scope of financial risks, we manage the company's interest rate, exchange rate, credit, changes in tax regulations and liquidity risks. As a company that constantly monitors national and international economic developments, we take the necessary measures by taking into account the impact of economic developments on assets and liabilities.

In order to manage interest rate risk, we carefully monitor the amount, maturity and interest rates of interest rate sensitive assets and liabilities and balance them in favor of the company. As a company, we carry out high volume of foreign currency transactions both in the purchase and sale of goods. For this reason, we strictly monitor foreign currency transactions within the relevant directorate. We try to manage exchange rate risks mainly through on-balance sheet transactions.

Our approach to managing credit risk is to ensure that there are no unmanageable transactions. We do not take risks and provide full assurance in this regard.

We regularly assess the potential impact of changes in tax regulations and ensure that these risks are minimized through effective management strategies.

As a company that attaches importance to asset-liability balance in the management of liquidity risks, we monitor liquidity on a daily basis to avoid maturity mismatches and payment problems. We actively use systems to facilitate the collection of receivables through credit risk management policies. With this method, we enhance the liquidity of our receivables while simultaneously ensuring their security.

Strategic Risks

Strategic risks consist of different categories of risks that may pose obstacles to the company's short, medium and long-term strategies. We have developed a risk management process specific to strategic risk management. The process is based on an analytical model that enables the calculation and forecasting of the collective impact of strategic risks on the relevant target. Through strategic risk management, we aim to ensure the success of the strategy and data-driven decision making.

This approach supports strategy management to develop and successfully implement plans and tactics in line with the corporate governance structure and business processes, making effective and efficient use of the company's resources. In 2024, in addition to the collective impact assessment of strategic risks on the relevant target, work was carried out to identify scenario-based risks related to projections on financial models affecting strategies and to develop risk measurement methodologies with quantitative methods.

We also aim to align with current strategic priorities and improve the value chain by adding a risk management perspective to investment decisions within the framework of specific demands.

In addition to the activities mentioned above, within the scope of Risk Awareness Activities, we organize activities that support a positive risk culture, such as the publication of quick tips on risk management, risk trainings, quiz competitions with prizes, maturity and awareness assessment surveys, expert group interviews and risk bulletins, in order to support risk management processes at Petkim and increase our employees' awareness of risk culture.





Human Rights

At Petkim, our priority is to operate with a human-centered approach to business. In line with our commitment to protect the fundamental rights and well-being of our stakeholders, we reflect our vision of creating an inclusive and fair business environment that respects human rights. In this context, we regularly publish and update the SOCAR Türkiye Code of Ethics on our corporate website and on the QDMS Integrated platform which is accessible to all employees.

We attach utmost importance to diversity, equality and inclusion in our business processes. As a signatory to the UN Women's Empowerment Principles (WEPPs), a joint initiative of UN Women and UN Global Compact, since 2021, we demonstrate a strong commitment to gender equality and respect for human rights.

We emphasize diversity, equality and inclusion with the values that we have integrated into our business culture, thereby we aim to offer our employees a business environment enriched with a fair, transparent and equality perspective. In this context, we aim to maximize the potential of each employee by creating a work atmosphere where different identities, genders, races and cultures are respected.

We execute our corporate policies and activities in accordance with the fundamental principles governed by the Constitution of the Republic of Türkiye, the United Nations Universal Declaration of Human Rights as well as main agreements and contracts of the International Labor Organization. We thereby meticulously implement the Human Rights Policy that we have constituted in this direction at every level of our company.

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



We further expect our suppliers, customers and business partners to observe the norms in order to ensure that human rights are valued and respected in all operating decisions and processes.

We respect employees' freedom of association, unionization and collective bargaining within the framework of respect for human rights.

Accordingly, we comply with all relevant norms and expect the same sensitivity from our suppliers, customers and business partners. We show absolute respect for our employees' freedom of association, unionization and collective bargaining. We do not tolerate forced labor, abuse of labor and child labor practices and take an active stance against all forms of discrimination.



Business Ethics

As Petkim, we aim for sustainable success by building a strong business ethics culture with adherence to ethical principles. Integrity and honesty are our core values in all of our company's activities and these values guide us in our interactions with all stakeholders in our value chain (suppliers, customers, business partners, etc.).

SOCAR Türkiye Code of Ethics has been constituted based on core values such as trust, agility, inclusion, efficiency, passion and obligation. These codes guide our company's employees, business partners, suppliers and contractors to make the right and ethical choices. As Petkim, we adopt these principles and apply them in all our operations.

SOCAR Türkiye Ethics & Corporate Social Responsibility Committee was established to ensure that the works across SOCAR Türkiye and group companies, including Petkim, are executed in accordance with business ethics and compliance rules. The committee meets regularly under the chairmanship of SOCAR Türkiye CEO. An internal procedure has also been prepared to ensure that the Ethics & Corporate Social Responsibility Committee undertakes its tasks effectively and systematically. This internal procedure is dynamically updated in line with changing needs. The Ethics & Corporate Social Responsibility Committee further undertakes governance tasks to ensure that the corporate social responsibility activities within our company are carried out in accordance with the Code of Ethics and SOCAR Türkiye Values.

As Petkim, we follow certain steps to effectively implement our policy commitments. We allocate responsibilities to business units at different levels in order to effectively fulfill our implementation responsibilities.

Thanks to this integration, we strengthen our sustainable business practices that are aligned with business strategies and supported by operational policies and procedures. We effectively manage and expand external business relationships in order to consistently implement our company's commitments within the scope of external operations. To encourage and promote responsible behavior throughout the organization, we provide comprehensive training programs to guide our employees in understanding and implementing commitments.

SOCAR Türkiye Code of Ethics, which is applied throughout the group, is available on the Petkim website under Ethical Values & Policies heading.



These include preventing corruption and bribery, keeping information confidential, preventing conflicts of interest, avoiding anti-competitive behavior, preventing money laundering and complying with international trade rules. In addition, the code also includes environmental, health and safety issues, as well as an ethics hotline and reporting procedures. In addition, we digitally send an annual compliance declaration to all employees and receive their declarations regarding our code of business ethics.

The protection of personal data and respect for the confidentiality of each individual's personal data is a fundamental human right under the Constitution of the Republic of Türkiye. As Petkim, we meticulously carry out our compliance processes with the Law No. 6698 on the Personal Data Protection Authority ("KVKK") in the light of the Constitution of the Republic of Türkiye, the LPPD and related secondary legislation, as well as sectoral, national and international best practices. By adopting the principle of full compliance with the KVKK as one of the fundamental elements of our business processes, we aim to continuously improve and sustain personal data security standards.

As in previous years, we successfully completed our efforts to comply with the LPPD in 2024. We carried out all the necessary work to comply with the amendments to the LPPD in 2024. In addition, we organized various awareness programs and training activities to raise awareness of personal data protection and privacy within the company. In this context, we increased the level of knowledge of our employees about their obligations and best practices regarding the LPPD and reinforced a data security-oriented corporate culture.

We provide orientation training entitled "SOCAR Türkiye Code of Ethics and the Protection of Personal Data", which also covers the issue of anti-corruption, to all newly recruited employees of our company. In this respect, we have provided digital video training in 2024 to all our employees covering all ethics and compliance issues including the fight against corruption.

Personal Data Management Digital Platform

With the Personal Data Management Digital Platform, which we integrated in 2024, the personal data processing processes of Petkim's departments, especially the Human Resources department, which processes intensive personal data in business processes, were digitalized and made more effective and efficient. This innovative digital system has significantly contributed to strengthening our KVKK compliance processes.



Anti-Bribery and Anti-Corruption

We attach utmost importance to ethical values in order to create a sustainable business structure and provide trust to our stakeholders. In this context, we have established certain governance mechanisms to fight against cases such as bribery, corruption, abuse and human rights violations in order to manage potential risks that may have a negative impact on the results of our activities.

Governments, international organizations and financial institutions around the world apply various rules and restrictions such as anticorruption rules, import and export control rules, economic sanctions regulations and embargoes. As Petkim, we comply with the rules and restrictions implemented by Azerbaijan and Türkiye, the United States of America, the United Kingdom, the United Nations and the European Union, to the extent applicable to our work and we maintain all necessary trade controls in order to conduct our business activities in accordance with these rules and restrictions under our "Zero Tolerance for Corruption" policy.

Compliance Department aims to detect and prevent risks related to bribery and corruption. Our compliance team conducts a business ethics due diligence process to ensure, through a risk assessment, that no potential third party is involved in any bribery and corruption-related activities to the extent possible. Through this process, we evaluate the risk of being exposed to adverse litigation that may expose our managers and employees to direct legal or criminal liability or may have significant financial or non-financial impacts on SOCAR Türkiye group companies.

We further evaluate significant risks such as legal or criminal sanctions that may be imposed as a result of corruption detected due to violation of applicable local and international laws/regulations, important risks such as being banned/restricted from participating in public tenders, administrative audits, investigations and loss of reputation.



Approximate number of business ethics assessments performed regarding the corruption risk over the last three years are as follows:

Operations Assessed for Corruption-Related Risks					
2022		2023		2024	
% rate	number	% rate	number	% rate	number
100	1,379	100	857	100	854

[The Anti-Corruption and Trade Controls Policy](#) is also available on Petkim's corporate website. This policy addresses corruption issues and international trade controls from a detailed perspective and focuses on the fight against corruption. The policy further defines bribery and corruption, details the company's responsibilities for preventing such conduct and safeguards to protect employees who report bribery and corruption violations. It also covers elements such as deductions, facilitation payments and political contributions.

We have an "Ethics Line" contributing to the creation of a transparent, fair and ethical working environment by allowing the safe and anonymous notification of violations such as bribery, corruption and unethical behavior within the company. In this context, our employees and/or third parties can make anonymous notifications via e-mail, telephone and letter on issues such as ethical violations and suspicions of bribery and corruption. The Ethics Line is managed exclusively by authorized persons within the Risk and Compliance Directorate.

Any retaliation or discrimination against those who raise their concerns in this regard shall not be tolerated. Those who attempt to retaliate or discriminate or those who knowingly make false or misleading statements are subjected to disciplinary action.

There is no confirmed case of corruption within the notifications received by Petkim's Ethics Line in 2024.



Economic & Industrial Developments in the World and in Türkiye

The petrochemical industry left behind a year in which global demand contracted, supply chain problems were experienced due to geopolitical tensions, excess supply continued, and margins narrowed. In order to adapt to this situation, restructuring and rationalization efforts of the sector, especially in Europe, came to the fore. In this context, measures were taken to reduce operating rates and close old facilities in Europe, postpone new investments in Asia, and improve export infrastructure in the US.



Global Developments

"In 2024, global inflation fell while demand remained stagnant."

The contraction in the global economy continued in 2024 as a result of the anti-inflation policy. According to the IMF World Economic Outlook report, the growth rate, which was 3.3 percent in 2023, is estimated at 3.2 percent in 2024. Despite the contraction in the economy, the fight against inflation was quite successful. The world inflation rate, which was around 6.5 percent at the beginning of the year, fell to 4.3 percent. Excluding Türkiye and Argentina, the inflation rate in the OECD was as low as 2.4 percent. Economic growth in advanced economies remained unchanged from the previous year at 1.7 percent. Economic growth in China, one of the locomotives of the world economy, fell from 5.2 percent in 2023 to 4.8 percent in 2024. The economic growth rate in emerging markets and countries, which was 4.4 percent in 2023, declined to 4.2 percent. The high growth rate of 5.2 percent in the Türkiye economy in 2023 is expected to fall to around 3 percent in 2024.

In addition to the fight against inflation, the contraction in the global economy was also triggered by the ongoing war between Russia and Ukraine and the Israeli-Palestinian conflict in the Middle East, which increased geopolitical tensions. These developments not only slowed down the global economy but also led to a contraction in international trade. In addition, the Houthi attack on ships passing through the Strait of Hormuz and the drop in the water level in the Panama Canal caused freight costs to rise again, slowing the flow of goods and lengthening delivery times, slowing down international trade and increasing costs.

In 2024, the FED's interest rate cut, the start of the interest rate cut process in Europe, incentives to stimulate the economy in China, and seasonal increases in economic activity in the summer months had a very limited impact on global demand. This is because the re-ignition of conflicts in the ongoing Russia-Ukraine war, Israel's attacks on Lebanon and Beirut after Gaza, and the escalation of tensions in the Middle East overshadowed the optimistic developments in the global economy. Expectations for a recovery in the global economy have been pushed back to 2025.

"Oil prices fluctuated throughout the year."

Oil prices followed a volatile course in 2024 under the shadow of OPEC+ coalition production cuts and geopolitical tensions that escalated from time to time. In this process, the sanctions imposed on Russia and the import ban and price ceiling per barrel imposed by the G7 and EU countries on seaborne oil from Russia were effective. Moreover, Houthi attacks in Yemen targeting ships in the Red Sea caused disruptions in the supply chain, delayed delivery times and increased freight costs.

Volatility and uncertainties in energy and input prices as a result of the OPEC+ coalition's postponement of production increase plans, the closure of oil facilities in Libya, stagnant demand and geopolitical tensions in the sector deeply affected the sector. Oil prices rose from USD 82/barrel at the beginning of the year to USD 95/barrel in the first quarter, but then declined to USD 73/barrel for the rest of the year.

"Global supply growth continued at a slower pace and some new capacity additions were postponed."



Weakening demand conditions in the face of rising global petrochemical capacity, coupled with significant investment in China over the past few years, has led to a prolonged weak cycle in the petrochemical industry. After record increases in 2022 and 2023, China is forecast to invest 18.7 million tons/year of additional petrochemical* capacity in 2024, while global oversupply is expected to persist.

- In 2024, China's investments are projected to account for 23% of global ethylene capacity, a key building block for more than 75% of petrochemical products.
- China is currently the world's largest exporter of polyethylene terephthalate (PET), purified terephthalate acid (PTA), polyvinyl chloride (PVC) and polyester fiber.
- China's polypropylene (PP) exports rose from nearly half a million tons in 2020 to 1.3 million tons in 2023, while net imports more than halved, falling from 6.1 million tons to 2.8 million tons.

*These petrochemical products are ethylene, polyethylene, butadiene, benzene, mixed xylene and toluene.

On the other hand, the ongoing oversupply in the petrochemical sector and the slowdown in the global economy limited the commissioning of new capacities. In China, oversupply in the sector continued to diminish as new capacities came online in 2024. For instance, China was planning to add around 6.6 million tons/year of new PP capacity in 2024, accounting for 78% of global capacity additions. However, only 3.55 million tons/year of new capacity was commissioned in 2024, postponing almost half of China's PP capacity additions in 2024. Similarly, only 1.9 million tons/year of the 3.85 million tons/year of PE capacity planned for 2024 was brought online in China.

While global oversupply limited new capacity additions, existing capacity utilization rates also remained low. Especially in Europe, the capacity utilization rate was reduced to a technical minimum of 65 percent as margins contracted. Despite high oil prices, China and India, which import oil at lower prices than Russia, gained a significant advantage over Europe in energy and input costs. Due to this cost advantage, capacity utilization rates in Asia did not decline significantly.

"Restructuring strategies stand out in the petrochemical sector"

In the petrochemical sector, overcapacity, slowing demand and regional cost differentials have made competitive conditions more difficult. The higher costs of naphtha-based producers in Europe and Asia compared to ethane-based producers, rising energy costs and the closure or restructuring of small-scale old plants accelerated the process.

Some major market players in the petrochemicals sector have announced that they will permanently close or restructure their old plants as a result of rising energy costs, global overcapacity and declining demand. It is stated that approximately 12 million tons of chemical and fertilizer production capacity in Europe is in the process of closure or restructuring.

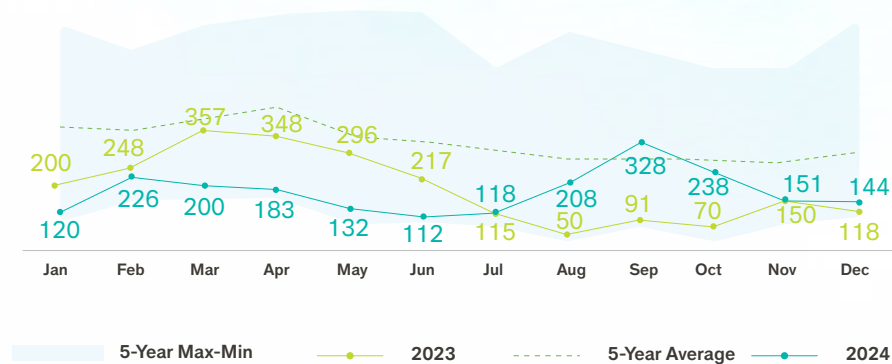
This development, which is described as rationalization in the sector, foresees the closure of new facilities on the one hand, while on the other hand, the production of new products with high added value and low carbon emissions is focused on the production of new products instead of the closed facilities.



"Product margins remain weak, close to levels realized over the last five years"

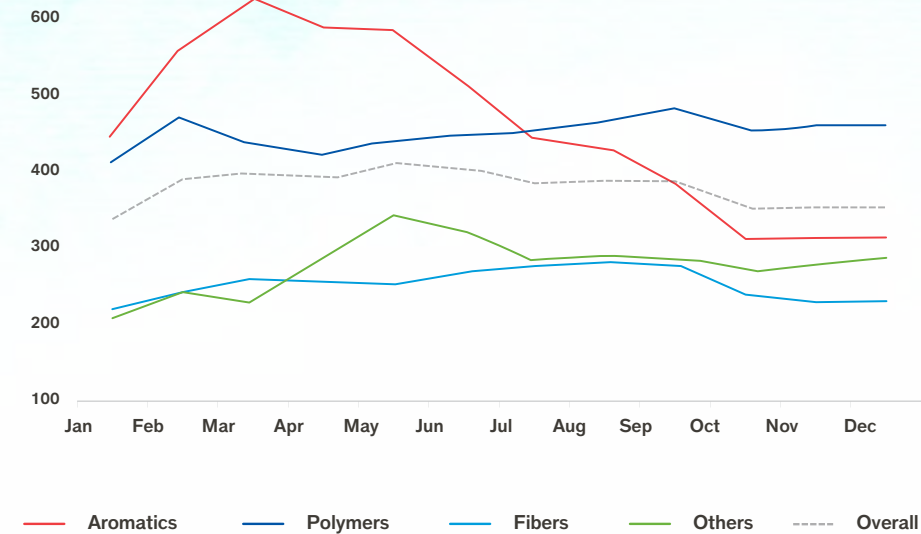
The ethylene naphtha spread, an important indicator in the petrochemical sector, fluctuated throughout the year. After rising from USD 120/tons to USD 226/tons in the first quarter of the year, the spread fell in the second quarter to USD 118/tons in July. Peaking at USD 328/tons in the third quarter, the ethylene naphtha spread fell again to USD 144/tons in the last quarter of the year. The ethylene naphtha shear's performance in 2024 remained at the bottom band of the last five years.

Monthly naphtha - ethylene spread
(CIF MED spot prices) USD/MT



The naphtha spread for aromatic products rose as high as USD 624/tons in the first quarter, before falling steadily to USD 314/tons from the second quarter onwards. Naphtha spreads for polymer products were relatively high. Polymer shear, which was USD 411/tons at the beginning of the year, increased to USD 481/tons during the year and then declined to USD 458/tons at the end of the year. Naphtha shear in fiber group products started the year at USD 215/tons. It increased throughout the first half, reaching USD 339/tons by mid-year. In the second half of the year, it hovered in a narrow range between USD 269/tons and USD 287/

Product group spread
(over naphtha CIF MED) USD/MT



tons.

"We placed a stronger emphasis on attending industry events, trade fairs, and visiting our customers."

Participation in important international events in the petrochemical sector, including EPCA, EPL, AFPM International Petrochemical Conference organized in 2024, was ensured to increase cooperation and trade volume.



Petkim's Sustainability Vision

Sustainability at Petkim

With the comprehensive sustainability roadmap we have adopted at Petkim, we continue to work in line with the sector.

Sustainability Strategy

At Petkim, we focus on supporting sustainable development in all our operations in line with SOCAR Türkiye's visionary sustainability strategy. This strategy aims to meet the expectations of all our stakeholders and contribute to achieving the United Nations Sustainable Development Goals by proactively managing our social, economic and environmental impact areas.

SOCAR Türkiye conducted a Sustainability Roadmap project in 2024 in order to align its sustainability efforts with global standards and SOCAR Head Office efforts, while at the same time creating a unified framework that supports the company's growth strategies, evaluating its sustainability efforts in response to increasing standards, audit requirements and changing industry expectations, and anticipating future opportunities. As a result of the project, it was determined that the ESG approach adopted by us as Petkim should be "sector-compliant" and should be realized in a way that exceeds legal requirements and basic standards, but in a way that includes a strategic link with core business activities. Within the scope of the roadmap study, a comprehensive materiality analysis was conducted for SOCAR Türkiye companies, including Petkim.

Goals:



Decarbonization:

- Reduce CO₂ emissions intensity by 2025.
- Achieve net zero Scope 1 and Scope 2 emissions by 2050.
- Evaluate decarbonization initiatives in strategic investments.
- Utilize potential alternative energies (bionaphtha, etc.).
- Collaborate with alternative energy initiatives through Corporate Venture Capital.
- Apply carbon pricing built into investment decisions



Circular Economy:

- Establishing relationships and developing potential partnerships with recycling actors to capture anticipated business opportunities and their impact on sustainability.
- Considering the use of raw materials derived through recycling in order to take the lead in Turkish recycling industry.



Green Finance:

- Maintaining and improving our good performance attained in ESG assessments.
- Pursuing green finance opportunities to make investments in line with the sustainability strategy.

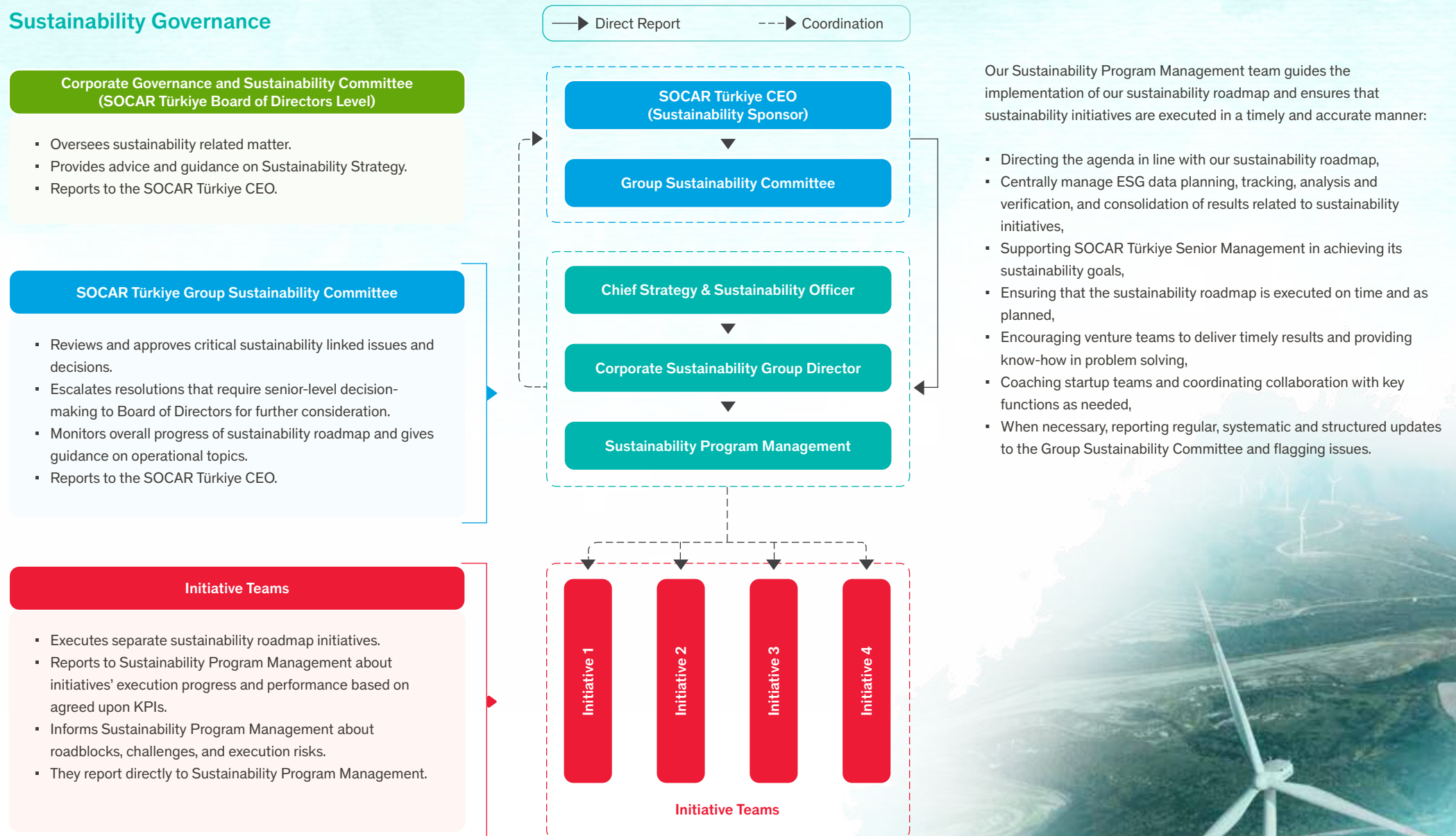


Opportunistic Operating Model:

- Identify members of sustainability work teams to ensure appropriate ESG governance.
- Assign selected teams within business units to drive sustainability initiatives.
- Proactively review the carbon dioxide reduction roadmap by closely following sustainability regulations.



Sustainability Governance





Our Materiality Issues in Sustainability

A thorough understanding of sustainability trends and the views and expectations of our stakeholders from different segments is critical to managing our sustainability strategy. Our materiality analysis and material issues serve as a compass to help us improve our performance and monitor and report on annual progress towards our long-term goals.

We conducted a new and comprehensive materiality assessment in 2024 in order to maintain our sustainability performance in line with the industry and to move our sustainability strategy forward. While conducting our assessment, we took into account the perspectives of ESG-related standards, frameworks and rating agencies, the materiality analyses of our competitor companies, SOCAR Türkiye's sustainability strategy, the expectations and opinions of our internal and external stakeholders, relevant risks and opportunities, and the result of Petkim's materiality assessment last year.

Our assessment, which consists of 3 processes: review of global and sectoral trends, assessment of strategic priorities and final assessment and approval, meets changing ESG requirements, stakeholder views and future trends, and strengthens our business model built on an integrated perspective.

Examination of Global and Industrial Trends

- Legislation/Legal Requirements
- UN Sustainable Development Goals
- Industry Trends & Mega trends
- Other Companies/Competitors in the industry
- GRI Standards
- SASB Industry Standards
- ESG Rating Agencies
- World Economic Forum (WEF) Global Risks Report

Evaluation and Approval

Material issues identified were reviewed by the Group Sustainability Committee and Strategy Team and were re-evaluated within the framework of compliance with Petkim's current business environment, strategic position and current strategic approach to ensure the alignment of key sustainability issues with the business risks and strategic objectives and to integrate them into the materiality assessment.

Materiality Process

Consideration of Strategic Priorities

The following criteria were taken into account to measure the significance of each topic:

- Significance/Impact for stakeholders
- Significance/impact on Petkim's strategy and importance/impact on internal stakeholders

As a result of the assessment we conducted during the reporting period, the topics of "Greenhouse Gas Emissions, Labor Practices and Material Use, Waste and Circularity" became highly important, while the topics of "Air Quality, Diversity, Equality and Inclusion and Digital Rights and Responsibility", which are strategic focus points for SOCAR Türkiye, stood out as material issues for Petkim.

In our materiality analysis, we considered the perspectives of our external stakeholders and leading ESG organizations such as MSCI, S&P Global, SASB, etc. on the axis of material issues for stakeholders, while we considered the views of our internal stakeholders, SOCAR Türkiye leaders, on the axis of material issues for Petkim.



Most Important

- Greenhouse Gas Emissions
- Labor Practices
- Material Use, Waste and Circularity

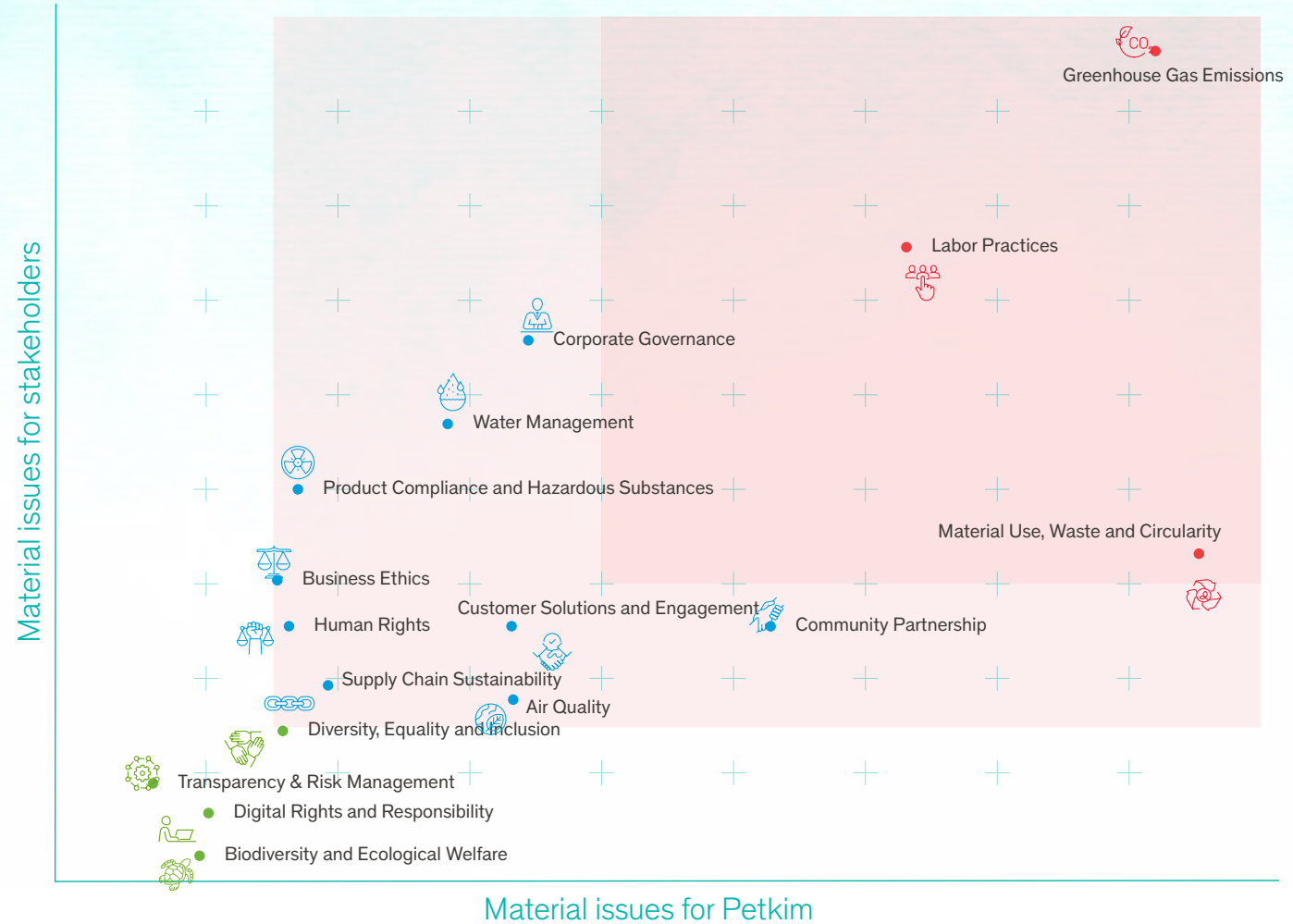
More Important

- Corporate Governance
- Water Management
- Product Compliance&Hazardous Substances
- Business Ethics
- Human Rights
- Customer Solutions and Engagement
- Supply Chain Sustainability
- Air Quality
- Community Partnership

Important

- Diversity, Equality and Inclusion
- Transparency & Risk Management
- Digital Rights and Responsibility
- Biodiversity and Ecological Welfare

Materiality Matrix





Contribution to UN Sustainable Development Goals

Contributed	Sub-Goals	Related Mate- rial Issue	Relevant Capital Item	Relevant Section in the Report	Activities/Projects
	3.9 Reducing the number of deaths and illnesses due to hazardous chemicals and pollution	Labor Practices Product Compliance and Hazardous Substances	Human Capital	SOCIAL - We are together for Investing in People and Society!	HSE Policy
	4.3 Have equal access to quality technical, vocational and higher education 4.4 Substantially develop the relevant skills for decent jobs and entrepreneurship	İş Gücü Uygulamaları Toplum Ortaklığı	Labor Practices Community Partnership	SOCIAL - We are together for Investing in People and Society! We are Together for Social Responsibility!	Talent Acquisition and Development Processes SOCAR Türkiye Academy Continuous Professional Development Program (CPD) GENERATION D Program Business Acumen Program SOCAR Türkiye Volunteers Platform
	5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure full and effective participation and equal opportunities for leadership at all levels of decision-making	Human Rights	Human Capital	Corporate Governance at Petkim SOCIAL - We are Together to Invest in People! We are Together for Social Responsibility!	Human Rights Policy Diversity, Inclusion and Equity Policy WEPs Signing Empowered Together Gender Equality Program Women Leaders Development Program Future Women Leaders MT Program Women Friendly Field Mentor support for Million Women SOCAR Türkiye Volunteers Platform

Contributed	Sub-Goals	Related Mate- rial Issue	Relevant Capital Item	Relevant Section in the Report	Activities/Projects
	6.3 Improving water quality, management of the wastewater and safe reuse	Water Management	Natural Capital	ENVIRONMENT - We are Together in the Fight Against Climate Change!	HSE Policy My Value Program
	7.1 Universal access to modern energy services 7.3 Double the rate of improvement in energy efficiency	Greenhouse Gas Emissions	Natural Capital	ENVIRONMENT - We are Together in the Fight Against Climate Change! Digitalization and Technological Development	Refinery and Petrochemical Business Unit Energy Policy Aliaga Energy Optimization (AEO) Condensing Turbine Load Optimization ISO 50001 Energy Management System
	8.1 Sustainable economic growth 8.2 Achieve high-er levels of eco-nomic productivi-ty through diver-sification, techno-logical upgrading and innovation 8.4 Improve re-source efficiency in consumption and production 8.5 Full employ-ment and decent work with equal pay 8.8 Protect la-bour rights and promote safe and secure working environments	Human Rights Labor Practices	Human Capital Financial Capital Manufactured Capital Intellectual Capital	Corporate Governance at Petkim SOCIAL - We are Together to Invest in People! ECONOMY - We are Together for Sustainable Growth and Strong Economy!	Human Rights Policy Diversity, Inclusion and Equity Policy Employee Orientation Principle Corporate Risk Manage-ment Policy HSE Policy
	9.4 Upgrade infrastructure and retrofit industries to make them sustainable 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors	Digital Rights and Responsibility	Intellectual Capital	ECONOMY - We are Together for Sustainable Growth and Strong Economy! Digitalization and Technological Development	ISO 56002 Innovation Management System Innovation Management Procedure Project Earth STAR Rafineri Product Trade Project Finance and Corporate Risk Management Practices Artificial Intelligence Based Optimization Mandown and Motionless Detection via RF Network



Contribution to UN Sustainable Development Goals

Contributed	Sub-Goals	Related Material Issue	Relevant Capital Item	Relevant Section in the Report	Activities/Projects
	10.3 Ensure equal opportunity and reduce inequalities	Human Rights Diversity, Equality and Inclusion Business Ethics Community Partnership	Social and Relationship Capital	GOVERNANCE - We are Together in Sustainability and Corporate Governance! SOCIAL - We are Together to Invest in People! We are Together for Community Partnership!	Human Rights Policy Diversity, Inclusion and Equity Policy Women Friendly Field Mentor support for Million Women WEPs Signing SOCAR Türkiye Volunteers Platform
	11.6 Reduce the environmental impact of cities	Air Quality	Natural Capital	ENVIRONMENT - We are Together in the Fight Against Climate Change!	Decarbonization strategy
	12.2 Sustainable management and efficient use of natural resources 12.4 Sound management of chemicals and all wastes 12.5 Substantially reduce waste generation	Material Use, Waste and Circularity Customer Solutions and Engagement	Natural Capital Manufactured Capital	ENVIRONMENT - We are Together in the Fight Against Climate Change!	HSE Policy Circular Economy Strategy NEFERTITI Circular TwAln LOUISE
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards 13.2 Integrate climate change measures into policies and planning 13.3 Improve education and human and institutional capacity on climate change mitigation	Air Quality Greenhouse Gas Emissions Material Use, Waste and Circularity Transparency & Risk Management	Natural Capital	Corporate Governance at Petkim ENVIRONMENT - We are Together in the Fight Against Climate Change!	Corporate Risk Management Policy Corporate Governance and Sustainability Committee CO2Fokus LOUISE NEFERTITI Circular TwAln ALGAESOL Sustainable Aviation Fuel (SAF) Production Use of Continuous Emission Measurement Systems (CEMS)

Contributed	Sub-Goals	Related Material Issue	Relevant Capital Item	Relevant Section in the Report	Activities/Projects
	14.2 Protect and restore ecosystems	Biodiversity and Ecological Welfare	Natural Capital	ENVIRONMENT - We are Together in the Fight Against Climate Change	Biodiversity Policy Biodiversity Assessment Report Coastal Cleanup Projects
	15.2 Halt deforestation and restore degraded forests 15.5 Protection of biodiversity and natural habitats	Biodiversity and Ecological Welfare	Natural Capital	ENVIRONMENT - We are Together in the Fight Against Climate Change	Biodiversity Policy Biodiversity Assessment Report Afforestation Works Güzelhisar Dam Project
	16.5 Substantially reduce corruption and bribery 16.6 Develop effective, accountable and transparent institutions 16.B Promote and enforce nondiscriminatory laws and policies	Business Ethics Human Rights	Social and Relationship Capital	Corporate Governance at Petkim SOCIAL - We are Together to Invest in People!	Human Rights Policy Anti-Corruption and Commercial Controls Policy Public Relations Policy
	17.7 Promoting sustainable technologies for developing countries 17.8 Fully operationalize the science, technology and innovation capacity building mechanism for least developed countries 17.17 Encourage and promote effective partnerships	Business Ethics Digital Rights and Responsibility	Social and Relationship Capital Manufactured Capital Intellectual Capital	ECONOMY - We are Together for Sustainable Growth and Strong Economy! ENVIRONMENT - We are Together in the Fight Against Climate Change!	Interaction with Stakeholders - Memberships and Collaborations R&D Activities



How Do We Create Value?

In line with SOCAR Türkiye's sustainability strategy, we monitor and manage our environmental, social, economic and governance impacts with great devotion. In our integrated annual report, which we presented for the second time this year, we transparently share our value creation process and sustainable growth model with our stakeholders. Within the scope of our value creation model, there are resources and many indicators that we follow while achieving our sustainability goals, mainly related to process safety, energy efficiency, occupational health and safety, environmentally friendly production processes and corporate social responsibility within the framework of six capital elements.





Compared to 2023



Data indicative of an increase and positive progress compared to 2023



Data indicative of a decrease or decline compared to 2023



Stable data for 2023 and 2024



Data for 2024 only

Value Creation Model & Capital Items

Capital Items & Our Inputs

Human Capital



- A total of 2,423 Petkim employees
- Average total work experience of employees: 11.5 year
- Total amount of investment provided to employees (wages, benefits etc.): TRY 6,849,383,178
- Investment in occupational health and safety programs and trainings (including Petkim employees and suppliers): 3,553,089 USD
- "My Value Program" in which more than 100 employees from more than 10 departments participated
- Fikrimce Suggestion System

Social & Relationship Capital



- Aid activities, social investment projects carried out in 2024, and educational, environmental, health, animal protection, and social volunteer projects conducted within the scope of the SOCAR Türkiye Volunteers Platform.
- A total of 837 suppliers
- 85% Local Supply Rate (715/837)
- Percentage of Procurement Budget Allocated to Local Suppliers: 82%
- Production and distribution for society
- Contribution to the local communities
- Activities regarding Customer Solutions
- Strong business partnerships with stakeholders

Natural Capital



- Total 14.2 million m3 water consumption
- Total energy consumption: 7.9 million MWh
- Energy Consumption per Ton of Product (GJ/ton of production): 13.19
- Source of crude oil produced
- 43.8 MWe total installed power with 17 turbines within the scope of Petkim WPP
- Sustainable carbon and water management

Financial Capital



- Total Equity: thousand TRY 58,323,706
- Total Assets: thousand TRY 124,552,685
- Turnover: thousand TRY 77,380,795
- Investment Expenditures: TRY 5 billion
- Consolidated operating expenses: thousand TRY (83,648,869)
- Net financial debt: thousand TRY 44,371,128
- Net Profit/Loss: thousand TRY (6,793,803)
- Revenue from sustainable product/service categories (Renewable energy etc.): TRY 310,660,795*

*Consolidated data for the Refinery and Petrochemical Business Unit

Manufactured Capital



- Installed capacity: 3.36 MTA
- 2.05 MTA production in 2024 and nearly 60 petrochemical products
- Annual Gross Production Capacity: 3.6 million ton
- 15 main plants and 6 auxiliary facilities

Intellectual Capital



- 42 researchers working on technology, R&D and innovation projects
- Continuous Improvement and Agile Value Creation Activities
- Operational Analytics Studies
- Quality Management Systems
- Information technologies infrastructure
- Brand value

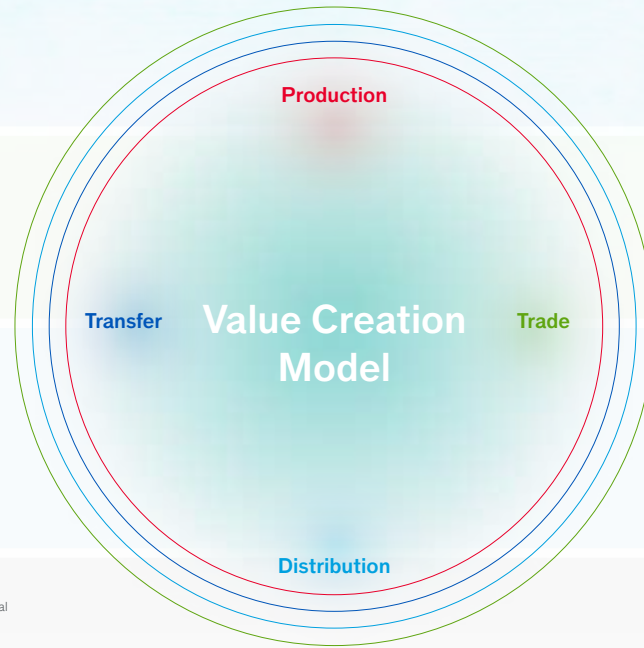
Focus of Our Business Activities

Related Value Chain

Outputs

The Value and Impacts We Create

We are together for 60 Years!
Creating Value Together for Our Stakeholders



- Production
- Trade
- Distribution
- Transportation

- ↑ Percentage of Female Employees: 10%
- ↑ Percentage of Female Managers: 22%
- ↑ Employee Trainings: 136,528 hours
- ↑ OHS training hours provided to Petkim employees: 80,087 hours
- ↑ Turnover Rate: Female: 1.3% Male: 2.6%
- ↑ Percentage of employees covered by the Collective Labor Agreement: 70%
- ↑ The value created by implementing the project suggestions submitted within the scope of the "My Value Program": USD 30 million
- ↑ 19.7 million TL added value with Fikrimce Suggestion System

- Competent and qualified human resources
- Diversity in Human Resources
- Employee Satisfaction
- Employee Trainings and Development
- Encouraging Occupational Health and Safety
- Freedom of association and the right to union

- Distribution

- ↑ Total business volume created for suppliers: USD 279,998,001.54
- ↑ Total number of suppliers that passed the compliance assessment: 282
- ↑ Written or verbal replies to nearly 200 customer requests; Direct meetings with more than 150 customers

- Promotion of social investments
- Community development
- Indirect economic impact
- Customer satisfaction
- Effective stakeholder interactions

- Production

- ↑ A total of 465,199.20 GJ of production in 2024 within the scope of Petkim WPP
- ↑ 5.8% in water savings compared to 2023
- ↑ 9.6% reduction in wastewater production compared to 2023
- ↑ 2.65% reduction in energy intensity compared to 2023
- ↑ 46% reduction in wastes compared to 2023
- ↑ Total environmental investments: USD 13.1 million
- ↑ More than 10 environmental sustainability projects implemented within the scope of the "My Value Program"

- Climate action & environmental sustainability awareness
- Reducing emissions by promoting renewable energy
- Supporting the circular economy
- Energy and water efficiency
- Sustainable ecosystem
- Carbon pricing, legislative changes, compliance with international standard

- Trade

- ↑ Number of commercial products: 25
- ↑ Sales volume of commercial products: 557 thousand tons
- ↑ Net Sales: TRY 77 billion
- ↑ EBITDA: TRY 2,067 million**
- ↑ EBITDA growth rate (2023-2024): -37%
- ↑ Return on Equity: -12%
- ↑ Market Share: 10.4%
- ↑ Export revenue: TRY 30 billion***
- ↑ Financial return on investments/financial gains from investments: TRY 670,082
- ↑ Petkim, which is traded on Borsa Istanbul, is among the top 25 large and liquid companies operating in the petrochemical industry with high sustainability performance.
- *** Includes TRY 17 billion direct and TRY 13 billion transit exports.

- Climate action & environmental sustainability awareness
- Reducing emissions by promoting renewable energy
- Supporting the circular economy
- Energy and water efficiency
- Sustainable ecosystem
- Carbon pricing, legislative changes, compliance with international standard

- Transportation

- ↑ 2.05 MTA production in 2024
- ↑ Sales of Solid Products: 716,236 tons
- ↑ Sales of Liquid Products: 1,115,612 tons
- ↑ Capacity utilization rate: 59.9%
- ↑ Ethylene-Propylene Efficiency: 47%
- ↑ PX, OX and Benzene Efficiency: 32%
- ↑ The Rate of Meeting Türkiye's Need for Petrochemical Products: 11%

- Quality and efficiency of energy supply
- Accessible energy
- Community/social benefit

- Production

- ↑ Total amount of investments in technology, R&D and innovation: USD 4.9 million
- ↑ Environmental R&D investments: USD 1.3 million
- ↑ 11 patents registered, 13 patent applications pending registration

- Innovative applications and services
- Work efficiency
- Digitalization
- Improving employee experience



Current Policies & Management Systems Certificates

At Petkim, we have comprehensive policies, procedures and quality management systems that apply to all our business processes. You can access the details of our relevant policies, procedures and quality management systems from the links below.

Sustainability-Oriented Policies and Procedures



Quality Management Systems Certificates



Procedures:

- Procedure For Strategic and Operational Planning for Government Relations
- Legislation Management Procedure
- Procedure For Permit, Authorization And License Processes
- Procedure For Relations With Government Institutions And Non-Governmental Organizations
- Procedure For Permit Process For SOCAR Türkiye Private Industrial Zone

Quality Management Systems Certificates

- **ISO 9001** Quality Management System Certificate
- **ISO 14001** Environmental Management System Certificate
- **ISO 45001** Occupational Health and Safety Management System Certificate
- **ISO 50001** Energy Management System Certificate
- **ISO 27001** Information Security Management System Certificate
- **ISO 10002** Customer Satisfaction Management System Certificate
- **ISO 31000** Risk Management Guidelines Certificate
- **ISO 22301** Business Continuity Management System Certificate
- **ISO 55001** Asset Management System Certificate
- **ISO 17025** Laboratory Accreditation Certificate

Sustainability-Oriented Policies:

- Information Security Policy
- Laboratory Management System Policy
- Integrated Management System Policy
- Asset Management Policy
- Refinery and Petrochemical Business Unit Energy Policy (R&P BU Energy Policy)
- OHS - E Policy
- Biodiversity Policy
- Anti-Corruption and Trade Controls Policy
- Diversity, Equity and Inclusion Policy
- Human Rights Policy
- Government Relations Policy
- Corporate Risk Management Policy



Quality Management Systems Activities

At Petkim, in accordance with the integrated management system that we adopted and our certifications based on international standards, we transparently, accountably, fairly, and responsibly continue our processes and operations. Furthermore, in pursuit of our goal to manage our processes and activities effectively and with quality, we continued our efforts to obtain certifications for management systems during the reporting period.

While adopting the ISO 9001 Quality Management System to focus on customer satisfaction and service quality at Petkim, we ensure our sensitivity towards the environment and occupational health with ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. We use the ISO 50001 Energy Management System to promote energy savings and adopt the ISO 27001 Information Security Management System to protect our information security. We have applied to get the ISO 10002 Customer Satisfaction Management System certification to ensure our customer-oriented approach and we use the ISO 31000 Risk Management Guide to effectively manage risks. We implement the ISO 55001 Asset Management System to make our asset and resource management sustainable and have applied for ISO 17025 Laboratory Accreditation to ensure the reliability of our laboratory analyses. We implement the ISO 22301 Business Continuity Management System to establish, implement, monitor, review, maintain and improve business continuity.

"We Certified TS EN ISO 17483-1 Critical Infrastructure Protection Standard for the First Time in Türkiye."

We have successfully completed the TS EN 17483-1 Private Security Services Critical Infrastructure Protection Standard certification project at Petkim Company, which ensures the implementation of security services in organizations according to internationally accepted standards, provides guidance in guaranteeing the quality of security by increasing its effectiveness, and enables the protection of infrastructures to become more systematic and organized thanks to certain security measures and procedures.

"ISO 56001:2024 Innovation Management System Certified for the First Time in the Industry in the World"

We have achieved a first in the industry in the world by successfully conducting the transition audit to the ISO 56001:2024 Innovation Management System, which provides guidance/guidance in establishing the support and processes needed to achieve the targeted outputs with the organizations' innovation vision, strategy, policy and objectives, at our SOCAR Türkiye R&D company.

In 2024, we carried out our activities in accordance with the international standard requirements specified with a total of 11 management systems and 1 accreditation.

"EOQ Congress"

We made a presentation titled "Learning From Failures For Building Robust Innovation Culture In The Scope Of ISO 56000 Innovation Management Fundamentals" at the 65th EOQ congress held in France on November 14-15.

"World Standards Day"

On October 14, World Standards Day, we were awarded by the President of ISO (International Organization for Standardization) and the President of TSE for our contribution to the formation of the Innovation Management System Standard.



Interaction with Stakeholders

At Petkim, we have been communicating with all our stakeholders for 60 years based on transparency, accountability, permanence and mutual trust.

As with other companies within SOCAR Türkiye, our Company adopts the "Stronger.Together." approach and adopts an open, participatory and two-way communication model in stakeholder communication. In this context, we effectively use various means of communication with our internal and external stakeholders. In this context, communication is established through various tools such as the corporate intranet platform, satisfaction surveys, electronic mail communication, periodic electronic information publications, in-house television broadcasts, bulletin boards and posters, reputation and satisfaction analyses, training programs, performance evaluation system, one-to-one interviews, work teams, complaint and suggestion platforms. We believe that the effective use of these communication channels contributes to the creation of a systematic structure for stakeholder communication in management systems. We maintain regular communication with different stakeholder groups such as our customers, shareholders, public institutions and NGOs, members of the press and local communities through tools such as the corporate website, social media channels, e-mail notifications, annual reports, sustainability reports, press releases and meetings, social responsibility projects and sponsorship activities.

As the symbol of energy cooperation between the two brotherly countries Azerbaijan and Türkiye, SOCAR Türkiye directly contributes to ensuring Türkiye's energy supply security and reducing its current account deficit. The representation of Petkim, one of the most important subsidiaries of SOCAR Türkiye, which has production and investments of strategic importance for Türkiye, in the eyes of public institutions and organizations, NGOs, customers, media and other external stakeholders, the follow-up of its processes, the implementation of practices regarding its interests, the fulfillment of obligations in all sectors in which it operates, and ensuring the necessary coordination are within the scope of interaction with stakeholders. Petkim ensures the necessary representation in organizations that shape sectoral developments, whether Petkim is a member or not, participates in events, takes part in working groups, and works on critical situations and issues related to the sector in which it operates, taking into account the interests of SOCAR Türkiye and/or Group Companies. In this context, we ensure coordination between internal and external stakeholders.

In international projects, we report in accordance with international performance standards of investments through Social Impact Management and Stakeholder Interaction Studies. We carefully examine and evaluate the feedback received through ethical hotlines and complaint mechanisms, which are also available to suppliers and local residents. ISO 10002 Customer Satisfaction Management System Standard is among the standards we have adopted within our integrated management system.

Stakeholders	Relevant Capital Item	Communication Platform	Communication Method and Fre-quency
National Media	Intellectual Capital, Social and Relational Capital	E-Mail, Telephone, Meetings and Face-to-Face Communication	As Needed and Subject Based
Local Media	Intellectual Capital, Social and Relational Capital	E-Mail, Telephone, Meetings and Face-to-Face Communication	As Needed and Subject Based
Government Institutions	Intellectual Capital, Social and Relational Capital	E-mail, Telephone, Meetings, Face-to-Face Communication and Official Cor-respondence	Continuously and Subject Based
Business Associations/NGOs	Intellectual Capital, Social and Relational Capital, Natural Capital	E-mail, Telephone, Meetings, Membership to Associations, Working Groups, Seminars, Conferences, Pan-els	Continuously and Subject Based
Customers	Social and Relational Capital, Human Capital	E-mail, Telephone, Meetings, Website, Customer Visits, Fairs, Surveys	Continuously and Subject Based
Financial Institutions	Financial Capital	E-Mail, Telephone, Meeting, Webcast/ Teleconference	As Needed and Subject Based
Investors	Financial Capital	E-Mail, Telephone, Meeting, Webcast/ Teleconference	Regular Intervals
Employees	Human Capital	E-Mail, Telephone, Meetings, Face-to Face Communication, Working Groups, In-House Communication, In-House Surveys, e-Bulletins, Corporate CCTV, Intranet Portal (SOHO), Trainings	Continuously and Subject Based
Shareholders	Financial Capital	General Assembly Meetings, One-on-One Correspondence s and Meetings	Regular Intervals
Suppliers	Social and Relational Capital, Human Capital	E-mail, Telephone, Meetings, Face-to-Face Communication, Seminars, Conferences, Panels, Fairs	Regular Intervals
Regular Intervals	Intellectual Capital	E-mail, Telephone, Academic Congresses and Seminars, Training and Technical Assistance , Sponsorships	As Needed and Subject Based
	Social and Relational Capital, Human Capital	E-mail, Telephone, Meetings, Face-to-Face Communication and Official Cor-respondence	Regular Intervals
	Social and Relational Capital, Human Capital	E-Mail, Telephone, Meetings and Face-to-Face Communication	As Needed and Subject Based
Local Communities	Social and Relational Capital	Face-to-face Communication, Telephone, Website and Social Media Channels	As Needed and Subject Based
Lenders	Financial Capital	E-Mail, Telephone, Meetings and Face-to-Face Communication	As Needed and Subject Based
Banks	Financial Capital	E-Mail, Telephone, Meetings and Face-to-Face Communication	As Needed and Subject Based



Memberships and Collaborations

At Petkim, we attach great importance to establishing multifaceted, transparent and mutually beneficial collaborations with various stakeholders. We have a wide network of stakeholders ranging from our customers to our suppliers, from non-governmental organizations to universities. Thanks to this network, we learn the best practices in the sector, develop new ideas and take important steps.

In line with our sustainability and innovation priorities, Petkim closely monitors best practices in the sector through our extensive stakeholder network. Every year, we review this network and create the most appropriate collaborations for our goals.

Organization	Membership Role
Ambalaj Sanayicileri Derneği (ASD)	Member
Dünya Enerji Konseyi (DEK)	Member
Ege Demir ve Demir Dışı Metaller İhracatçıları Birliği (EİD)	Member
Ege İhracatçıları Birliği (EİB)	Member
Ege Plastik Sanayicileri Dayanışma Derneği (EGE PLASDER)	Member
Ege Sanayicileri ve İş Adamları Derneği (ESİAD)	Member
İstanbul Kimyevi Maddeler ve Mamulleri İhracatçıları Birliği (İKMİB)	Member
İstanbul Maden ve Metaller İhracatçı Birliği (İMMİB)	Member
Kalibrasyon ve Deney Laboratuvarları Derneği (TÜRKLAB)	Member
Kauçuk Derneği	Member
Tedarik Zinciri Yönetimi Derneği (TEDAR)	Member

Organization	Membership Role
Türkiye İnsan Yönetimi Derneği (PERYÖN)	Member
Türkiye Kalite Derneği (KALDER)	Board Member
Türkiye Kimya Sanayicileri Derneği (TKSD)	Board Member
Türkiye Kimya, Petrol, Lastik ve Plastik Sanayii İşverenleri Sendikası (KİPLAS)	Chairman of the Board
Türkiye Kojenerasyon ve Temiz Enerji Teknolojileri Derneği (TÜRKOTED)	Member
Türkiye Liman İşletmecileri Derneği (TÜRKLİM)	Board Member
Türkiye Odalar ve Borsalar Birliği (TOBB)	Member
Türkiye Rüzgar Enerjisi Birliği (TÜREB)	Member
Türkiye Teknoloji Geliştirme Vakfı (TTGV)	Member
Türkiye Yatırımcı İlişkileri Derneği (TÜYİD)	Member
UN Global Compact (UNGC)	Member



We are together

**for Sustainable
Growth and Strong
Economy!**

We support the economic goals of our country at every step from production to exports and see increasing the welfare of the society as our main priority. We continue to add value to the future with our strong collaborations and sustainable growth vision by saying **"We are Together for Sustainable Growth and Strong Economy"**.



We are together for Sustainable Growth and Strong Economy!

We are Together for Economic Value!

With our superior petrochemical products, we strive to strengthen the Turkish economy and increase the global competitiveness of our industry. While providing uninterrupted support to the growth of the Turkish economy and increasing employment, we contribute to sustainable development with our innovative solutions.

Sustainable Economic Value Created

At Petkim, we implement sustainable and profitable growth strategies by focusing on creating long-term economic value. We allocate our financial capital to relevant investments in line with our short, medium and long-term strategies.

We keep on shaping the future and supporting the innovation and change in our industry with the investments realized in cooperation with SOCAR Türkiye group companies. We have determined occupational health and safety, process safety and business continuity of our plants as priority issues in our investments realized during the term subject to this report. We implemented our projects quickly by regularly holding investment board meetings and making the necessary reporting. We further prioritized the projects with high added value as a result of technical and financial analyses while determining investment budgets throughout the year. With this approach, we used our resources in the most efficient way, allocated our budgets to the right projects and continuously monitored the progress of projects on a monthly basis.

In addition, we created short, medium and long-term investment strategies taking into account Petkim's cash flow, and in line with these strategies, our investment expenditures in 2024 amounted to **TRY 5 billion**. We renewed our critical equipment to ensure the continuity of the plants' operations and improve business efficiency. We realized new investments to provide sustainable economic value, to improve the profitability, to strengthen our company's operations in Aliğa and to achieve the goals determined within the framework of the "My Value Program".



Detailed information on the My Value Program is available under the "Operational Excellence" heading of our report.

With our focus on creating sustainable economic value in the reporting period, our total sales reached **TRY 77 billion**, while total exports amounted to **TRY 30 billion**.

In 2024, our sales from production were recorded as **1,275 thousand tons**, while our commercial product sales were recorded as **557 thousand tons**. While our total sales amount was **1.83 million tons**, our sales amount was **TRY 77 billion**.

We carried out 63% of our sales to 1,333 customers in the domestic market. Our commercial product sales volume, which was 502 thousand tons with 29 commercial products in 2023, increased by 11% to 557 thousand tons with 25 products in 2024. While the sales amount generated from commercial product sales amounted to TRY 24 billion, all products accounted for 31% of the total sales amount. At the same time, we realized a total of TRY 30 billion in foreign sales, including TRY 17 billion in direct exports and TRY 13 billion in transit exports.



Economic and Administrative Performance (thousand TRY)	2023	2024
Revenues ¹	99,612,378	78,052,279
Revenue Generated from Sustainable Product Categories (Renewable Energy, etc.) ²	279,754,379	310,660,795 ³
Economic Value Distributed ⁴	2,877,557,296	6,849,383,178
Economic Value Retained ⁵	(2,777,944,918)	(6,771,330,899)

¹ Revenues have been calculated by summing up net sales and the financial returns/gains generated from investments.

² 2022 and 2023 data are consolidated data for Refining and Petrochemicals business unit.

³ The electricity generated by the Petkim Wind Power Plant (WPP) is used for internal consumption and offset against energy costs. Therefore, since there are no direct sales to third parties and no actual invoiced income is generated, a separate share within the total revenue has not been calculated.

The figures presented in the table include only the financial gains derived from sustainable product categories

⁴ Distributed economic value consists of the total amount of tax and similar liability payments, dividend payments, and employee benefits (such as salaries, fringe benefits, etc.).

⁵ Retained Economic Value = Revenues - Distributed Economic Value

⁶ These amounts represent the corporate tax paid on the income of our companies and indirect taxes are not included in these figures.

⁷ Law No. 7440 shows the Additional Earthquake Tax paid in accordance with the Law No. 7440 and the Corporate Tax paid over the income statements of our companies based on the Tax Procedure Law. In accordance with the current tax legislation, the Company applies the additions and exemptions in accordance with the law.

⁸ In 2024, since there is no corporate tax paid, it is added to the table as 0.

Tax Approach

We transparently undertake our tax practices at Petkim with our focus on creating sustainable economic value. We pay our taxes regularly and in full, in accordance with all regulations of national and international tax legislation within the framework of SOCAR Türkiye Tax Policy.

SOCAR Türkiye Tax Unit acts as the unit responsible for constituting Petkim's tax and accounting policies, as in all group companies, for determining the requirements and preparing the procedures needed to carry out the transactions in accordance with the legal regulations. SOCAR Türkiye Tax Unit annually reviews the tax strategies and submits them to the approval of the heads of relevant business units, the Chief Financial Officer and vice presidents. Procedures, instructions and circulars prepared by our tax and accounting teams shape our tax strategies.

At Petkim, we manage the tax liabilities of our group companies in full compliance with national and international tax legislation, formulate the tax policy and carry out the necessary work for the effective implementation of this policy.

While raising tax awareness and providing technical support in projects are among our priorities, we optimize tax liabilities and effectively manage tax incentives within the framework of legal regulations. At the same time, we identify tax risks and manage and eliminate these risks with effective strategies. In order to ensure full compliance with tax legislation, all processes subject to legal reporting are reviewed by experts such as external auditors and Certified Public Accountants, and an annual approval report is obtained by an independent third party.

The optimal tax management we implement in SOCAR Türkiye and its group companies contributes positively to the company's cash flow. Our tax strategies and practices are shaped by procedures defined in line with our tax management approach, and in parallel with these processes, we regularly organize trainings, announcements and various activities aimed at raising awareness and developing a culture of tax compliance.

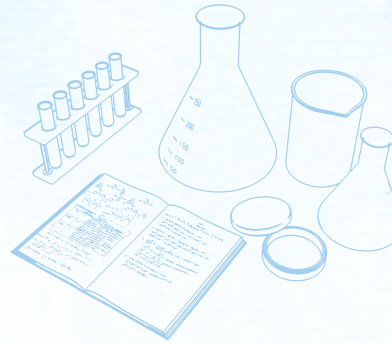
	2021	2022	2023	2024
Petkim Tax Payments (TRY)⁶	943,759,660	0	13,583,343 ⁷	0 ⁸



R&D Activities

We are well aware that our R&D projects are of critical significance not only for today but also for the future. For this reason, we highlight our awareness of R&D and innovation studies and ensure that the right action is taken while determining our working mechanisms.

Established in December 2019, SOCAR Turkey Ar-Ge ve İnovasyon A.Ş. benefits from the 55 years of R&D experience of the Petkim R&D Center (which was established in Petkim Yarımca facilities in 1969) in the petrochemical industry. This center, which was commissioned to help SOCAR Group companies achieve their vision, hosts the development of many projects that will contribute to the future. Through an open innovation model, active university-industry collaborations are maintained. With the R&D Center Certificate we received from the Ministry of Industry and Technology in June 2020, we continue to work with the goal of developing sustainable and environmentally friendly products and digital technologies that are compatible with economic and social responsibilities for all our stakeholders in the value chain by increasing our strength.



Installed area: **1.200 m²**

Technology, R&D and Innovation: **USD 4.9 Million**

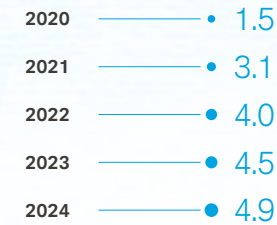
Patent Registration: **11**

Patent Application in Progress: **13**

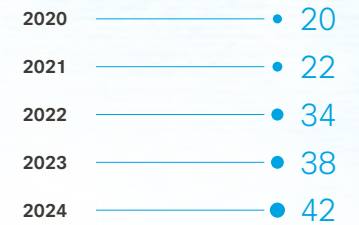
SOCAR R&D Center affiliated with the Refinery and Petrochemical Business Unit comprises of 6 laboratories (Rheology, Catalyst, Polymer Characterization, Environment and Biotechnology, Chemical Analysis, and Chromatography) constructed on an area of 1,200 m², a pilot facility of 400 m² (polymer processing, polymerization, chemical process operations and catalyst testing systems) and office buildings. SOCAR R&D Center started to carry out its activities in 2020 with the **"Order-based R&D model"** within the Refinery and Petrochemical Business Unit. The R&D center's fields of activity include sustainability, energy transition, circular economy, process optimization, new product and application area development, and digital transformation.

Last year, with the SOCAR R&D Center, we registered our compliance with the ISO 56002 Innovation Management System standard and became the first industrial company in the world to receive this certificate. In the same year, we implemented the Innovation Management Procedure, which was developed to support open innovation strategies. Within the scope of this procedure, we carry out joint projects with different stakeholders such as universities, technology transfer offices, industrial companies, national and international research centers and European Union R&D clusters.

Total R&D Investment (Million USD)



Total Number of Researchers



Our center, which increases its R&D investments every year, has completed or is conducting **47 order-based R&D projects in the 2022-2024 period** by working with more researchers.





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ALGAESOL

ALGAESOL aims to produce sustainable aviation fuel (SAF) in one step with a new solid catalyst using algal lipids. This project, executed with the support of the European Union and the participation of seven leading institutions and organizations from Norway, Spain, Denmark, Greece, Türkiye, and Czechia, is an exemplary international cooperation in the field of sustainable energy. The project, which will make a significant contribution to the efforts towards reducing the carbon footprint of the energy industry, aims to play a critical role in achieving our company's net zero targets.

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

The project aims to test next-generation catalysts for use in the production of polypropylene (PP) and high-density polyethylene (HDPE), and to determine the optimal catalyst formulations and production conditions that will maximize energy and reaction efficiency. Within the scope of the project, it is also targeted to reduce costs and minimize environmental impacts in order to establish a more economical and environmentally friendly production process.

LDPE Autoclave Reactor Modeling and Optimization

This project aims to improve the production efficiency of the reactor in the Low-Density Polyethylene (LDPE) production facility by using detailed chemical reaction modeling techniques. Focusing on improving the design and operational conditions of the reactor, it aims to make LDPE production more effective and environmentally friendly.

Unmanned Aerial Vehicle (UAV) Solutions

SOCAR R&D took an active role in the STAR Turn Around (TA) works for the first time with field imaging, inspection and mapping services provided by unmanned aerial vehicles (drones). In this way, it managed to enter the top 50 among 500 international applications in the robotics category of Fast Company magazine's "most innovative companies" ranking.

Development of Refinery and Petrochemical Feedstock from Waste Polyolefins

The project applied to the 1833 SAYEM Green Transformation call launched by TÜBİTAK in 2024 with the support of the World Bank. The project aims to develop products such as naphtha, base oils produced from circular sources and carbon-based additives to be obtained from the ash accumulated in the pyrolysis reactor. The consortium, of which SOCAR R&D is the project coordinator, includes industry-leading companies such as Petkim, STAR and 4 universities.

Preparation and Investigation of Prototype Dry Bacterial Culture with High Shelf Life for Petrochemical Wastewater Treatment

Developed as an environmental biotechnology product, BIOTECH PET01 is a special liquid bacterial mixture for the treatment of wastewater. The inoculum culture of adapted bacteria can effectively remove difficult-to-degrade chemicals found in refinery wastewater. It can also be applied to biological ponds without the need for adaptation. BIOTECH PET01 offers practical solutions for industrial biological treatment systems without the need for additional investment.



Digitalization and Technological Development

We develop innovative solutions to shape a sustainable future and generate projects to accelerate our technological development. We work together and become stronger to overcome the challenges facing our society and industry. Digital transformation is the process by which businesses reshape their business processes, culture and customer experience using digital technologies. This transformation is not only a technological change, but also a fundamental restructuring of the way business is done. Information technologies form the backbone of digital transformation, enabling data to be collected, processed and analyzed effectively. In this context, we continue our efforts to develop new projects and achieve the targets we have set in order to both increase our efficiency and contribute to our sustainability goals by increasing the impact of our optimization efforts.

We carry out all the steps we need to transform the ideas we generate into projects, strengthen our organizational adaptation and digitalize our processes under the leadership of the Digital Solutions Group Directorate. We create the infrastructure for projects that will increase our energy efficiency, support our zero accident target, increase customer satisfaction and contribute to the improvement of all our processes, especially occupational health and safety, our corporate processes and production stages, and we continue our efforts to realize these projects.

Aware of the power of digitalization, we closely follow new technologies at all stages of our corporate and production processes and aim to bring these innovations to our company portfolio.



Project Earth

Throughout 2024, we continued to work intensively and reached important milestones in the Project Earth project, the most comprehensive SAP transformation initiative in our industry. We completed the phase that includes the necessary configurations and software development activities within the scope of the program to transform Petkim's core business processes by addressing them in S/4 HANA within the central SAP Earth system. Under the same program, there are also IBP projects, which are carried out for STAR Refineri, SOCAR Storage and Petkim companies, including mobile field maintenance and asset management solution and optimization solution for spare parts and chemical stocks. The configuration and software development phases of these projects have been completed. On the other hand, we commissioned the first phase of the Sales Cloud Customer Experience solution for Petkim's customer relations application. As of August 2024, we completed the update of the Central Enterprise Resource Planning SAP Earth system to the new version with the intensive participation of business units. This update serves the purpose of managing Petkim's core business processes within this system and keeping this central system up to date.

STAR Refineri Product Trade Project

We commissioned the systematic management project for all procurement, sales, logistics and financial processes of STAR Refineri's hydrocarbon products commercial activities. With this project, we ensured that commercial product purchases and sales can be managed in a more controlled and approved manner. We ensured the management of stocks in batches and their tracking on a cargo basis, and the systematic traceability of budget limits and payment controls in commercial products.



Finance and Corporate Risk Management Applications

Last year, we successfully implemented a series of digital transformation projects to strengthen our financial operations and risk management, and we further advanced our existing projects.

In this context, we developed our **GRC Module** project, which enables the automatic management of authorizations in case of organizational and role changes. Thanks to this module, we facilitated system updates and made authorization management processes more efficient. We strengthened our **Middle Office** project, which we developed to manage financial risks more effectively and which won international awards, with new integrations. We increased transaction speed while minimizing errors with automated calculations and advanced risk management solutions. We also made our decision processes more effective by strengthening compliance with international standards. We won three international awards with this project, which we continued to develop in 2023. With the **Enterprise Risk Management (ERM) Module**, we increased compliance with the legislation by digitalizing our risk management processes and started to monitor and report all risk management processes on a single system. By integrating Operational Risk, Regulatory Compliance and Business Continuity Management areas on a single platform, we transformed corporate management and risk processes into a more integrated structure. In addition, we optimized our financial documentation and reporting processes by moving the management of E-archive invoices to the electronic environment with the **DAS Kokpit Project**. ➔

With the **Financial Consolidation Project**, we aim to realize our consolidated reports on a single system on a digital platform. We transfer the data subject to IFRS reporting from business units to the system through reporting packages, ensure the control of this data, and perform the correction records and consolidation processes in a transparent, controlled and fast manner on Tagetik software. In this way, our business units can access their IFRS-based data on a single platform, prepare their own IFRS reports and have a system where they can improve their sub-consolidation processes. In the second phase of the project, we are eliminating the workload of data collection with reporting packages and minimizing manual processes and Excel-based errors by automatically transferring relevant data from business units to the system. By implementing the principle of single source of data, we ensure data consistency, increase data transfer speed and eliminate delays caused by human factors. We also improve corporate memory and make it possible to trace and record all changes. Thus, we carry our processes to a more efficient, error-free and sustainable structure.



Digital Transformation in Production: Artificial Intelligence Based Optimization

AI-based optimization combines methods such as data analysis, machine learning and deep learning using artificial intelligence techniques to find the best or optimal solutions in a given problem domain. This approach allows for faster and more effective results in solving complex problems, while enabling decision-makers to evaluate a large number of variables simultaneously and adapt quickly to dynamic conditions.

One of the projects we are conducting in this context is the Hydrogen Generation Unit (HGU) optimization project. Hydrogen plays a critical role in increasing efficiency in refinery operations, improving product quality and contributing to the ecological sustainability of the industry. HGU plays an important role in operations by providing reliable hydrogen supply within the refinery. With our project, we aim to meet the exact amount of hydrogen required by the refinery within the specified steam/carbon limits and minimize the cost of hydrogen production. This study, which we optimized by carefully evaluating the parameters in the production process, was awarded the first prize by the Ministry of Energy and Natural Resources within the scope of the Energy Efficiency in Industry Project Competition Category-3 (50,001 TOE and above).

Another artificial intelligence-based project is the Petcoke Sulfur Estimation Project. This project aims to optimize the profitability of sales by predicting the sulfur content of petcoke. We integrate refinery process variables and crude oil properties into analytical models to enable more efficient separation of valuable products. Within the scope of the project, we estimate the sulfur content in two different time periods, monthly and hourly. Monthly forecasts allow for more precise and profitable adjustments to sales valuations, while real-time forecasting optimizes coke stack operations within the petcoke unit, increasing operational efficiency and maximizing the value derived from the petcoke production process.

Thanks to our forecasting and optimization projects and the effective use of advanced analytical methods, we won the bronze award in the Innovative Achievement in Sustainability category at The Middle East & North Africa Stevie Awards in 2024 with the SOCAR Türkiye Aliağa Energy Optimization Project.



SAFE WORK Electronic Work Authorization Project

We are launching the SAFE WORK application to digitalize critical work authorization processes in the Refinery and Petrochemical field. This application provides a safe working environment by strengthening occupational safety and risk management in the field. At the same time, it triggers flows in processes such as HARM, allowing the operation to be managed more effectively. SAFE WORK facilitates reporting and auditing processes while standardizing processes in all our plants and offers real-time management thanks to mobile access. We aim to make digital occupational safety management more comprehensive by continuing our efforts to expand the application to all factories in 2025.



Mandown and Motionless Detection via RF Network

With more than 8,000 employees working at our site every day, challenging factors such as the rate of working with flammable and explosive materials being over 90%, metal-heavy infrastructure and intense magnetic fields are critical for occupational safety. In this context, we deploy various technologies for motionless detection in cooperation with our field teams. Our Mandown and Motionless Detection via RF Network project offers a system that detects the immobilization of personnel in emergency situations such as gas leaks, falls and other events that may cause loss of consciousness. This system, which is integrated into our RF radio infrastructure, allows emergency interventions to be carried out quickly by sharing the location information of the personnel. In this way, while maximizing the safety of our field personnel, the adaptation process was accelerated and the system was effectively put into operation.

In the field of Occupational Health and Safety (OHS), we integrate artificial intelligence, machine learning and image processing technologies to achieve our zero-accident target and ensure employee safety with more effective methods. In 2023, we expanded the video analysis technology, which was commissioned in Petkim material and product storage areas in 2022, to SOCAR Storage and STAR Rafineri sites. Employee incident reporting automation integrated with our HSE systems was completed in 2024, taking operational safety to a higher level.

Spare Parts Production with Digital Technologies

As of 2024, another project that contributed to the digital transformation in our field was Additive Manufacturing for Spare Parts Production. Thanks to this technology, we produce spare parts based on both metal and industrial materials. With this technology, we bring R&D equipment that has become unusable or is about to become idle due to problems in spare parts supply back into use. Thus, we ensure continuity in our production processes and support sustainability by using resources more efficiently.



SOCAR Türkiye's Hyperautomation Journey

Hyperautomation involves the comprehensive application of advanced automation technologies to make business processes more efficient and effective. By combining various technologies such as robotic process automation (RPA), artificial intelligence (AI), image processing technologies, process mining and big data analytics, this approach not only automates manual tasks, but also supports us in achieving strategic business goals by redesigning and optimizing complex processes.

In 2021, we launched projects such as robotic process automation, Citizen Developer initiative and s.e.d.a.+, SOCAR Türkiye's first AI-supported Chatbot application. As of 2024, we launched the Digital Cost application using OCR technologies and realized significant improvements in complex business processes by increasing operational efficiency with Process Mining technologies. While s.e.d.a.+ initially supported our employees in the field of Human Resources, in 2024 it expanded its scope to include Corporate Support Services, Information Technologies, CAPEX and Procurement & Supply Chain processes.

We analyze processes in critical business units such as Maintenance Planning, Customs and Logistics, and Finance in real time and identify improvement points with the Process Mining technology we have implemented to increase efficiency, improve customer satisfaction and reduce costs, especially in complex and large-scale operations. Thanks to artificial intelligence-supported data analytics, we reduce customs costs, optimize ship arrival and time estimates in crude oil transportation, and improve procurement processes by measuring supplier performance. We minimize planning errors with real-time order tracking.



IDEATHON 2024: Pursuing New Ideas with Generative AI

Since 2021, IDEATHON, which we have been organizing every year with the intense participation of our business units, was realized this year with the theme of Generative AI with the contributions of Microsoft partnership and expert academicians in the field. Within the scope of the event, 5 teams applied design thinking methodology in real time and developed projects for real business problems with Generative AI solutions, one of the most innovative technologies of recent years. The 5 project ideas produced by the participating teams took their place in our digital transformation roadmap and contributed to our goal of transforming our business processes into a smarter, more efficient and innovative structure.

IDEATHON'24

GENERATION D (GEN-D): Our Digital Competency Development Focus

The GENERATION D (GEN-D) Program, which we implemented with the aim of creating SOCAR Türkiye's new digital generation, graduated its second term graduates in July 2024, reaching a total of 60 graduates. In line with the participant feedback and the work of our project team, we updated the program flow and detailed the content, and included the latest digital technologies such as Generative AI in the 2024 period.

With its exceptional design, the GEN-D Program received three international awards at the world's leading award platforms during 2024:

- The Middle East & North Africa Stevie Awards 2024 – Innovative Achievement in Human Resources (Bronze)
- The Middle East & North Africa Stevie Awards 2024 – Award for Innovation in Human Resources Management, Planning & Practice (Gold)
- The 2024 International Business Awards – Career and Workforce Readiness Solution (Gold)

GEN:D

DIGITAL IN YOU



A Year of Transformation in Cybersecurity and Information Security

Cyber security and information security are among the indispensable elements of the modern business world. In today's world, where digital transformation is accelerating, security is becoming more critical with the increase in the amount of data and computing power. We continue our investments in cyber security and information security to protect our technological infrastructure at the highest level and to provide a secure business environment for all our stakeholders. To this end, we continuously improve our security management strategies and develop proactive solutions to prevent cyber threats and ensure the security of our corporate information.

Cyber Security Orchestration, Automation and Response Technology (SOAR)

We are deploying the Cyber Security Orchestration, Automation and Response (SOAR) technology to manage cyber security operations faster and more effectively. With this technology, we automate our cyber security processes by responding to security incidents in a fast and coordinated manner. By significantly reducing the response time to incidents, we ensure that attackers are detected faster.

Thanks to SOAR technology, we can quickly analyze the connections between events by combining data from different cyber security software and easily distinguish complex attacks. By reducing the workload of security analysts, we minimize human errors and increase operational efficiency. With this technology, we make our organization's cyber security defense stronger while our security teams respond to incidents faster and more effectively.

Cyber Deception Technology

We launch Cyber Deception Technology to strengthen our cyber security defense in IT and OT environments and provide more effective protection against potential cyber threats. With this technology, we create fake decoy targets, distract attackers from real systems and prevent them from infiltrating corporate networks. Thanks to Cyber Deception Technology, we detect and monitor potential threats faster by analyzing the behavior of attackers. Thus, while our security teams respond to potential attacks faster and more effectively, we make our cyber security infrastructure more resilient.



Digital Rights and Responsibility

Compliance with legislation in information security plays a critical role in ensuring data privacy and the protection of corporate assets. At Petkim, we consider regulatory compliance processes as a strategic priority and aim to ensure full compliance with legal requirements by updating our information security policies.

In this context, our **TS ISO/IEC 27001** certificate was reviewed through audits conducted within the framework of the **ISO 27001 Information Security Management System**. We also completed our audit process by fully complying with the requirements of the **"Information and Communication Security Guide"** published by the Presidency Digital Transformation Office.

Within the scope of the **"Regulation on Cyber Security Competency Model in the Energy Sector"** published by EMRA in order to strengthen cyber security in the energy sector, we completed our gap analysis studies in line with sector-specific control items for Petkim Elektrik Üretim.

Information security awareness activities play a critical role in creating and strengthening a corporate security culture. We conduct regular training and information activities so that employees can recognize potential cyber threats, manage secure passwords and detect e-mail scams. At Petkim, we systematically continue our awareness raising efforts to make information security a priority for all our employees. In this context, we provide "Information Security Awareness Trainings" during the orientation process for our new colleagues joining our organization, and we provide "Information Security Training" to all our employees through the learning management system platform. We conduct training programs for focus groups on topics such as Social Engineering, Information Security Basics, Ransomware Awareness and Security of Cyber Physical Systems.

In order to increase information security awareness, we share awareness posters prepared on critical topics such as incident reporting channels, types of phishing attacks, clean desk clean screen policy, ransomware attacks, deepfake and social media fraud with our employees through various communication channels. In addition, we conducted Clean Desk Clean Screen Policy compliance audits in our offices and field areas in Istanbul, Izmir, Bursa and Kayseri with the participation of Information Security Management, Compliance, Internal Audit and Physical Security units between 9-13 September 2024. With phishing tests for company employees, we aim to increase users' awareness of phishing attacks and ensure that they are prepared for such threats.

Services, Infrastructure, Network and Operation Solutions

In today's rapidly changing business world, system and infrastructure solutions enable businesses to create an efficient, scalable and secure computing environment, increasing operational efficiency and supporting business continuity. These solutions, which cover critical areas such as server management, network design, data storage and cloud integration, contribute to the creation of a sustainable digital transformation process by strengthening the technological infrastructure of organizations. We ensure that our business processes proceed uninterrupted and securely by offering infrastructure solutions in line with constantly evolving technological needs. By developing solutions suitable for the operational requirements of our teams, we support them in achieving their business goals and manage our digital transformation processes more effectively.



Data Center Consolidation Project

As of 2024, the process of consolidating data centers in 3 different locations into a single center, which is an important milestone for SOCAR Türkiye, was successfully completed. This strategic step brought many important gains such as operational efficiency, cost optimization and environmental sustainability.

Energy and Resource Efficiency: With the consolidation of data centers, we started to use more efficient cooling systems by reducing the need for physical infrastructure and achieved significant savings in energy costs. Thanks to the renewed data center infrastructure, we optimized application performance by increasing network and data access speeds. We made resource management more efficient by improving load balancing between servers.

Reduction in Operation and Maintenance Costs: We have significantly reduced maintenance and support costs by performing operational management through a single data center. We increased labor efficiency by managing hardware and software updates more easily.

Ease of Management and Security Improvements: By consolidating data centers at a single point, we were able to implement security measures and infrastructure management more effectively. By monitoring all data center operations through a central management point, we ensured that processes proceed more safely and efficiently.

Supporting Sustainability Goals: Through consolidation, we made a significant contribution to our sustainability goals by reducing our carbon footprint through lower energy consumption and more efficient hardware utilization.

Central File Server Migration Project

Within the scope of this project, we aimed to increase data security, ease of access and operational efficiency by transitioning to a modern file management infrastructure. We shut down the existing 7 old file servers and migrated 200 TB of data to the new central system. During the migration process, we increased storage efficiency and streamlined data management by performing data cleaning and consolidation activities. To ensure business continuity, we established a redundant structure and transitioned from the old file server infrastructure to a modern and sustainable solution. We also automated the Central Identity Management System (IDM) integration and made authorization processes manageable through the SOCAR Service Center (SSM). By automating authorization, authorization and folder creation requests, we saved a total of 180 person/day per year and increased operational efficiency by speeding up processes.

Email Migration Project to Microsoft 365

We migrated the e-mail systems of our white-collar employees using the on-premise Exchange infrastructure to the Microsoft 365 cloud infrastructure to support business continuity and modernization. As part of the project, we successfully migrated 2500 users to the new platform and disabled 10 old Exchange and component servers running locally. We carried out detailed planning and coordination to maximize the user experience during the migration process. As a result, we both increased the advantages of cloud technology and made our technological infrastructure more efficient by providing a more reliable, uninterrupted and modern e-mail service.



Intune Migration Project for Mobile Device Management

We migrated the management of more than 3000 Android and iOS devices from the old on-premise infrastructure to Microsoft's cloud-based Intune technology. Thanks to this transition, we ensured business continuity within the scope of Microsoft's SLA periods and transitioned to a more reliable infrastructure. This transformation, which was made within the scope of our existing Microsoft licenses, eliminated extra license costs, while at the same time reducing operational load and costs by closing 15 old on-premise servers

Microsoft Teams - Power Plant Project

With this project, we aim to eliminate or minimize the use of desktop phones in offices and enable employees to make internal and external phone calls through a single platform. Using the Microsoft Teams application, we manage both Teams features and traditional desktop phone functions through a single application. In the first phase of the project, our users in Vadi Istanbul successfully switched to this system in 2024. This project, which optimizes hardware, license and maintenance costs, will be extended to our companies in Aliağa in 2025 and will have a wider usage area.

IT Business Continuity Program

We continue to take important steps within the scope of the "IT Business Continuity Program" we launched in 2022 in line with SOCAR Türkiye's forward-thinking, sustainable and innovative strategies. Having successfully completed the first two projects, we have entered the final phase of our third project, the establishment of the Disaster Recovery Center (DRC) as of 2024. Within the scope of this project, we are backing up critical IT services and data serving SOCAR Türkiye group companies in a new data center located approximately 400 km away from our main data center in İzmir. This center, which is resistant to 9 magnitude earthquakes with seismic isolators, has energy supply from multiple points and is protected by 3-layer physical access security, is designed to ensure operational continuity in case of disaster. In 2024, as part of our efforts, we implemented an architecture with few examples in Türkiye and moved nearly 150 servers belonging to 55 different critical IT services to the FKM environment. In the final phase of our project, we aim to successfully complete the project in 2025 by finalizing the plans and procedures that determine how these critical IT systems will be quickly restored in the event of a large-scale outage or disaster.



Financial Performance

Since the second half of 2023, the oversupply in the global petrochemical market and the contraction in demand due to tightening economic conditions have pushed petrochemical prices and margins to historic lows in 2024. In the face of these challenging market conditions, we continue to implement our optimization strategy based on the highest profitability by rapidly implementing cost-cutting measures.

We are keeping uneconomical units such as MEG and PTA closed and keeping our costs low by purchasing affordable imported naphtha. At the same time, we are taking new measures including energy, steam and water optimizations and implementing practices to reduce our operational costs. Against tightening financial conditions, we are strengthening our treasury management and keeping our cash position at an optimal level.

In the last quarter of 2023, we adopted inflation accounting, which has a significant impact on our financial results. With this application, our depreciation and inventory costs increase, while our operational profitability is negatively impacted. On the balance sheet side, we index our non-monetary assets and liabilities to inflation, which has a significant impact on our property, plant and equipment and right of use assets. We are organizing special teleconferences with our investor relations team to better explain the effects of inflation accounting to our investors and analysts. In our quarterly financial presentations, we provide a detailed comparison of our financials with and without inflation accounting.

In 2024, another important factor that contributed positively to our financial results was the reflection of STAR Refineri's 12% indirect ownership in our financial statements through equity method. We share STAR Refineri's performance and the major planned maintenance works carried out in 2024 in a separate section in our quarterly financial presentations and explain in detail at our conferences.

In our 2024 quarterly financial results presentations (Earnings Presentation), we present global and domestic industry developments, changes in product prices and margins, and our operational and financial performance in detail. Under the leadership of our CFO and Investor Relations Director, we answer the questions of our investors and analysts and provide regular information through one-on-one meetings and e-mails.

In 2024, we achieved high commercial sales and export revenues by meeting customer demands uninterruptedly with our large production capacity and rich product range. As a result, we completed the year successfully and profitably. According to inflation-adjusted data, our total net sales revenue in 2024 reached TRY 77 billion, while our net loss was recorded as TRY 6.7 billion. In the same period, earnings before interest, tax, depreciation, amortization and depreciation (EBITDA) amounted to TRY 2,067 million.

1.83 million tons Total Sales Amount
TRY 77 billion Total Sales
TRY 24 billion Commercial Product Sales
716,236 tons Solid Product Sales
1,115,612 tons Liquid Product Sales
TRY 5 billion billion Investment Expenditures in 2024
TRY 30 billion Exports
TRY 77 billion Net Sales Revenue
TRY 6.7 billion Net loss



Total Equity (thousand TRY)

Financial return on investments/Financial gains on investments
(thousand TRY)

Equity Return (%)



Total Assets (thousand TRY)



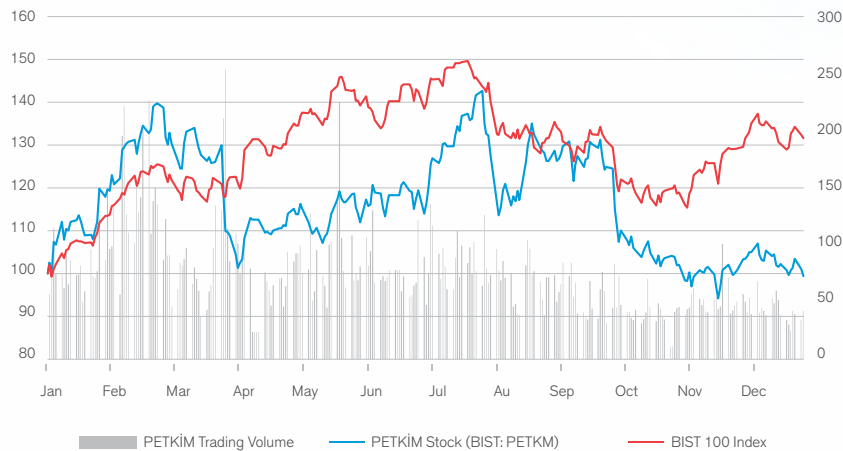
Turnover (thousand TRY)



Net Profit/Loss (thousand TRY)



Petkim Share Performance



At the beginning of the year, Petkim's stock, which performed in line with the BIST100 index, diverged negatively from the market index due to the weak performance of the industry and the effects of inflation accounting.⁹

Towards the middle of the year, Petkim's share performance showed a recovery, both due to its underperformance relative to the index and accelerated foreign inflows.




In the last quarter, geopolitical developments had a negative impact on the stock market, while Petkim's share performance diverged negatively from the market after Fitch downgraded Petkim's credit rating to CCC+ and Petkim's Q3 financial results were below expectations.

As of 31 December 2024,
Petkim share price TRY 18.10
Market capitalization realized at ~TRY 45.9 billion (~\$1.3 billion).

⁹ Due to the recent high inflation in Türkiye, the year-end financial statements were announced by applying inflation accounting according to the CMB Communiqué and in accordance with the hyperinflationary accounting standards (IAS-29). In this direction, especially items such as inventories, fixed assets and shareholders' equity in the financial statements have caused various differences in the balance sheet and income statement due to the new inflation calculation. Petkim's income statement was also negatively affected. In particular, one of the most important factors that negatively affected EBITDA is the inventories included in the cost of sales.



Kredi Notları

	Credit Rating Organization	Last Update	Rating Type	Credit Rating Type	Credit Rating Type
	Moody's Investors Service	16/05/2024	Long-Term Corporate Credit Rating	B3	Stable
	Fitch Ratings	30/09/2024	Long-Term Corporate Credit Rating	CCC+	-
	JCR Eurasia Rating	25/10/2024	Long-Term Corporate Credit Rating	AA (tr)	Stable

At Petkim, we actively participate in indices and sustainability rating platforms that showcase our sustainability performance on a global scale. In this context, we carry out various improvement efforts to further improve our performance. In 2024, we exceeded the required levels in sustainability topics and achieved the success of being among the top 25 companies traded on Borsa Istanbul with high sustainability performance and liquidity. Last year, we were proud to be the first company in the petrochemical sector to be included in the BIST Sustainability 25 (XSD25) index, and we continue to maintain this pioneering position in 2024.

Sustainability Indices and ESG Rating Agencies¹⁰

	Skorlar
S&P Global	47
Fortune Türkiye ve Criff Türkiye	A - Excellent Sustainability
Sustainalytics	22.7

¹⁰Scores for 2023: S&P 33, FTSE Russel 2.5, Sustainalytics 26.7, Refinitiv 81.4



We are Together in Production!

We are Together for a Sustainable Production for 60 Years. Stronger. Together.

As Petkim, we lead the way in sustainable production in the field of petrochemicals in our country with a responsible production approach that respects the environment and people and focuses on efficiency in our production cycle.

Overview of Petkim Facilities and Products

We are the first and only integrated petrochemical company of Türkiye that manufactures industrial products by focusing on creating sustainable value. As the indispensable raw material supplier of the industry, we not only strengthen the country's economy but also support sustainable development.

As we approach our 60th anniversary in the industry, we have been manufacturing nearly 60 items of petrochemical products within the framework of our "digital thinking" approach, working at full capacity at our 15 main and 6 auxiliary facilities located in Aliağa, İzmir. We meet approximately 10.5% of Türkiye's petrochemical need with our high value-added products such as thermoplastics, fibers and paint raw materials. In the international market, we are active in numerous sectors such as plastics, chemicals, packaging, pipes, paint, construction, agriculture, automotive, electronics, textiles, pharmaceuticals, detergents and cosmetics, supplying approximately 50 countries. We are proud to contribute to Türkiye's economic growth as the largest exporter in the Aegean Region.

**Total production of 2.05 MTA¹
and nearly 60 petrochemical
products in 2024**

Our Plants	Year of Incorporation	Year of Extension	Capacity
Low Density Polyethylene (Tubular) Plant	2005	2011	160,000 tons/year
Plastics Processing Plant (Masterbatch Unit)	1993	-	10,000 tons/year
Pure Terephthalic Acid (PTA) Plant	1987	2015	105,000 tons/year
Plastics Processing Plan	1986	-	3,000 tons/year FFS Rulo Film
Polyvinyl Chloride (PVC) Plant	1986	1995 2001	150,000 tons/year
Vinyl Chloride Monomer (VCM) Plant	1986	1993 2000 2003	152,000 tons/yearl
Phthalic Anhydride (PA) Plant	1985	2001 1012	49,000 tons/year
Ethylene Glycol Plant	1985	1995	89,000 tons/year MEG
Acrylonitrile (ACN) Plant	1985	1994	90,000 tons/year
Polypropylene (PP) Plant	1985	1993 2005	144,000 tons/year
High Density Polyethylene (HDPE) Plant	1985	1993 2001	96,000 tons/yearl
Low Density Polyethylene (LDPE) Plant	1985	1993 2001	190,000 tons/year
Chlorine Alkali (CA) Plant	1985	2000	100,000 tons/year Klor
Aromatics Plant	1985	2005 2011	150,000 tons/year Benzen
Ethylene Plant	1985	1993 2005 2015	588,000 tons/year

Auxiliary Processing Units	Year of Incorporation	Year of Extension	Capacity
Güzelhisar Dam	1981	-	Precipitation Area: 450 km ² Average Annual Precipitation: 500-600 kg/m ² Water Level: 63 m (min.), 104 m. (normal), 107 m (max.) Active Volume: 137 million m ³ Total Storage Volume: 150 million m ³
Water Purification Unit	1983	2005	Capacity: 7,800 m ³ /hour Date of Commissioning:1983 Date of Extension: 2005 Raw Water Pools Storage Capacity: 80,000 m ³
Demineralized Water Unit	1984	1998 2006	Capacity: 1,700 m ³ /hour Date of Commissioning:1984 Date of Extension : 1998, 2006
Wastewater Treatment Facility	1984	-	Capacity: 1,670 m ³ /hour 550 m ³ /h Oily Wastewater 120 m ³ /h Domestic Wastewater 1,000 m ³ /h Chemical Wastewater
Solid - Liquid Waste Incinerator	2003	-	Capacity: 2.26 tons/hour 0.85 tons/h Solid Waste 1.07 tons/h Sewage Sludge 0.34 tons/h Waste Oil
Port	1984	-	Amount of Cargo Handled: 2.7 million tons
Energy Production	1984	2001 2007	Steam Production Plant Capacity: 1,200 tons/h XHS Electricity Generation - Distribution Total Generation Power: 273 MW Capacity Increase: 2001



2024 Petkim Production Activities

In our ethylene plant, we operated at 69% capacity on average in 2024, depending on commercial conditions. During the year, we determined the minimum capacity (130 t/h charge), test run studies for the use of Cutterstok instead of Clarifield oil and FR Naphtha processing planning in agreement with the process units. Most of our ethylene and process units experienced 14 days of downtime between February 23 and March 7 due to the utility (steam) outage during the UPS replacement at the EÜ/BÜ plant.

Pygas consumption at our Aromatics plant was around 750 t/g, while on the naphtha side, the average platformer charge was 52 m³/h. During the year, we carried out HHS regeneration at the 100-site 1st Stage reactor in February and regeneration at the Platforming reactors in July; during the regeneration, we carried out operations without stopping the unit by consuming reformate.

Our ACN plant was in operation for 165 days in total during the year and the average ACN production during this period was 231 tons/day. The unit was shut down most of the rest of the year for commercial reasons and the rest of the time due to maintenance needs.

In our PVC plant, we procured imported VCMs and continued to operate throughout the year depending on their quantity and duration. 23 vessels were transferred and accordingly, we produced PVC by processing imported VCMs in the unit in an intermittent manner.

We replaced the K201 Booster Primary Compressor and K202 Secondary Compressor electric motors at our LDPE-1 plant between August 5 and October 4. After S/U, on December 4, the K201 Booster Primary Compressor electric motor tripped due to excessive current draw; we completed the electric motor maintenance in January 2025 and commissioned it.

We carried out a planned maintenance shutdown at our PA Plant between 21.01.2024 and 08.02.2024 due to E-206 contamination. After our TA shutdown, which started on 17.05.2024, lasted approximately 70 days, we commissioned our plant on 27.07.2024. The TA shutdown was extended by 20 days due to the problem in E-121. Critical works carried out in our PA Plant in 2024 within the scope of TA We completed catalyst replacement in D-107 A/B reactors and E-121 heat exchanger renewal. We carried out a planned maintenance shutdown at our PP Plant between 02.06.2024 and 09.06.2024 within the scope of dryer cleaning and heat exchanger replacement.

We postponed the planned TA shutdown of our LDPE-T plant in 2024 to 2025. Between 28.09.2024 and 16.10.2024, there was a shutdown for about 18 days due to H249 extruder reducer maintenance. In order to increase the conversion rate in the reactor at our LDPE-T plant, we started Trigonox 301 trials on 13.08.2024. Our work on the subject continues.

We started to produce PP-added extrusion coating type (EC-281) at our Plastic Processing Plant within the production plan according to the customer order. In addition, we made MB UV-1095 R&D trial production at the Plastic Processing Plant.

HAZOP studies have been completed for our Ethylene, PVC, LDPE-T and Aromatics plants, while our work continues at our ACN and PP plants.

Within the scope of the "Journey to Zero" HSE transformation program, we have carried out the control of High-Risk Hoses, Safety Bypass systems, ATEX equipment and PSV controls, while we continue to work on SCE (Critical Safety Equipment) and SOP (Standard Operating Procedures). By launching the "Life Saving Rules" criteria, we carried out training and information activities for unconditional and intolerant compliance with these rules at all sites and spread them to the field.

In 2024, we continued our emergency level 1 and 2 drill plans, PFI (Process Field Inspection) field audits, and Management of Change (MOC) activities at our plants. In addition, we continued the field development program for foremen and above throughout Petkim.

Within the scope of digital transformation, we started to implement digital shift books in all our plants, except for our PIF plant.

Between 3-7 June, a Howden Insurance field audit was successfully conducted at Petkim plants and we successfully closed 5 findings and recorded 8 new findings in the audit.



AUXILIARY ENTERPRISES

On 23.02.2024, we experienced a Petkim complex shutdown following a synchronous failure that occurred during the UPS (Uninterruptible Power System) maintenance maneuver in our Energy Production Plant.

We experienced a TEİAŞ-induced grid failure on August 9, 2024 at 02:57. After the failure, Petkim Power Generation Plant became islanded, but SS1 and SS6, which supply critical units connected to STAR Rafineri, remained online thanks to the 15 MW transmission capacity line drawn between the two facilities within the scope of business continuity projects. At Petkim, Ethylene, Power Plant and Cooling Towers remained online and other units were disabled with the emergency load shedding system.

At STAR Rafineri TA, we commissioned the HSBT (fast busbar transfer) system at SS00, SS1 and SS6 switchgear facilities. We replaced the relay of GT5 MV switchgear breakers. In this way, we increased the electricity supply security of the Refinery.

At Petkim, we continue the SCADA system Phase 2 works that started in 2024. In this way, all MV systems can be monitored and controlled remotely, high and medium voltage maneuvers can be performed remotely, and all electrical data can be collected in a healthy way. Within the scope of the Energy Market, we created synergies with SETAŞ and EnerjiSA and benefited TL 7.2 million from imbalance cost calculations. At Petkim WPP, we applied to EMRA for YEKDEM for 2025. Our application was approved and we were included in YEKDEM for 2025. We purchased software for conducting electricity market transactions with BOT. With the software, we started to make automatic notifications to TEİAŞ and EPİAŞ via bots.

We ensured the continuity of production in the complex by meeting the utilization needs of our factories with the Water Production, Waste Treatment and Disposal Units. In addition to the water needs of the surrounding organizations, we continued hazardous waste disposal processes at the Petkim Waste Incineration Unit within the scope of the existing license. Within the scope of STAR TA, which started in September 2024, we completed the planned maintenance and project works in the Auxiliary Plants on time.

With the project work carried out during STAR TA, we completed the IA (Instrument Air) transfer line connection between STAR and Petkim, ensuring IA supply security on both sides. In 2024, we achieved a total of 647 kWh savings in Konsol-4 with the work carried out within the scope of energy efficiency.

We continued to use the best practices in the industry, such as the Waste Treatment and Disposal Unit, pool cleaning with robots, and sludge dewatering with Geotube, thereby providing benefits against carbon footprint and sludge disposal costs. We completed and commissioned the Holding Basin project within the scope of improvements at the Wastewater Treatment Plant. As part of the elimination of single source dependency within the framework of business continuity plans, we provided an alternative water source by activating the common emergency line in accordance with the protocol we signed with İZSU.

Within the scope of efforts to reduce the use of natural resources, we reduced the water used from Güzelhisar Dam by approximately 3.42% (approximately 800,000m³) in 2024. We prevented dam cover and concrete leakages with the strict follow-up we conducted with DSİ. We performed the necessary protective and preventive maintenance. As a result, Güzelhisar Dam has become the best water and level holding dam in İzmir.

CROP MOVEMENTS

In 2024, we managed the loading and unloading operations of 1,561,758 tons of liquid chemical cargo with 210 ships arriving at Petkim Port. In this context, we received 309,743 m³ of waste from ships, provided 258,278 m³ of inert gas, 105.2 hours of flare service and 4,607 m³ of domestic water.

Within the scope of the Petkim Pier Modernization Project, we completed and commissioned the construction of the new administrative building and infrastructure/superstructure renovation works at Pier 3. After all product operations were carried out at Pier-3 in a healthy manner, we deactivated Pier-2 for modernization purposes and started work.

Within the scope of the Pilotage and Tugboat Organization, we provided 24/7 berthing and lifting services to ships with 3 tugboats, 3 mooring boats and 1 pilot boat in the service area.

In 2024, we provided pilotage, towage and mooring services to 712 ships arriving at ports.

In OBT land filling, we filled 8,224 tons with 400 land tankers in 2023.

We prevented environmental pollution with the repair works of 54" OWS line.

In order to reduce OHS risk, we completed the installation of the transition platform of Heptane/Hegzane tanks.



ASSET MANAGEMENT

We ensured that the preliminary preparation period, detailed planning, contractor selection, procurement of spare parts and materials to be used, mobilization and finally field applications for STAR Refineri's first Planned Maintenance Shutdown (TA), which lasted approximately 1.5 years, were successfully completed as planned, in compliance with the time and budget targets, with the high-level contribution of the Asset Management team.

After the incident in the Hydrogen Reformer furnace at STAR Refineri, we minimized the loss of production by ensuring the mobilization of both the Licensor and competent companies specialized in such repair works to the field very quickly and performing the maintenance as quickly as possible with the spares we have in our stocks according to our spare parts strategy. (The spares used are parts that would normally require a manufacturing process of approximately 8 months if they were not available.)

By upgrading our Asset Performance Management software to GE APM-Meridium version 5.1.3, we have commonized the systems for STAR, STAD and Petkim, thus increasing the level of integration. Within the scope of the Bad Actor Cost Optimization Project, we analyzed the equipment experiencing repeated failures in the field in detail and produced effective solutions. Thanks to this work, we have achieved significant savings in maintenance costs and prevented operational interruptions. The project contributed to our long-term sustainability goals and was an effective step in increasing equipment reliability.



Operational Excellence

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

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

In 2024, we moved decisively towards our goal of business excellence by placing the principles of continuous development and innovation at our center. We believe that this approach will make significant contributions to Petkim's future success.

Agile Value Creation Activities

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

The My Value Program allows our employees to contribute to the development of our processes by offering improvement-oriented suggestions. In line with the suggestions presented, we aim for sustainable improvements in critical areas such as operational excellence, commercial success and supply chain optimization and we work on various projects such as energy and efficiency, optimization of sales strategies of petrochemical products, logistics and inventory management.



My Value Program



As Petkim, we pursue the process of creating value within the context of the My Value Program focused on innovation and continuous development, which celebrates the 8th anniversary of its introduction with the active participation of our employees. Thanks to successful projects that were implemented in 2023 and provided great gains in categories such as Lean Six Sigma, Agile Transformation and Digitalization besides the My Value Program, we achieved positive effects on operational and financial performance.

In 2024, as part of the My Value Program, which involved more than 100 employees from over 10 departments, we detailed and conceptualized 20 initiatives from among more than 50 project suggestions submitted by our employees.

Reflecting our motto of "Stronger. Together.", the My Value Program highlights the ideas of our employees and strengthens the culture of innovation and collaboration within the company. By implementing the project suggestions submitted in 2024 by our employees, we created a value of 30 million USD. The project suggestions, worth USD 17 million, submitted by our colleagues within the scope of the Digital Transformation program implemented five years ago with the aim to initiate the transformation and create value at Petkim were also realized in 2024. Developed specifically for digital projects, the My Value Program focuses on operational, commercial and supply chain optimization.



Successes Achieved in 2024 with the Agile Business Model

With the agile working method we started in 2021, as SOCAR Türkiye Refinery and Petrochemical Business Unit, we won awards in three categories among leading global companies at the Best in Biz Awards. SOCAR Türkiye RPBÜ ranked first with the Gold Award in the "Best New Service of the Year" category; we won this thanks to our Taskforce and Scrum/Kanban Master initiatives that enable dynamic and cross-functional teams to deliver value quickly and effectively. We won a Silver Award in the "Company of the Year" category and were recognized, along with US Automotive Protection Services, for our combined efforts to achieve innovative solutions by leveraging interdisciplinary expertise. We were also awarded the Bronze Award in the "Enterprise Software of the Year" category; our use of JIRA, which increased transparency and efficiency across 103 teams and created measurable outputs, brought this success. These awards placed SOCAR Türkiye among the **top 4 companies**.

In the first half of the year, we demonstrated once again the power of our collective efforts by winning the Silver Stevie Award for "Company of the Year - Energy" among more than 3,600 applications from 62 countries.



3 Star Certified Agile Organization

SOCAR Türkiye Refinery and Petrochemicals Business Unit, 3 Star Certified Agile Organization title, improving business agility with its efforts to increase the number of businesses in the business world, and Business Comprehensive evaluation conducted in cooperation with the Agility Institute (BAI) was awarded this prestigious title as a result. While the performance of SOCAR Türkiye Refinery and Petrochemicals Business Unit in global benchmarking, sector competitor benchmarking and regional benchmarking categories was analyzed within the scope of the evaluation, this study covering 18 different business competencies was very useful in determining the point reached by the company in its agility journey. According to the results, SOCAR Türkiye Refinery and Petrochemicals Business Unit has succeeded in entering the top 20% of companies in the natural resources sector among more than 2,200 organizations worldwide and the top 30% in Türkiye overall. Having started its agile transformation journey in 2021, SOCAR Türkiye Refinery and Petrochemicals Business Unit has achieved remarkable success by reaching this point in a short period of 3-5 years, compared to more than 5 years for most organizations.



Scrum Kanban Master Initiative

The Scrum and Kanban Master initiative, which we launched with the aim of making the agile business model the basic way of doing business of our company, aims to develop the competencies of people with technical knowledge in agile teams through trainings and workshops. In this process, it allows them to optimize their business processes and make their work lists more efficient by ensuring the effective use of agile tools. The continuous development of masters is supported through newsletters prepared together with Scrum and Kanban Masters every month.





fikrimce

Continuous Improvement Activities

As Petkim, we aim to increase customer satisfaction and achieve operational excellence by adopting a continuous improvement approach in all our operations and business processes regarding business excellence. In line with our goal of increasing efficiency in 2024, 5S management strategies continued to be implemented successfully. In this context, 5S applications were implemented in nearly 50 areas in total, such as laboratories, maintenance workshops, and warehouses, and periodic inspection mechanisms were developed to ensure sustainability. While we make our operational processes more efficient and sustainable through continuous improvement efforts, we continue to further strengthen the culture of business excellence with the active participation of our employees. Within the scope of Lean Six Sigma efforts, the 5th wave Green Belt Program was successfully completed in 2024. Twelve of our colleagues who completed their training within the scope of this wave successfully completed their projects with the knowledge they gained in their Green Belt training. With these projects, we ensured the creation of 2.9 million USD of value through our Lean Six Sigma studies in 2024. In addition, our 6th wave Lean Six Sigma Green Belt program continues with the participation of 15 Green Belt candidates.



KalDer Quality Circles Sharing Conference 2024 Kaizen Award

Our strong commitment to Continuous Improvement and Kaizen culture reinforces our determination to achieve continuous improvement in productivity, quality and business processes across SOCAR Refining and Petrochemicals Business Unit. Purchasing and Supply Chain Vice Presidency Product Packaging and Storage Department Don't Wait Continue Kaizen team made significant contributions to customer satisfaction and business goals by minimizing losses in operational processes with the Kobetsu Kaizen Project titled "Improvement of Losses Affecting Sales in LDPE-T Packaging and Shipment Process". As a result of the meticulous work carried out by our project team in line with the improvement targets, we were deemed worthy of the 2024 Kaizen Award at the 27th KalDer Quality Circles Sharing Conference, once again proving our leadership in this field. This prestigious award has been an indication of the steps we have taken to make our business processes more efficient and effective while also increasing our competitive power. We continue to produce innovative solutions and support sustainable growth by advancing our commitment to the Kaizen culture every day.

Fikrimce Suggestion System

We enrich our continuous improvement approach with the valuable ideas of our employees through the 'Fikrimce Employee Suggestion System', which is also implemented in Petkim under the roof of SOCAR Türkiye. Thanks to this platform, our employees make significant contributions to our value creation processes by making creative and innovative suggestions to improve our company activities. At the same time, we strengthen our employees' sense of belonging through this system. We have also started to develop a new software to make the suggestion processes faster and more user-friendly. These efforts both support our continuous improvement culture and further strengthen our employees' commitment to the company. Thanks to the 'Idea Suggestion System', high participation was achieved in 2024, as in previous years, and a total value of TL 19.7 million was created for our company.

Process Optimization Activities

Within the scope of our SOCAR Türkiye 'Refinery and Petrochemical Business Unit' activities, we carry out end-to-end modelling and execution of our business processes, clear definition of the responsibilities (RASCI) involved in the processes and continuous improvement of the processes. By measuring the maturity levels of our processes, we carry out improvements to bring each process to the level of optimized processes. We continue our risk management activities with a process-based approach throughout the company, from strategy to operations. As a company, we support our process management efforts with process mining technologies to achieve more efficient and optimized operational processes. By analyzing existing processes in detail with process mining, we identify inefficiencies and areas for improvement, design fast, error-free and cost-effective processes and ensure continuous improvement to increase efficiency within the company. .





Customer Solutions and Engagement

Based on the "ISCC PLUS (International Sustainability Carbon Certification) Certificate" that we were awarded last year, the validity of our certification has been extended for another year and carried it to 2025. Thus, as Petkim, we help our customers achieve their sustainability goals and support the low carbon footprint production of our Ethylene, Propylene, LDPE, PP, ACN, Benzene, C5 and Xylene products in circular and biocircular versions through the processing of naphtha derivatives obtained from used edible oils or plastic waste using mass balance methodology.

As the last link in its sustainability efforts, SOCAR Marine has received ISCC EU certification as the first step towards its goals of providing sustainable solutions to our customers, supporting efforts to move towards a carbon neutral world and contributing to the reduction of greenhouse gas emissions. Thanks to ISCC, a globally recognized sustainability certification system developed with a multi-stakeholder approach, SOCAR Marine is able to verify the sustainable supply and trade of biomass, biofuels and other renewable raw materials. This certificate certifies that SOCAR Marine guarantees the traceability, sustainability and quality of its products, makes a significant contribution to the development of a more sustainable and transparent global supply chain and reinforces its commitment to environmental responsibility.

At Petkim, we publish the technical specifications, areas of use, processing conditions, etc. of our products on the website and make them instantly accessible to our customers. In 2024, we reviewed and updated nearly 150 documents on our website.

We provided technical support to a large number of customers in 2024 by continuously following the current developments in the sector. As an indicator of our customer-oriented approach, we responded to more than 200 technical customer requests in writing or verbally and held technical meetings with more than 150 customers in 2024.

In 2024, we participated in Replast Eurasia, Plastpol, Fakuma and Plast Eurasia fairs. At these fairs, we introduced Petkim products to customers and provided technical support on issues such as processing conditions, production recipes and product specifications. We also carefully carried out the content and design work for the Petkim catalogue prepared for the fair.

In 2024, we followed the customer trials for the PETHYLENE PP EC 281 and PETHYLENE G08-21TA products developed and launched in the market. After the completion of customer trials, the products were approved and entered the commercial phase.

With all these efforts, we have reinforced our pioneering role in sustainability and customer satisfaction in the sector.



Product Conformity and Hazardous Substances

In the packaging and plastics industry, we continued to prioritize sustainable and product safety activities for products used in the supply chain both domestically and globally in Europe, America and the UK. We have developed practices by taking into account the legislative requirements for different markets. We continued to carry out activities on the management of chemicals within the scope of the Responsible Care Global Charter with a focus on sustainability for our products.

- We evaluated the requirements of the new European Union legislation Ecodesign (ESPR) on sustainability of products. We identified important actions from a sustainable product perspective with relevant stakeholders. We created a map for 2025.
- With a view to product safety and sustainable products, we have updated our scope of conformity for Green House gases, Swiss ordinance, Chinese Food Contact regulation, Japan Hazardous Substances Class I and class II.
- The 24.09.2024 unplanned audit carried out by the Ministry of Agriculture and Forestry officials within the scope of the continuity of the 'Business Registration Certificate' numbered TR-35-K-D17539, which Petkim Petrokimya Holding A.Ş. has in accordance with the 'Substances and Materials in Contact with Food' communiqué and regulations, and the suitability of production activities, was successfully completed.
- We completed our annual audits in production and warehouses within the scope of the GMP (Good Manufacturing Practices) system, which we established to maintain product safety. We transformed our findings and actions identified as a result of 11 audits into a common work plan.
- With a sustainable product, safe product perspective, we evaluated our suppliers within the scope of product conformity during the year. We have completed the necessary actions within the scope of the conformity of inputs. Within the scope of supplier development, our Bigbag supplier Kaymaz packaging company was given 'EU packaging legislation and GMP' training.
- We conducted prescription audits where we reviewed the chemical risks and conformity criteria of the products. In this context, we conducted product risk assessment studies for 58 products.
- Within the scope of following sectoral developments and reviewing customer expectations and feedbacks, we attended to 'Plast Eurasia 2024' fair.
- The new products developed by R&D, Petoplen EC281, MB UV 1095 and catalyst projects were supported in all processes to ensure product conformity. Conformity tests of the products were completed within the plan.
- We carried out activities within the scope of product conformity in the certification project of ACN, PVC, PA products in order to obtain BIS INDIA certificates, which is a requirement for the Indian market.
- Within the scope of improving the product conformity process, we conducted risk studies and process improvement studies with other units that are stakeholders of the process.
- Annual product monitoring activities were followed within the scope of traceability. We provided necessary information in product traceability information requests from customers and official authorities.
- In 2024, we did not receive any non-conformity feedback from the authorities or our customers in the domestic and global markets for our products. We completed the year without taking any recall or suspension actions with economic losses for the products.





Operational Analytics

As SOCAR Türkiye Refining and Petrochemicals Business Unit, we conducted the “**Olefin 2023**” international comparative performance analysis for the **Petkim Ethylene Plant** in cooperation with **Solomon Associates**, one of the world's leading organizations in the benchmarking of the oil and gas industry. We conducted this study to evaluate the current operational and financial performance **based on 2023 data** and to identify areas with potential for improvement.

We shared the results of this analysis study, which was hosted by the **Operational Analytics Department** with the participation of **40 people from approximately 15 departments** from **Technical Services, Planning and Modelling, Asset Management, Finance and Human Resources**, with the relevant stakeholders.

Highlights of the Olefin 2023 study:

Highlights of the Olefin 2023 study:

- Our ethylene plant achieved strong **Net Cash Profitability** compared with its European peers thanks to its high product value and favorable market position.
- **Across Europe, ethylene capacity utilization** showed a significant decline compared to previous years due to lower market demand.
- **The relatively low plant availability and high maintenance expenses** were affected by the shortening of the time between major maintenance shutdowns.
- **The lower energy efficiency observed at our plant** reflects a decline in ethylene utilization, partly due to lower product demand.

In the next stage of the study, we carried out a **detailed gap analysis** in line with the data obtained and identified **high-level actions** to close the areas open for improvement.

Change Management Activities

By implementing Change Management with a ‘People First’ approach, we keep our employees as the focal point in all our business activities. In today’s business world, our company faces challenges such as constantly changing market conditions, technology and customer expectations like other organizations. In order to effectively adapt to these changes and maintain our competitive advantage, we have adopted an effective change management strategy at Petkim.

In 2024, at Petkim, we participated in change projects aligned with our strategic vision to turn our vision into reality and maximize our potential. In this context, we contribute to the strengthening of the HSE culture by taking an active role in the improvements carried out in the field of HSE, while involving employees in the change process. We establish an effective balance at every stage of transformation by taking into account the needs of all stakeholders. While carrying out this process, we adopt the Agile Business Model and move forward rapidly and develop effective and sustainable solutions



Business Acumen Program

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

Through this simulation, we learned the importance of considering all dynamics in decision-making, i.e. to see the big picture. We are working on the graduation ceremony of the program me and will crown the 2024 term with an award ceremony. With this program, we gain the skills necessary to overcome business challenges and gain a competitive advantage. Thus, we contribute to improving the performance of our company and advancing in our careers.

In 2024, the Business Acumen Program, which graduated its third cohort, with the participation of 80 colleagues from various departments across SOCAR Türkiye group companies. 10 teams engaged in intense competition over 8 rounds, using the CESIM business simulation game to manage their companies they created virtually.



A wind turbine stands on a grassy hill against a blue sky. A large, stylized fingerprint graphic is overlaid on the background, with its ridges following the curve of the hill and the turbine's blades. The text 'We are Together' is written in a white and red script font, with 'Together' in red.

We are *Together*

in the Fight Against Climate Change!

Aware of our environmental responsibility, we assume a leading role in the fight against climate change. **With the steps we take for a sustainable future, we protect the world of today and tomorrow.**

We make significant investments in energy efficiency, use of renewable resources and emission reduction by adopting our nature-friendly production approach. We work with determination to leave a cleaner world to future generations and we declare our determination to the whole world by saying **'We are Together in the Fight against Climate Change!'**.



We are Together in the Fight Against Climate Change!

We implemented more than 40 sustainability projects between 2021 and 2024 within the scope of our My Value Program. Thanks to these projects, we saved approximately 66 thousand tons of water and prevented 155 thousand tons of CO₂ emissions.

Fight Against Climate Change Risks

In our operations and activities, we see environmental protection not only as a priority but also as one of our fundamental responsibilities. We address the fight against climate change with this understanding and adopt holistic approaches to effectively manage our environmental impacts. In line with SOCAR Türkiye's sustainability principles, we place strategies such as effective use of resources, energy efficiency and increasing clean energy resources at the center of our operations. Accordingly, we focus on R&D projects, innovative technologies and environmental investments by developing a preventive and sustainable environmental strategy aiming to minimize environmental impacts. In 2024, we allocated USD 13.1 million to our environmental investments and approximately USD 1.3 million to our Environmental R&D studies, once again demonstrating our commitment in this area.

Our environmental activities are carried out within the framework of ISO 14001:2015 Environmental Management System and nine other quality management systems with an integrated management approach. In addition, we integrate the 4 principles, 16 principles and 100 expectations determined within the scope of SOCAR Türkiye's SAFE (SOCAR Aims For Efficiency) Management System into our operations and ensure continuous improvement by maintaining our environmental activities in compliance with international standards.

We conduct comprehensive analyses and regularly monitor our performance indicators in order to control environmental impacts and identify areas for improvement in our company. Having access to our environmental performance data allows us to reach our improvement targets faster and implement our actions effectively. In this context, we provide regular trainings to increase the environmental awareness of our employees.

In 2024, we provided 3,345 hours of environmental training to a total of 2,398 employees, raising awareness and knowledge.

We carry out comprehensive studies in many areas to support environmental sustainability in our operations. These efforts include:

- Water and wastewater analyses,
- Emission and imission measurements,
- Waste management,
- Control of sea pollution,
- Environmental size impact assessment analyses,
- Efficient operation of wastewater treatment and hazardous waste incineration plants,
- Developing an environmental culture throughout the company,
- Effective management of chemicals,
- Conducting biodiversity monitoring studies,
- Regular monitoring of greenhouse gas emissions.

We also prioritize environmental sustainability in our supply chain. In our contracts with our suppliers, we strictly monitor compliance with the environmental obligations specified in our HSE Policy, and evaluate the environmental performance of each contractor within the scope of HSE requirements. As a result of these evaluations, we shape our future business relationships according to the compliance scores of the suppliers.

In 2024, we achieved a 100% compliance rate with environmental legal requirements and were not penalized for any environmental violations during our operations. This achievement is a tangible demonstration of our commitment to environmental protection and operational excellence.

In order to support environmental sustainability and play an active role in the fight against climate change, we continue to develop innovation and improvement-oriented projects. With these efforts, we not only produce solutions to today's environmental problems, but also aim to leave a healthier world for future generations.





Best Practices

In 2024, we meticulously managed the renewal process of the Environmental Permit and License Certificate, which covers Air Emission, Wastewater Discharge, Waste Acceptance Facility and Waste Incineration and Co-incineration. In this process, we aimed to minimize environmental impacts by taking into account the requirements of the relevant legislation and carried out the necessary technical assessments. By working in coordination with the relevant authorities, we prepared our application files completely and ensured that the authorization processes proceeded smoothly. At the same time, we aimed to strengthen our environmental performance and contribute to our sustainable production targets with the improvement works we integrated into our environmental management system.

We participated in the workshop organized within the scope of the 'Plastics Market Research and Impact Assessment of Plastics Policies for Türkiye' project conducted in cooperation with the World Bank Group and the Ministry of Environment, Urbanization and Climate Change.

In this context, we supported data collection, discussion and review of preliminary findings on issues such as analyzing key stakeholders operating upstream and downstream in the value chain, assessing market and policy conditions to reduce plastic consumption and pollution, and simulating the impacts of reform options to increase circularity on the plastics value chain. By contributing to the work carried out in cooperation with the competent authorities, we have taken an active role in achieving the objectives of the National Circular Economy Strategy and Action Plan.

Within the scope of Law No. 5312 on the Principles of Emergency Response and Compensation of Damages in the Pollution of the Marine Environment by Oil and Other Harmful Substances, we contributed to the processes of determining the appropriate methodology, assessing environmental risks and classifying coastal facilities in order to effectively respond to marine pollution for coastal facilities obliged to prepare risk assessment and emergency response plans.

In this direction, we have increased the efficiency of the processes by conducting drills in all our coasts within the scope of being prepared for pollution events or pollution risk, planning response processes, organizing waste collection and disposal and rehabilitation activities of polluted areas, compensation for damages and strengthening response planning including cooperation principles. We contributed to the updating of national and regional emergency response plans by participating in the improvement works carried out within the scope of the 'Project for Planning Response in Marine Pollution Incidents' carried out by the Ministry of Environment, Urbanization and Climate Change.

We participated in the workshop on 'Roadmap on Single-Use Plastics and Marine Litter' organized within the scope of the Technical Assistance Project for the Assessment of Türkiye's Potential for Transition to Circular Economy (DEEP) and contributed to the creation of a roadmap to reduce the impact of certain plastics on the environment.

The Climate Change Directorate participated in the conference on 'The Role of Monitoring, Reporting and Verification (MRV) System on the Road to Emissions Trading System' organized within the scope of the 'Capacity Building Project on Monitoring, Reporting and Verification of Greenhouse Gas Emissions (MRV)' within the framework of the International Climate Initiative (IKI), in partnership with the German Federal Ministry of Economics and Climate Protection (BMWK) and the German International Cooperation Agency (GIZ), and held consultations on the Emissions Trading System (ETS) to be implemented in Türkiye.

In this process, we contributed to the discussions on the critical role of the IRD system within the ETS and supported the improvement efforts for the implementation of the system design. We actively participated in the efforts to strengthen Türkiye's carbon market infrastructure and achieve emission reduction targets.





Environmental Costs (USD)	2022	2023	2024
Environmental Investments	14,588,060	16,762,570	13,111,901
Environmental R&D Costs	1,600,000	1,100,000	1,250,000
Environmental Management Unit Costs	2,612,160	3,586,440	3,639,160
Environmental Consultancy Costs	31,350	54,980	83,720
Environmental Measurement and Analysis Costs	82,010	74,990	114,254
Environmental Education Costs	0	6,056	4,211
Environmental Fines	240,380	0	0

Environmental Educations	Unit	2022	2023	2024
Total Number of People	People	2,298	2,294	2,398
Total Hours of Training	Hours	2,233	2,285	3,345



Energy Efficiency

Considering the energy requirements of the petrochemical industry, as Petkim, we are aware that energy efficiency efforts covering our processes are of critical importance. In this context, we attach utmost significance to improving the energy efficiency of our production processes. We regularly implement 'Energy Efficiency' projects that aim to use our resources in the most effective way possible by applying ISO 50001 Energy Management System standards. Each year, we develop high value-added projects and implement them in the field.

With our [Refinery and Petrochemical Business Unit Energy Policy](#) along with our mission, vision, corporate values and basic principles, we are committed to effectively manage energy consumption and develop long-term, sustainable and safe production methods with high energy efficiency. We prioritize improving energy performance when designing our facilities, systems and processes. Thereupon we provide our raw materials, products and services with effective energy efficiency. We improve our processes through continuous internal audits and aim to popularize the use of renewable energy in electricity generation through our wind energy investments.

We aim to make energy savings permanent by establishing long-term relationships with energy users, and we regularly report the determined targets and results. Thanks to effective planning, we constantly improve our energy efficiency and ensure its sustainability; thereby we reduce our energy expenses and strengthen our leading position in the industry.

Petkim Wind Power Plant (Petkim WPP) meets a significant portion of our energy needs through renewable energy generation. As a result of our capacity increase efforts before EMRA, we increased our licensed generation capacity from 38 MWe to 43.8 MWe. In addition, we successfully completed and certified our reactive power tests together with TEİAŞ and an accredited company. As of October 2023, we continue our production with a capacity of 43.8 MWe/h.

Approved by the International Renewable Energy Certificate (I-REC), Petkim WPP with 17 turbines and a total installed power of 43.8 MW, has the capacity to produce approximately 200 GW of electricity annually. This data means that we have prevented an average of 100 thousand tons of CO₂ emissions from being released to the atmosphere every year due to our energy generation. We have enabled remote monitoring and control of Petkim's electrical system through the implementation of a SCADA system. Additionally, by commissioning differential protection relays in our plants, we have enhanced the reliability of our electrical infrastructure.

We transfer some of the HS that we have produced to STAR Rafineri in order to improve our reliability and make the most of our different cost structures. We have developed a modeling that allows us to dynamically adjust the amount of HS that we transfer. Thanks to this modeling, we provide energy optimization to minimize our total steam and electricity expenses compared to electricity market prices, natural gas prices and boiler efficiencies.

Within the scope of our efforts to increase alternative renewable energy sources, we further implement feasibility projects for solar power projects that can be installed on the roof tops of the buildings in our plants, Çayağzı, Güzelhisar Dam and raw water pools. Through these projects, we aim to diversify our energy generation sources and strengthen both our environmental and operational sustainability.

Our energy efficiency efforts not only provide environmental benefits in our operations, but also make significant economic contributions. We will continue to achieve our sustainability goals with more efficient and innovative solutions in the future.

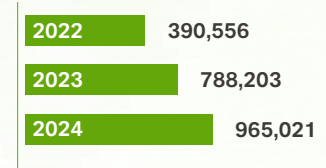


Energy Consumption (GJ)

Natural Gas (GJ)



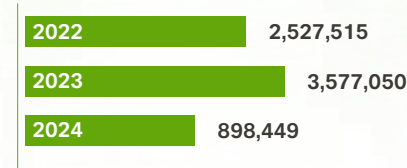
Hydrogen (GJ)



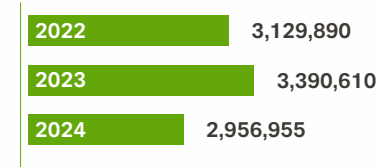
Fuel Gas (GJ)



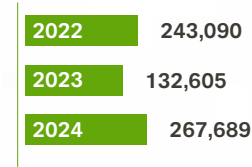
Diesel (GJ)



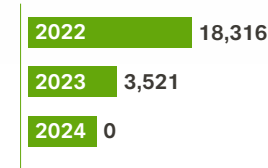
Combustible Gas (GJ)



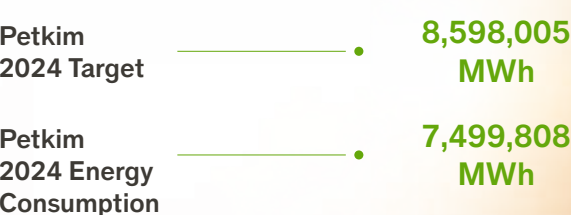
Electricity Generation from the Grid (GJ)



Aeration Gas (Vent Gas)



Non-Renewable Energy Consumption





Best Practices

With the Condensing Turbine Load Optimization project we implemented, we aimed to optimize the amount of LS steam drawn from the heater by TG (1/4) turbines. Since this steam is produced using nat-ural gas, by reducing the turbine load, we achieved savings in both steam consumption and the amount of natural gas used in the production of this steam. With the decrease in turbine load, a decrease in the amount of electricity generated was also observed.

A significant advantage was the low level of grid electricity prices during the implementation period of the project. This situation allowed us to evaluate the difference between the cost of the electricity gen-erated by the turbine and the electricity supply from the grid. In this context, we were able to meet a portion of the electricity required by Petkim by reducing the turbine load when grid electricity prices were favorable, and we achieved a cost advantage.

Thanks to this project, we anticipate a reduction of approximately 19 thousand tons of CO2 emissions per year, and we aim to contribute to a more sustainable production model by reducing both our costs and our environmental impact.

In order to reduce our energy consumption, we preheat the combustion air entering the boilers in our air heaters and economizers. We release the hot gases from the boilers to the atmosphere through chimneys. In order to prevent sulphuric acid corrosion that may occur in the chimneys, we need to keep the chimney temperatures above the dew point. We achieve this balance by using LS vapor in our air heaters. Usually, when natural gas is used, our flue gas temperature stabilizes at around 120°C. Due to the high temperatures, especially between June and October, our flue gas temperature remains constant at 120°C and we switch off the LS vapor in our air heaters completely during these periods.

In our project, we focused on reducing the use of LS steam in our air heaters during the winter months. We calculated the flue gas dew point and optimized the amount of LS steam to be just above this dew point. Thanks to this improvement, we reduced our natural gas consumption by saving LS steam, reduced our carbon emissions and made a significant contribution to our sustainability goals.

We use the steam we produce in our steam production plant in our ethylene plant in accordance with operational needs. We apply two different methods to bring the steam to the desired conditions. In the first method, we adjust the steam to the appropriate conditions and generate electricity through recovery turbines. In the second method, we bring the steam to the required conditions with the K-201 compressor in our ethylene plant..

Our analyses showed that adjusting the steam using the K-201 compressor is a more efficient method. In this context, with our project, we aim to maximize the adjustment of steam in the K-201 compressor and reduce the amount of steam supplied from our recovery turbines. In this way, we plan to reduce the production in the recovery turbines and save the amount of fuel consumed for this process. Thanks to this optimization, we aim to save 0.2 tons of fuel per hour and prevent approximately 6,000 tons of CO₂ emissions per year.



Greenhouse Gas Emissions and Air Quality

All operations we carry out in the Refinery and Petrochemical Business Unit reflects our respect for people and the environment. Protecting the natural environment is our main priority in our energy operations. In this regard, we are committed to reduce greenhouse gas and pollutant air emissions and improve air quality by adopting an environmentally friendly approach. We are committed to reducing greenhouse gas and air pollutant emissions, improving air quality, and minimizing our environmental impact.

We periodically monitor, report and calculate our emissions. Within the scope of the Environmental Performance Assessment Procedure, Greenhouse Gas Emissions Reporting and Monitoring Procedure, Continuous Emission Measurement Systems Procedure and Air and Environmental Noise Management Procedure, we carry out all our activities in accordance with legal regulations and international standards. In 2024, emission measurements were carried out by accredited laboratories, reporting was renewed and our compliance with the legislation was confirmed. In addition, we have completed our relevant reviews and compliance checks by following the updates of our previously published documents.

In line with our Sustainability Strategy, we are taking strategic steps to increase our energy efficiency, integrate renewable energy sources into our operations and optimize our waste management processes.

In 2024, we implemented innovative applications to instantly control emission limit values and receive notifications through the early warning system. These systems allow us to keep our emission values below the limits and to intervene quickly in potential problems. In addition, we identify the causes of changes in processes through the Root Cause Analysis meetings we organize and assign actions to the relevant parties to prevent recurrence. Thus, we aim to ensure continuous improvement in our processes.

In order to improve our emission values and further improve our environmental performance, we hold regular periodic meetings and training programmes. In this context, we increase the level of knowledge of our employees and other stakeholders and raise awareness on environmental impacts and improvement strategies. All these efforts play an important role in promoting an environmentally friendly business culture.

Within the scope of our My Value Programme, we carried out a total of more than 10 sustainability projects in 2024 and prevented approximately 17 thousand tons of CO₂ emissions thanks to these projects.

With the applications and innovative systems we develop, we continue to play a leading role in air quality management and emission control. These achievements in 2024 once again demonstrate our commitment to both environmental and operational sustainability goals. We continue to work with determination to continuously improve our environmental performance and for a more livable future.



Best Practices

With the Continuous Emission Monitoring System (CEMS) integrated into the plants/units in our SOCAR Türkiye Refinery and Petrochemical Business Unit, our flues with a thermal power of 50 MW and above and the Petkim Waste Incineration Flue are monitored online by the Ministry of Environment, Urbanization and Climate Change. We evaluate our compliance with the legislation by checking this data against daily reports.

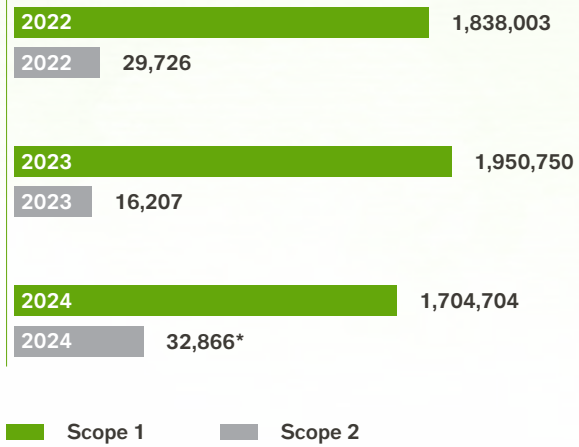
We monitor real time CEMS data through the DCS system and can intervene quickly thanks to the alarm system developed for situations that exceed the specified limits. Owing to this system, we support process optimization and prevent exceeded limits.

We calculate and monitor the greenhouse gas emissions of SOCAR Türkiye Refinery and Petrochemical Business Unit on a monthly basis. Accordingly, we can evaluate the changes in resource flows and our emission reduction opportunities on a monthly basis.

We support the Voluntary Emission Reduction certification process implemented by the Global Carbon Council (GCC) in order to expand the impact of renewable energy generated at the Petkim Wind Power Plant and to certify the greenhouse gas emission reduction achieved at the international level.

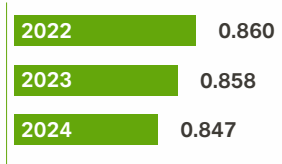


Greenhouse Gas Emissions (Tons CO₂e)



Air Emissions (Tons)	2022	2023	2024
NOx	2,040.92	1,446.40	1,726.73
SOx	631.68	942.29	423.05
CO	377.00	351.10	272.17
PM	7.35	13.16	42.98
VOC	0.05	1.05	0.20
Other	0.45	0.76	0.38

Greenhouse Gas Concentration (Tons CO₂e / Ton Product)



* The verification process is ongoing.



Transition to a Low-Carbon Economy and Carbon Technologies

The transition to a low-carbon economy is one of the fundamental building blocks in our goal of achieving a sustainable future. In this transformation process, we focus on minimizing our environmental impact with our integrated approaches that combine R&D and innovation. By developing innovative solutions in critical areas such as energy transition, circular economy applications and carbon technologies, we increase sustainability in our operational processes and lead our sector in adapting to a low-carbon future. With these efforts, we not only fulfill our environmental responsibilities, but also create economic and social value.

With the expertise of SOCAR R&D Center, we adopt an environmentally sensitive approach in the energy, refinery and petrochemical chain and aim to contribute to the European Union's (EU) goal of transitioning to a carbon-free economy by 2050. We aim to take part in research and development projects within the scope of the Ufuk Europe Program. Currently, as SOCAR R&D, we are actively involved in a total of 6 European Union projects in areas such as carbon capture, storage and utilization (CCUS), solar energy technologies, sustainable production with artificial intelligence and alternative energy sources. We also continue to produce innovative solutions with our 3 national projects that have been awarded funding by TÜBİTAK and SAYEM.

Our determination to reduce our carbon emissions is supported by R&D and innovation studies. The carbon capture and utilization projects we carry out in cooperation with SOCAR R&D have the potential to both reduce emissions and recycle carbon-based by-products into the economy. With our circular economy approach, we develop innovative methods for recycling waste and using resources more efficiently in our processes. Thus, we set an example for our sector in protecting natural resources and transitioning to sustainable production models.

In our journey to a low-carbon economy, strengthening our national and international collaborations is among our priorities. In line with the emission reduction targets we have determined within the framework of our sustainability strategy, we prioritize energy efficiency and renewable energy projects. Our active participation in European Union projects demonstrates our determination in this area and our contribution to global climate goals.

As Petkim, we evaluate our R&D and innovation power in the field of transition to a low-carbon economy and carbon technologies, and we continue our work to contribute to a sustainable future.

Best Practices

NEFERTITI

EU-supported NEFERTITI aims to develop an innovative system that will use solar energy to convert Carbon Dioxide (CO_2) and water (H_2O) into valuable chemicals such as ethanol ($\text{C}_2\text{H}_5\text{OH}$). With this project, we aim to offer a solution that can be used in an environmentally friendly way as a chemical raw material, alternative energy source and fuel. The Project uses new catalysts and sunlight-harvesting technologies in special reactors fed by solar energy. Thereby it contributes to the environmentally friendly production of valuable chemicals and the development of photocatalytic technologies. Launched in 2021, the project is planned to be completed by 2025.

Circular TwAI

Circular TwAI, an initiative supported by the European Union, aims to improve production and energy efficiency by using artificial intelligence in the chemical industry. This project proposes ways to reduce the costs and the environmental impact by monitoring the energy use and production in a real production facility. It further aims to improve the working conditions of the facility with digital twin technology. Thus, it offers facilities the opportunity to achieve higher efficiency at less cost.

The Circular TwAI project aims to help the manufacturing industry remain sustainable and competitive by developing the artificial intelligence platform throughout the transition to Industry 5.0. This platform ensures sustainability through digital twins and allows companies to adapt to the new industrial era. Launched in 2022, the project is planned to be completed by 2025.



LOUISE

The LOUISE project, supported by the European Commission's Horizon 2020 Grant Programme, offers an innovative approach to solid waste management. Within the scope of the project, we are converting suitable solid waste with waste metal oxides obtained from the steel industry by chemical cycling in a 1 MWth capacity pilot unit that will be commissioned at the University of Darmstadt by the end of 2024. In this process, we obtain carbon dioxide and thermal energy, ready to be stored or converted into more valuable chemical products. LOUISE allows us to develop sustainable energy solutions while reducing the environmental impact of waste.

With these projects, we add value to our sector with innovative technologies while achieving our environmental sustainability goals. These initiatives, which we carry out with the support of the European Union, once again demonstrate our determination to implement clean energy and production solutions of the future.

Sustainable Aviation Fuel Production Project

As one of our ongoing R&D studies in 2024, we are investigating the development of a potential alternative in the production of sustainable aviation fuel (SAF) by converting waste carbon dioxide (CO₂) and hydrogen (H₂) with innovative catalysts and processes. This study aims to evaluate the applicability of innovative technologies in sustainable fuel production, independent of our commercial production plans. With this project, we aim to contribute to the low-carbon transformation of the aviation sector and to provide sustainable fuel options to the sector.

CO₂ Fokus

The project, supported by the European Union, aims to convert carbon dioxide (CO₂) in flue gases into dimethyl ether (C₂H₆O), a low-carbon diesel alternative, with hydrogen (H₂) produced by solid oxide electrolyzers. Within the scope of the project, we use innovative reactor and catalyst systems produced with 3D printing technology. This technology reduces heat and mass transfer limitations thanks to design flexibility and production precision, increasing production efficiency.

Whose trial unit was successfully completed in 2024, demonstrates the power of innovative technologies in our search for sustainable energy solutions. With this project, we once again prove our commitment to both carbon dioxide recycling and the production of low-carbon energy sources.

Biological Products for Wastewater Treatment

BOITECH AA, the R&D product we developed using bacteria species obtained from our petrochemical wastewater treatment plants, has been successfully applied in the treatment of our wastewater. Thanks to this product, which has no equivalent in Türkiye, we perform wastewater treatment through natural means while also encouraging the use of domestic products and contributing to the prevention of foreign exchange loss.



Water Management

We consider the water consumed during our operations and activities as one of the significant environmental impacts. We strive to use water, which has already become a limited resource worldwide, in the most efficient way possible; we further reduce clean water consumption in our facilities through recycling projects. Our current operations include some processes that require high water usage. Therefore, it is very important for us to optimize the water used in all our business processes.

We promptly take action as soon as possible to detect and eliminate the leaks in fire extinguishing, process and cooling water systems in our facilities and plants. We periodically monitor and record water usage and we carry out improvement works in this regard. As a result of these efforts, we achieved a 5.8% reduction by reducing our water withdrawal from approximately 15.1 million m³ in 2023 to 14.2 million m³ in 2024.

We play a leading role in protecting the environment and using natural resources consciously by adopting sustainable practices in wastewater management. By using innovative Technologies and investing in wastewater treatment and reuse, we make significant contributions to the protection of water resources. As Petkim, we purify our wastewater in our wastewater treatment plants in accordance with the discharge criteria before discharging to the receiving environment. We achieved a 9.6% reduction by reducing our wastewater amount from approximately 5.9 million m³ in 2023 to approximately 5.4 million m³ in 2024.

With our water production and wastewater treatment systems, we ensure the continuity of our production and meet all the utility needs of our factories.

In line with our sustainability approach, we regularly review and update our current procedures. Within the scope of the Water and Wastewater Management Procedure, we make our processes for the protection of our water resources more effective and improve our monitoring activities.

As part of our Value is Mine Program, we saved 96 tons of water thanks to the ongoing sustainability projects in 2024. These projects contributed not only to the protection of resources but also to the increase of our operational efficiency. With such projects that will further our water management processes, we ensure the most efficient use of our resources and minimize our environmental impacts.



Best Practices

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

As part of our efforts to reduce natural resource use, we managed to reduce the amount of water we used from Güzelhisar Dam by approximately 5% in 2024. Within the scope of our cooperation with DSI, we prevented water loss by making improvements to the dam's water holding capacity. These efforts once again demonstrate our commitment to our sustainability goals for the efficient use of resources.

With the online measurement systems we plan to place at the entrance of the Petkim Wastewater Treatment Plant, we aim to monitor the quality of the wastewater entering the system instantaneously. Thanks to these systems, we aim to optimize the treatment performance of our Wastewater Treatment Plant and ensure that it operates more efficiently and effectively.

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

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

Water Withdrawal and Wastewater Consumption (m³)

Total Water Withdrawal

2022	17,523,735
2023	15,109,586
2024	14,230,105

Total Wastewater Volume

2022	6,490,429
2023	5,944,848
2024	5,371,596

Net Water Consumption

2022	11,033,306
2023	9,164,738
2024	8,858,508



Use of Material, Waste and Circularity

Our waste management approach is not limited to fulfilling legal obligations but is shaped by the aim of contributing to a more sustainable future by evaluating our processes in terms of environmental impacts. In this regard, we are working resolutely to reduce the amount of waste and increase recycling rates. We take a proactive approach to minimize the use of natural resources and adopt the principle of zero waste, and we implement our sustainable growth and development policies by prioritizing domestic and renewable resources. We analyze all our processes and sub-processes in detail within the framework of the Environmental Dimension Impact Assessment Procedure, carefully monitor the types of waste originating from each process and the possible risks associated with these wastes and shape our management plans accordingly.

We have developed and implemented a comprehensive Waste Management Procedure covering our Petkim, STAR Rafineri and SOCAR Depolama (STAD) facilities and our contractors. In line with this procedure, we separate our waste according to its type at the source and collect it in special boxes identified with different colors and signs. We manage our waste effectively within the framework of legal regulations and our industrial waste management plans. We direct a large portion of the waste generated to recycling facilities in order to recycle it into the economy. We reduced our waste amount by 46%, from approximately 93 thousand tons in 2023 to approximately 50 thousand tons in 2024.

We are significantly increasing the efficiency of our recycling processes thanks to the separation at source and advanced separation systems we have developed for plastic waste. These systems allow us to reduce our carbon footprint and contribute to the industrial use of high-quality recycled plastics. In this way, we create economic value while supporting environmental sustainability.

We monitor our contractors with a strict control mechanism to make our waste management processes more effective. We work with our contractors through daily field checks, weekly meetings, monthly HSE team inspections and annual contract revisions. We separate wastes other than process wastes at their source with collection systems determined in 7 different categories and collect them daily. Process wastes are also separated at their source and managed regularly.

We regularly monitor and evaluate our waste management performance through monthly KPI reports. This approach enables us to achieve our goals of reducing our environmental impact and increasing our operational efficiency.

Our efforts in circular economy and waste management have been certified with the Zero Waste Certificate issued by the Ministry of Environment, Urbanization and Climate Change. In line with our understanding of circular economy, we continue our work without slowing down with the aim of reducing our resource use and minimizing our environmental impacts. We are moving forward with determination for a better world with the responsibility and awareness of contributing to a sustainable future.

Best Practices

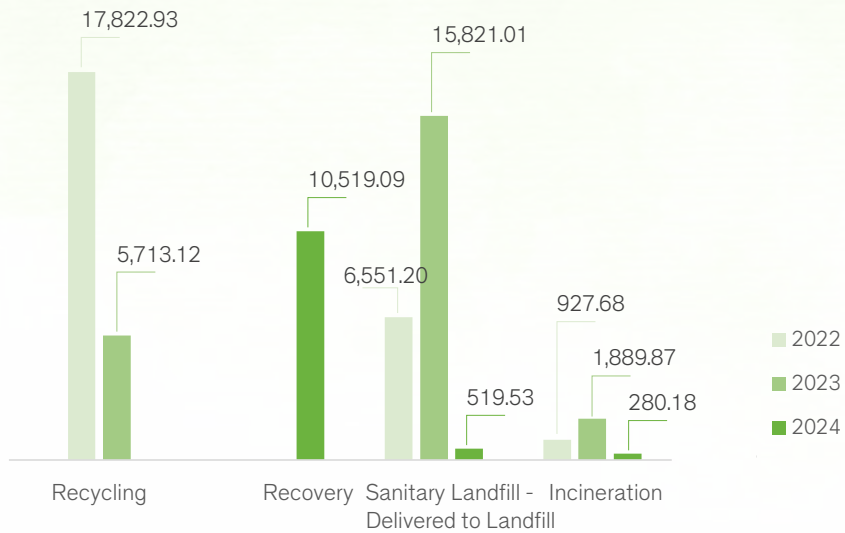
In order to reduce the amount of waste and increase the recycling rate, we have implemented a zero-waste management system in the factories and units in our Refinery and Petrochemical Business Unit. Within the scope of this system, we separate all wastes other than process wastes into 7 main categories at the source, manage them according to their types and reintroduce them to the economy.

Our efforts to collect waste separately at source and improvements in advanced waste separation systems we have developed for plastic waste have increased the efficiency of our recycling processes. Thanks to the methods we apply, we reduce our carbon footprint in waste management and provide economic benefits by making high-quality recycled plastics suitable for industrial use.

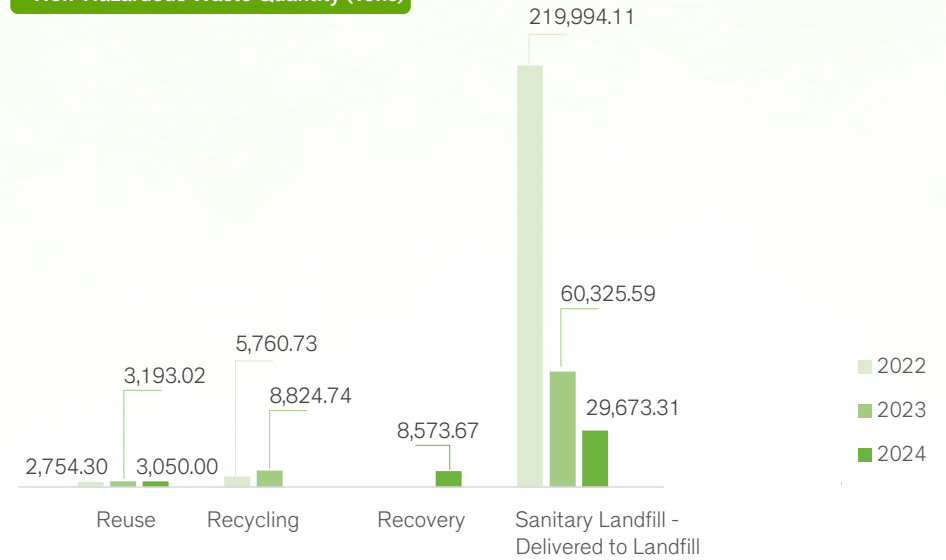




Hazardous Waste Quantity (Tons)



Non-Hazardous Waste Quantity (Tons)



Transportation of Waste (Tons)

Hazardous Waste Transport and Delivered to Third Parties

2022	24,436
2023	21,534
2024	11,060

Non-Hazardous Waste Transported and Delivered to Third Parties

2022	224,879
2023	69,151
2024	38,250





Biodiversity and Ecological Welfare

As Petkim, we are aware that natural diversity in ecosystems is an indispensable element for the continuity of life on earth and sustainable development. As Petkim, we share the responsibility of protecting biodiversity with all our stakeholders under the umbrella of SOCAR Türkiye and demonstrate a strong commitment to this issue. With this understanding, we have adopted the "[SOCAR Türkiye's Position on Biodiversity](#)" document, which sets out SOCAR Türkiye's approach to biodiversity, with all its commitments since its publication in 2021.

In addition to our industrial activities, we also carry out extensive work to protect biodiversity in the regions where we operate. In 2022, within the borders of the Special Industrial Zone, within the SOCAR Türkiye Refinery and Petrochemicals Business Unit (R&P BU), which includes Petkim, we conducted biodiversity studies covering land and marine ecosystems with the participation of local and international experts. As a result of these studies, we prepared the Biodiversity Assessment Report and Biodiversity Action Plan in 2023.

The Biodiversity Assessment Report comprehensively addresses the current status of ecosystems in our region, the potential impacts of our activities on local flora and fauna, and conservation priorities. The SOCAR Türkiye Biodiversity Action Plan, created in line with these analyses, includes concrete steps to be taken for the protection and sustainable management of ecosystems. As Petkim, we continue our efforts to minimize our impact on biodiversity by acting in accordance with this action plan.

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

In line with our mission to protect the environment and support sustainability in 2024, we made environmental donations of approximately 29 thousand USD.

We see biodiversity not only as a value that needs to be protected, but also as an invaluable legacy that we will leave to future generations. As Petkim, we are determined to produce innovative solutions that will ensure the sustainable management of ecosystems and to continue all our activities in full harmony with nature.

Best Practices

In line with the SOCAR Türkiye Biodiversity Policy in 2024, we conducted a "Biodiversity Monitoring Study" within the borders of the Special Industrial Zone within the SOCAR Türkiye Refinery and Petro-chemicals Business Unit (R&P BU), which includes Petkim, with the participation of expert academicians from the university.

In line with our mission to protect the environment, we planted 20 thousand saplings in Yamanlar, Izmir in 2024. This meaningful event, which was brought to life with the participation of our employees and volunteers, contributed to both the re-greening of nature and the strengthening of environmental awareness.

As part of our biodiversity protection efforts, we supported coastal cleaning activities. By recycling the waste collected during these activities, we contributed to both the protection of natural habitats and the goal of a sustainable environment.



We Are **Together** for Workforce Applications!

With our projects that support social development, we aim to increase the quality of life of individuals, strengthen equal opportunities and build an inclusive future. We take responsibility in a wide range of areas from education to working life, from gender equality to occupational health and safety, and contribute to sustainable development with projects with high social impact. We continue our work for a more just and inclusive world by saying, **"We are Together for Investing in People and Society!"**



We Are Together to Invest in People and Society!

We Are Together for Workforce Applications!

Human Resources Approach

We consider the invaluable value that each of our employees contribute to our company as one of the most important factors that carry us forward. With this in mind, we see the reason for our success over the years at Petkim, as Türkiye's first and only integrated petrochemical company, as our valuable Human Resources capital. We always prioritize the development and motivation of our employees, believing that their efforts directly affect the success of our company.

We keep on with a human resources process believing in equal opportunity in line with our principle of "Stronger. Together." regardless of religion, language, race, ethnicity or sexual orientation differences. Under the guidance of our Board of Directors and relevant committees, we set out with the principle of hiring the right candidate for the right position.

As Petkim, aligned with SOCAR Türkiye's standards, we develop strategies that value employee engagement and development, prioritize occupational health, safety, and environmental elements. Within this framework, we employ qualified human resources who are experts in their fields.

Working Relations

At Petkim, we aim to provide a healthy work environment within the framework of dialogue-based compromise to ensure the well-being of our employees. We keep on with this process with the participation of representatives, internal and external stakeholders, senior management and our direct employees.

In line with our "Strong Employee, Strong Business, Strong Society" philosophy, which is based on our human resources policy, which aims to determine our company's industrial relations policies, execute relevant strategies, organize employee-business relations within the framework of communication-oriented industrial relations, and increase the quality of work life by creating a healthy communication environment based on efficiency, we always prioritize the development and motivation of our employees, believing that their efforts directly affect the success of our company. We carry out the activities, depending on the subject, with the relevant process leaders, internal and external stakeholders, senior managers, direct employees and employee representatives.

In accordance with Article 27 of the Trade Unions and Collective Labor Agreement Law No. 6356, there are Chief Workplace Representatives and Representatives working under the Petrol-İş Union (Petroleum, Chemical and Rubber Workers' Union of Türkiye) in our workplace. These representatives undertake the responsibilities of ensuring the cooperation, labor peace and harmony between employees and employers, protecting the rights and interests of employees and providing assistance to implement the working conditions stipulated in laws and collective bargaining agreements.



**Total Number of Employees by Roles**

2022	Manager	14
	Expert	265
	Technical Staff	309
	Worker	1,761
2023	Manager	19
	Expert	317
	Technical Staff	326
	Worker	1,712
2024	Manager	26
	Expert	206
	Technical Staff	492
	Worker	1,699

Union representatives express their opinions on HSE-related issues, submit proposals, apply new technologies and evaluate the effects of selected work equipment, the working environment and the health and safety conditions of employees. Union representatives further have the right to make suggestions to the employer and request that necessary measures be taken to eliminate the source of the danger or reduce the risk arising from the danger. We further address significant issues such as the rights and welfare of technicians and foremen, working conditions, health issues and the use of Personal Protective Equipment (PPE) in collective bargaining agreements, negotiations and agreements. By ensuring the participation of our union representatives in our monthly OHS committee meetings, we attach utmost significance to their opinions and feedback and maintain our open communication policy.

The 21st Term Collective Labor Agreement signed between the Employer Union KIPLAS and the Workers' Union Petrol İş is in force for the period 01.01.2023 - 31.12.2025 for the employees within the scope of Petkim Petrokimya Holding A.Ş.

**Disabled employees**

2022	Male	39
	Female	8
2023	Male	39
	Female	8
2024	Male	40
	Female	9

Employee Rotation Data by Gender

		Number of new employees hired	Number of employees leaving their jobs	Employee turnover rate (%)
2022	Male	52	90	3.8
	Female	23	12	0.5
2023	Male	86	60	3
	Female	43	12	6
2024	Male	76	57	2.6
	Female	26	3	1.3



Diversity, Equity and Inclusion



We believe that social progress and our corporate success are closely tied to the employment and career development of our female employees in the business world. We meticulously adopt the principles of diversity, equality and inclusion in order to encourage women's participation in the workforce and strengthen their professional lives in line with our understanding of "Stronger. Together.". In 2021, following SOCAR Türkiye becoming a signatory of UN Women and UN Global Compact's Women's Empowerment Principles (WEPs), we as Petkim are intensifying our work in line with the WEPs principles in our human resources processes in light of the "SOCAR Türkiye Human Rights Policy and Guiding Principles" and "SOCAR Türkiye Diversity, Equality and Inclusion Policy" in order to enable our female employees to have equal opportunities in the working world and to support them in achieving their career goals.

We are also launching many new initiatives with the Women Energy project, which was launched under the leadership of our female managers at the SOCAR Türkiye management level. We are running the Together We Are Getting Stronger Gender Equality Program, the Women Leaders Development Program and the Future Women Leaders MT Program with the aim of increasing the number of women employees and leaders in our company and empowering women in business life. In addition to these programs, we continue to support our Women-Friendly Field project and the Mentor for a Million Women initiative. With our principle of "Our Energy is Diversity," we prioritize practices that will advance the professional lives of our female employees and approach recruitment and promotion processes with sensitivity. We aimed to implement our actions in line with the Women's Empowerment Principles that we adopted with the "Our Energy, Diversity" project that we initiated.

Remuneration	2022			2023			2024		
	Local Minimum Wage	Entry Level Wage		Local Minimum Wage	Entry Level Wage		Local Minimum Wage	Entry Level Wage	
		Male	Female		Male	Female		Male	Female
Rate of standard entry-level wage by gender compared to local minimum wage	6,471	111%	111%	13,414	105%	130%	20,002	118%	161%

	2023		2024	
	Male	Female	Male	Female
Total number of employees	2,165	209	2,192	231
Number of first level managers	121	41	134	43
Number of mid-level managers	65	14	72	17
Number of senior managers	5	0	6	0
Number of members on the Board of Directors	7	2	7	2

We are committed to the principles of equality and justice, regardless of gender, religion, language, ethnic origin, etc., except for differences in title and position. When we encounter any inappropriate situations within the framework of our ethical processes, we provide training and guide our employees with our policies so that they can provide feedback. Thanks to the "Ethics Reporting Line", which is operated in an integrated manner for all SOCAR Türkiye group companies, of which we, as Petkim, are a part, our employees can convey their complaints and feedback anonymously through official channels (letter, e-mail, telephone, etc.). The notifications made are regularly monitored by SOCAR Türkiye Compliance Department and complaints are directed to the relevant units and resolved as soon as possible. During our reporting period, no complaints were received from our employees or external stakeholders through the "Ethics Notification Line".

Thus, we aim to create a more equal, fair, transparent and participatory work environment by actively involving our workforce in the process. With our work in line with our goals on gender equality in 2024, we have increased the number of our female employees by 11%.

As Petkim, we are implementing procedures that ensure our employees benefit equally from all rights offered, with our structure that aims to create a safe, fair, development-oriented, and inclusive working environment for them. We apply an equal pay policy to eliminate gender-based wage differences. We are committed to developing the careers of all our employees equally through comprehensive training.



Employee Engagement and Wellbeing

We offer 20 weeks paid leave to our female employees who give birth and 10 working days of paternity leave to our employees who become fathers. We provide additional benefits to our employees who have school-age children, and we extend our female employees further benefits such as monthly nursery allowance and extra paid leave during menstrual periods. We provide the necessary assistance to our female employees so that they can maintain their maternity roles and professional lives in harmony, and we implement policies that will facilitate their integration into business life during pregnancy and the postpartum period.

	2022		2023		2024	
Maternity Leave and Rate of Returns to Work (persons/year)	Male	Female	Male	Female	Male	Female
Total number of employees entitled to maternity leave	125	10	111	9	98	11
Total number of employees taking maternity leave	125	10	111	9	98	11
Total number of employees returning to work after maternity leave ends	123	7	109	12	101	16
Total number of employees who returned to work after maternity leave ends and are still working 12 months after returning to work	167	5	120	7	108	12

We act with the awareness that our employees are our strongest assets and we become "Stronger. Together." with our employees. We implement various practices to provide a safe, fair and healthy working environment for our employees while continuing our business activities and we continuously work to improve our processes. To sustain our company's success, we adopt a corporate culture focused on maintaining high levels of employee engagement, satisfaction, and motivation and we take corresponding actions. In this context, we periodically conduct surveys and focus group studies to measure and improve employee engagement and employee experience. We conduct satisfaction surveys every two years in order to measure the employee satisfaction. Within the context of the most recent assessment, the score of the Refinery and Petrochemical Business Unit, to which we are affiliated as Petkim, was determined as 72%. In light of these results, we plan to repeat this study in 2026 and analyze our current situation in detail.

We design various leadership programs tailored for different levels of roles, equipped with measures such as long-term incentive systems, competitive compensation policies, and succession programs, aiming to attract, motivate, and retain skilled and talented employees in our organization. We develop various actions and policies with these objectives in mind. We also embrace these principles for our managers. We hold a Talent Committee meeting once a year for our management succession planning. The committee evaluates all candidates on the succession list and develops short, medium, and long-term senior-level backup plans.

We follow the global, national and industry practices and trends concerning the fringe benefits, performance bonuses and wages that we provide to our employees; we further support the implementation of a wage policy that will maintains the welfare of our employees.

Under our policy, we consider individual and collective goals and key performance indicators determined by senior executives with their teams and managers when assessing individual performance. In measuring individual performance, compliance with the principles of long-term sustainable improvement as well as Environment, Social and Governance (ESG) policies are also taken into consideration in addition to financial targets.

We provide a wide range of fringe benefits to improve the welfare of our employees. These fringe benefits include bayram allowance, funeral allowance, service and transportation assistance, company vehicle for senior executives, private health insurance, life insurance, seniority incentives, birthday, marriage, newborn and circumcision gifts, back-to-school allowance and monthly nursery support for female employees. Further benefits extended include uniforms and gift cards for service personnel, vocational qualification assistance (in accordance with the procedure), housing allowance, family allowance, child allowance, food and clothing allowance, shift bonus, overtime payment, natural disaster assistance, incentive bonus for union membership above the Turkish Labor Law.

With the "Employee Support Program" that we launched in 2020 and received positive feedback from our employees, we provide our employees and their first-degree relatives with expert support in health, psychology, law, healthy nutrition, baby care, ergonomics, technology use, veterinary medicine and finance. We care about these services being accessible anytime and anywhere, and we contribute to our employees' quality of life.

*Female employees may have longer maternity leave periods compared to male employees. For this reason, their eligibility for leave and return-to-work years can differ. Additionally, some female employees who start their maternity leave within a year may return to work in the following year due to the duration of their leave.



In addition to the "Ethics Reporting Line", we also use various other methods to obtain the opinions and feedback of our employees. We provide one-on-one meetings with our employees through Human Resources Business Partners (HRPPs), and organize various interviews, corporate culture surveys and focus group studies. Thanks to this feedback, we obtain important data to increase employee satisfaction and loyalty and shape our improvement strategies accordingly. We offer various opportunities to increase the loyalty of our employees by ensuring that they have decent working and living conditions. We strictly comply with the principle of equal rights in all our activities. In order to increase work efficiency and loyalty by keeping the motivation of our employees at the highest level, we implement various systems to recognize and reward their value-creating behaviors and professional efforts. In this way, we aim to contribute to the continuous development of our employees by encouraging successful performances and efforts, to strengthen team spirit by creating a positive atmosphere in our work environment and to ensure that our employees show more commitment to their work.



Talent Acquisition Process

As Petkim, we act with the awareness of the strategic importance of having a qualified workforce that will ensure the continuity of our success. We manage our recruitment processes effectively in order to recruit a qualified workforce in line with our company's values. Strictly adhering to the principle of the right candidate for the right position, we actively use diversified recruitment channels and internal reference systems.

By meticulously applying principles of equality, inclusion and diversity in our recruitment processes, we ensure that each candidate is evaluated fairly and without discrimination. We evaluate our candidates objectively with diversified assessment tools such as competency-based interviews, potential analyses, technical interviews, talent exams, case studies and foreign language proficiency exams, and we further strive to determine a selection process that will bring in the most suitable candidate to our team.

We are well aware of the significance that will be added to our company's success by bringing in young talents. In this regard, we attach importance to events such as career days and university activities where we will have opportunities to meet young talents. We offer internship programs that aim not only to bring young talents to our organization but also to contribute to the professional and personal development of university students. Within the scope of our internship program, we take care to assign a mentor to each intern who can guide them in their career paths. At the end of the internship program, we expect our interns to present a project that reflects real business life, so that they can experience the dynamics of the business world more closely by applying their theoretical knowledge in practice.

Performance Management

We have introduced our Performance Management System to evaluate the performance of our employees, whom we consider as the source of our success, and to provide professional development in this direction. This system allows us to observe the harmony between the strategic goals we have determined in line with our company's vision and the performance of our employees. For the purpose of measuring the effectiveness and efficiency of our employees, we set individual performance targets for our employees. We nourish these goals throughout the year with feedback, mid-term and year-end assessments, and we evaluate our employees' ability to achieve their strategic and individual business goals in line with our company's vision with measurable, concrete data.

Steps We Follow for Effective Performance Management:

- Continuous Performance with Activity Entry
- Feedback Exchange with Continuous Feedback
 - Year-End Evaluation Comments
 - Mid-Term Evaluation Comments
 - Year-End Evaluation Comments





Employee Training and Talent Development

We are well aware that each of our employees has a significant role in the way we do business and in our impact on the future. We know that the success that we have ultimately achieved is the result of the strong performance of our employees, and we strive to work to develop and support their talents. In this context, we strive to develop projects that will improve the motivation of our employees and strengthen training processes with our internal company activities.

We focus on our corporate values and take care to ensure that our employees work in the right positions in line with their own areas of competence.

When designing programs, we keep our finger on the pulse of the field and take their needs into consideration. The feedback we receive from many different platforms, such as employee evaluation surveys, employee loyalty and experience surveys, surveys we apply to our leaders, surveys applied during training & development processes, and one-on-one interviews and workshops conducted in the field specific to the programs, guide us during the needs analysis stage of program design. We take care to ensure that our training programs meet the needs of our employees and support our company's strategies. We ensure that technical personnel working in the field receive training from the best companies in the world that will support the projects on their agenda. In addition, we have implemented many rich development programs, from development programs that will contribute to the personal development of our technician roles and create a stronger communication environment in our field, to leadership programs that support all the competency development that our new managers may need in their managerial adventures, to a mini mba program specially designed for our talents where they can experience the business processes of all functions and follow global trends in the energy sector, to an internal trainer program where we create a learning environment by sharing the experiences of experts in their work and work diligently to develop trainer competencies. We received awards from the 2024 Stevie Awards for Great Employers with many of these special programs.

We organized the Next Generation Program for 110 children of high school and university students who are dynamic business world students and to raise employees to become leaders in order to ensure that they take steps towards the future at an early age. This two-week training program provided our youth with the opportunity to get to know the energy sector, shape their careers and gain important competencies in the professional world.

The basis of our corporate values is to ensure that our employees work in the right positions and in areas that suit their talents and skills.





Talent Management Process

We support our employees to improve their performance by focusing on their own competencies in order to reveal their potential. Contributing to the career management of all our employees and supporting them to achieve higher performance through these development programs are among our top priorities. The active role of our leaders in this process is among the factors that strengthen our company's sensitivity to social responsibilities, our commitment and our values.

While organizing the processes within this scope, we determine our strategic approach to the organizational structure regardless of individuals. We manage this process, in which we evaluate the future trainings of our employees, in a digital environment with a Professional approach. We ensure our employees to receive feedback regarding our Talent Management analyzes and thereby contribute to shaping their plans for the future. This approach not only improves our company performance but further contributes significantly to strengthening our employee engagement. While planning our new recruitment processes, we ensure that our employees benefit from our adaptation and orientation programs prepared according to their compliance with the job.

We offer our orientation program with the participation of our employees with different roles from all locations. This process further includes e-learning trainings, field visits and buddy support. We provide on-the-job trainings in the field for our employees who have changed their positions or have started their new jobs.

One of the most significant factors affecting the training and development processes that we implement in our company is providing different perspectives and ensuring a visionary development. Though our Occupational Health and Safety trainings are always at the forefront, we further organize legally required trainings and projects and vocational training processes that will enable our employees to gain Professional qualifications.

In order to support the career development of our employees, we apply performance assessments, career development programs and training needs analysis to all our white-collar employees. We plan new trainings in line with needs analysis, performance assessment results, career planning, developments in our industry and our goals and we carry out these processes with our stakeholders who are experts in their fields. All our organizations are prepared to cover the roles at all organizational levels and to reflect our corporate culture and are implemented towards the adoption of a common leadership culture.

Development practices that we provide to our employees:

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

Within the scope of all these programs, we made a training investment of USD 722 per employee, providing a total of 136,528 hours of training, with an average of 56 hours per employee. We provided training to a total of 2,423 employees in this context, adhering to our anti-corruption and ethical principles.

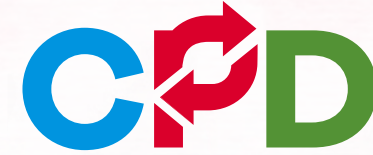


SOCAR Türkiye Academy

We embrace the SOCAR Türkiye employee culture and attach importance to the personal and Professional development of our employees in line with the understanding of "Stronger. Together.". In 2023, we supported the development of the 'SOCAR Türkiye Academy' platform, which was implemented by SOCAR Türkiye. Starting from 2024, we will begin its implementation. "SOCAR Türkiye Academy" is a development platform that aims to provide our employees with the new competencies and qualifications necessary to advance their careers. This platform is a comprehensive learning organization that will be implemented in all SOCAR Türkiye group companies. With this platform, we aim to maintain and improve the overall success of our institution by contributing significantly to the development of our employees.



Continuing Professional Development (CPD) Program



Another project developed within SOCAR Türkiye and in which we will participate as Petkim is the Continuous Professional Development (CPD) program.

With this program, we aim to contribute to the personal and professional development of our employees.

With the CPD platform, we can regularly record the professional development of our employees. In our Human Resources processes, we utilize it as a valuable input in critical processes such as talent management, career planning and performance evaluation.

The CPD platform, which became accessible to our white-collar employees in 2024, includes systems that encourage each of our employees to reach the CPD target scores set and reward these achievements. With this platform, our employees will be able to earn points for many successful activities such as writing academic articles, learning a foreign language, participating in leadership development programs and attending conferences.

With the CPD platform developed by integrating ever advancing technology and increasing digitalization initiatives into our own organization, we aim to ensure our training processes to reach a more systematic structure.

Total training hours given to employees

Manager	798
Expery	14,962
Technical Role	43,224
Worker	77,544





Occupational Health Safety

As Petkim, we adopt an HSE Management approach that focuses on occupational health, safety and environmental awareness, and is shaped by ethical values and continuous improvement principles. By closely following the best practices in the sector, we strengthen our HSE systems with a focus on continuous development. While we continue our production activities in line with SOCAR Türkiye's HSE Policy, we see it as a priority for our employees and contractors to adapt to this business culture.

Within the scope of risk management, we act in line with the experiences gained from high-risk industrial activities, lessons learned and international standards. In this context, we aim to create a safe and sustainable working environment by applying the basic principles in SOCAR Türkiye's HSE Policy.

We encourage our employees to take an active role in occupational health, safety and environmental sustainability. We act in collaboration to support our employees, our most valuable resource, to share their ideas freely, assume responsibility and effectively identify risks in a participatory and transparent working environment. We aim to ensure that work progresses safely and efficiently in every area we operate. As Petkim, we implement our HSE Management System practices in an integrated manner with our corporate values, activities and goals. We manage all our processes in accordance with the "SAFE" SOCAR Türkiye HSE Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System standards. In line with this, we conduct internal audits, second-party contractor audits and third-party external audits during the reporting year, and we regularly update the information on the international assurance standards we provide on our website and share it transparently with the public.

We continuously monitor, audit and improve our production processes from an HSE perspective. In our field, we implement awareness-raising programs such as Compliance Monitoring, Process Safety Management, Emergency Management, Incident Investigation Process Management and Contractor Management within the framework of the HSE Management System. We aim to create a safe working environment for our employees by effectively using tools such as the Observation and Reporting Program, Periodic Site Inspections (PFI) Program and HSE Risk Analysis.

In the field of Occupational Health, Safety and Environment (HSE), we aim to create a safer and more sustainable working environment by not only fulfilling legal requirements but also focusing on high-tech projects. Among our prominent projects in the reporting year are the use of video analysis technology in storage areas, which we commissioned in 2023 and completed the Synergi integration in 2024, and the digitalization of the Work Permit System. As Petkim, we undertake various protective measures and perform regular measurements and analyzes in order to protect the health and safety of our employees. In this regard, we spent a total of USD 3,553,089 in 2024.

Our Occupational Health and Safety performance is regularly monitored and evaluated by our management team and Board of Directors. In this regard, we hold weekly, monthly and quarterly meetings with management, business units, Risk Committees and the Board of Directors on HSE issues. In addition, within the framework of legal regulations and our HSE Policy, our employees have the right to stop work or avoid work they find dangerous if they detect any non-conformity.

	2022	2023	2024
Accident Statistics (Petkim Employees)			
Number of Accidents	12	3	7
Number of Fatal Accidents	1	0	0
Number of Recordable Work-Related Illnesses	0	0	0
Number of Days Lost due to Incidents	0	0	20
Total Hours Worked	4,640,009	4,531,857	4,498,734
Total Planned Hours Worked	4,640,009	4,531,857	4,498,734
Accident Frequency Rate (per 200,000 working hours)	0.56	0.13	0.31
Occupational Disease Rate (per 200,000 working hours)	0	0	0
Accident Severity Rate (Per day lost for each accident)	0	0	2.86
Lost Day Rate (per 200,000 working hours)	0	0	0.89

	2022	2023	2024
Accident Statistics (Petkim Suppliers and Contractors)			
Number of Accidents	8	14	14
Number of Fatal Accidents	0	0	0
Total Hours Worked	6,756,949	6,345,575	5,072,899
Accident Frequency Rate (per 200,000 working hours)	0.24	0.44	0.55



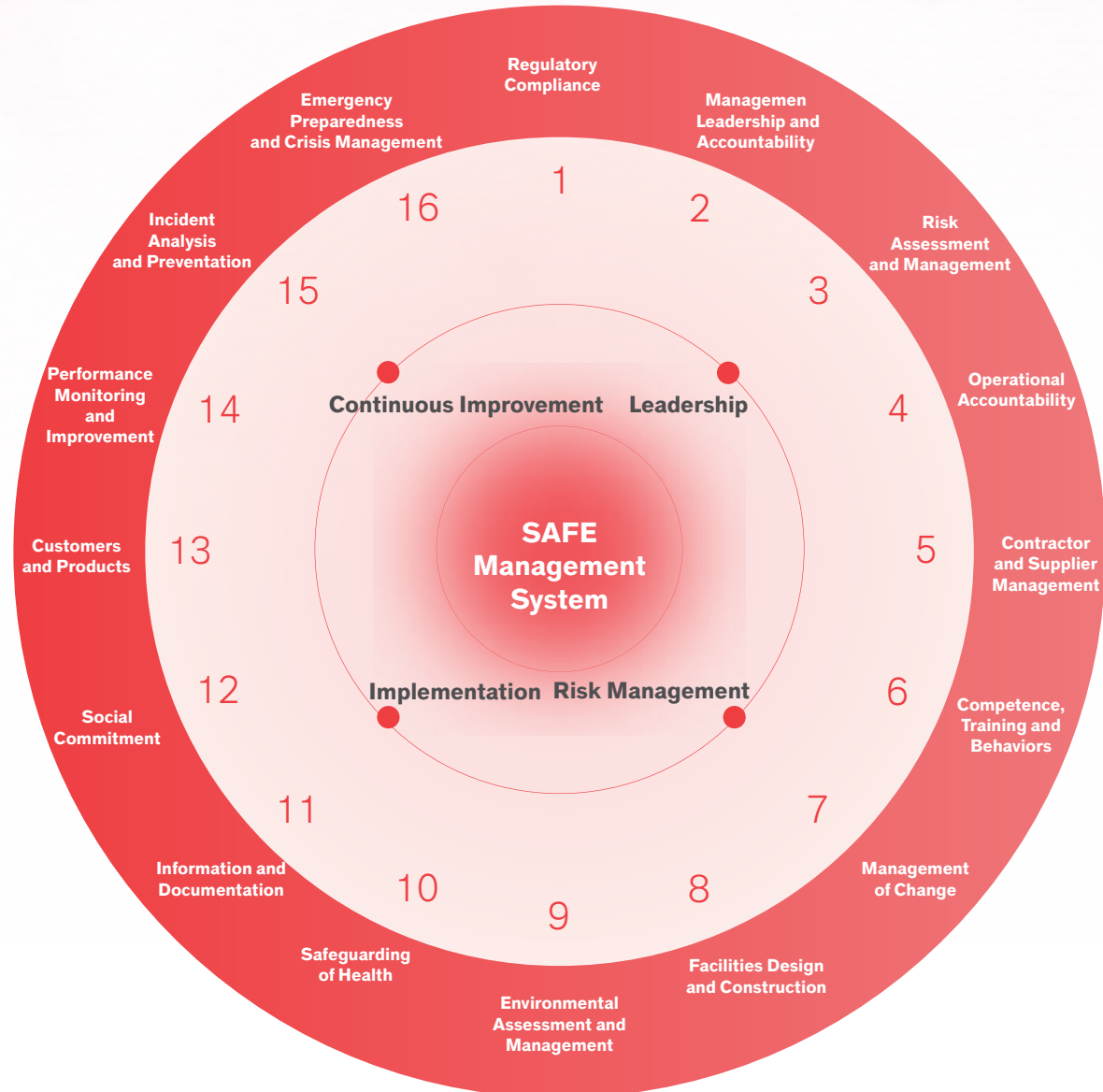
HSE Management System

At Petkim, we prioritize our HSE processes while fulfilling our environmental and social responsibilities within the framework of sustainability and operational excellence. In this regard, as we carry out our production activities, we consistently monitor the effectiveness of our SAFE (SOCAR Aims For Efficiency) HSE Management System, which is designed following the best global HSE practices.

"SAFE" includes 4 Fundamentals, 16 Principles and 100 expectations that determine Petkim's practices within the scope of HSE practices. We support our "SAFE HSE Management System" with a documentation hierarchy consisting of corporate guidelines, procedures, specifications and instructions. Thus, we aim to manage our practices systematically and consistently. We aim for excellence and continuous improvement in occupational health, safety and environmental issues.

We evaluate the compliance of all activities that we carry out with Occupational Health, Safety and Environment Legislation. In this context, we systematically and coordinately manage the SAFE HSE Management System, Integrated Management Systems and all our other processes. In 2024, we achieved successful results from independent audits performed within the scope of ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System. In accordance with the requirements of ISO 45001 / ISO 14001 and the SAFE HSE Management System, we identify HSE risks in our processes, review them periodically and monitor the necessary actions to be taken.

The SAFE HSE Management System is a system that we have developed considering the issues beyond legal requirements, in line with global industry practices, by making use of various international resources and standards.





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

List of followed legal requirements:

- Occupational Health and Safety Law No. 6331
- Social Security Law No. 5510
- Environmental Law No. 2872
- Labor Law No. 4857
- All HSE legislation and regulations

List of international standards and guidelines taken into account within the scope of the SAFE HSE Management System:

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



Life Saving Rules

As part of our Occupational Health and Safety approach, which we continuously develop based on industry best practices and lessons learned, we aim to achieve world standards with our Journey to Zero program, which we set out with the goal of zero serious injury and fatal accidents and zero leakage. In this direction, as SOCAR, we have decided to adopt and apply the Life Saving Rules accepted and implemented by the International Association of Oil and Gas Producers (IOGP), of which we are also a member.

By using the Life Saving Rules, we are using the common language used globally with other companies in our sector.

The IOGP Life Saving Rules provide a framework that sets out the basic safety standards developed to ensure the safety of employees in the oil and gas sector. These rules are fully compatible with our HSE policy and contribute to our aim for the highest levels of safety in the sector.

The 9 Life Saving Rules aim to increase the risk awareness of our employees by helping us focus on high-risk activities that may lead to fatal accidents. Each rule is represented by a specific icon and includes basic life-saving actions that employees can take to prevent serious injuries and deaths in the workplace. We anticipate that this approach will contribute to the strong ownership of our employees both individually and as a team.



Bypassing Safety Systems



Working in Confined Spaces



Safe Driving



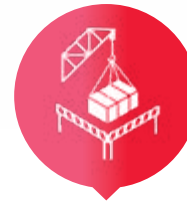
Energy Isolation



Hot Work



Hazardous Areas



Safe Lifting Operations



Work Authorization



Working at Heights



Process Safety Management

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

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

We consider international standards and current requirements while structuring our Process Safety Management within the framework of our vision of building a pioneering Health, Safety and Environment (HSE) corporate culture in the industry. Main sources that we have used as reference when developing our Process Safety Management System include the CCPS (Center for Chemical Process Safety) Guide – Risk-Based Process Safety, the USA's OSHA (Occupational Safety and Health Administration) Process Safety Management Standard and Turkish legislation. We aim to keep the safety of both our employees and our environment at the highest level by constantly updating our processes with the information acquired from these sources.

We perform a process hazard analysis by carrying out the Process Safety Management of Change (MOC) process prior to making any planned changes to existing equipment, materials, process control systems, operating systems or application/work management in our sites. Process Safety Management of Change (MOC) process confirms that the design subject to change contains all the necessary details, has been evaluated in terms of all necessary engineering and administrative disciplines, has been affirmed to be technically correct, has been recorded in all relevant documents and relevant systems and has been included in the programs and software and that all planned actions have been completed before the change is commissioned or used.

We manage our Pre-Startup Safety Review (PSSR) process to verify that all checks are realized before the changes are implemented in the field and commissioned and to ensure the safety of all items that need to be checked. We carry out field reviews and evaluation of checklists with the participation of relevant disciplines.

We carry out the necessary activities and implement approval processes in line with the "Safety Systems By-pass Procedure" in our fields for all operations of the Refinery and Petrochemical Business Unit, to which we are affiliated as Petkim, where any equipment or component malfunction occurs in the process protection systems/safety systems, protective/preventive maintenance measures are disabled due to compulsory reasons or whose efficacy is partially amended. When it is necessary to disable or bypass safety systems, we have digitized the process to ensure that risk analyses are conducted to identify potential hazards, and that necessary precautions are taken to maintain safety and reliability during the bypass period. This digitalization has made the management, monitoring, and documentation of the process much more effective.

Operational HAZOP (Hazard and Operability Analysis) & LOPA (Layers of Protection Analysis) analysis have been performed in Refinery and Petrochemical facilities. We further ensure the execution of HAZOP & LOPA analysis for many projects developed within the scope of optimization for the Refinery unit, flexibility in the production and for projects developed in line with the need for integration and modernization of Petrochemicals.

In order to investigate the root causes of process safety incidents occurring in facilities and to determine the measures to be taken to prevent similar incidents from occurring again, we classify incidents in line with SOCAR Türkiye HSE procedures, establish incident investigation teams and coordinate incident investigation processes. We prepare and develop standards in line with the principles of the SAFE HSE Management System and the best practices of the industry and organize training for the implementation thereof. In line with the aim of constantly improving the HSE culture, we prepare bulletins on Process Safety issues and organize trainings on different topics within the scope of the Process Safety Management System.



HSE Risk Management

As Petkim, we systematically evaluate and manage the HSE risks that our production activities may bring with. As a company classified as "Very Hazardous", we carefully carry out our risk assessment and management processes going beyond the requirements stipulated by the legislation. HSE-specific risks are prioritized by our Board of Directors and reviewed periodically at the following meetings:

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

For the purpose of the HSE Risk Management process, we determine the results of risk assessments and the corrective and preventive measures to be taken by our expert employees using various tools and we meticulously document this data.

We apply our risk assessment process in various situations such as the initiation of new projects, asset purchase and sale transactions, changes in existing operations and decommissioning of facilities, and handle them with a systematic approach. We consider our risk assessments as an important resource in determining our future Occupational Health, Safety and Environment strategies and archive them for this purpose. Especially high and critical risks play a central role in our management and decision-making processes. We regularly reassess these risks on a quarterly basis and share the findings with the Risk Committee.

Emergency Management

We pro-actively evaluate the risks that may occur in our sites and we make comprehensive plans in this regard. We effectively make use of our vehicles and systems that provide 24/7 service within the scope of the management of emergency preparation, firefighting, response to gas leaks and rescue operations.

In the Aliğa Special Industrial Zone, there are numerous systems and tools dedicated to the management of emergencies. Active warning systems have been established across the peninsula, and emergency management systems have been implemented to instantly detect emergencies and safely shut down all facilities.

In addition to the facilities, we also have systems and marine vessels to ensure coastal safety. In the event of any pollution, we have a trained and specialized team as well as marine vessels ready to respond to the sea surface 24/7. In case of emergencies, we have established communication systems to ensure fast and direct communication with relevant business units, emergency personnel, neighboring organizations, key local stakeholders, public institutions responsible for emergencies such as AFAD and fire brigade. Another dimension of being prepared to prevent emergencies before they occur in our region and throughout our services, and to take the situation under control with the least impact when such situations occur, is the preparedness of employees for such situations. We conduct regular drills for this purpose. In 2024, we provided information about our Emergency Management System for visitors to our facilities. We completed the installation of the Emergency Crisis Management Centre in the Aliğa Administration Building.

Work Authorization System

We facilitated the smooth operation of the Work Authorization System in all our facilities and units that experienced incidental shutdowns, planned shutdowns and commercial shutdowns throughout 2024. We provided a safe process management with a total of 34,518 activities permitted under the control of the Facility Security Department addressing Hot Works, Entry to Confined Spaces, Lifting Operations, Excavation Works, Energy Insulation, Rescue Control and Radiography Works.





Fire Fighting

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

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

As part of the projects carried out in our facilities in 2024, we carried out comprehensive engineering studies on fire protection systems. In this direction, we increased safety and efficiency by improving fire protection systems such as foam systems and sprinkler systems. We also conduct firefighting training for our contractor employees in our facilities. We also organized a Firefighting Week event with broad participation in 2024.





HSE Best Practices at SOCAR Türkiye

As Petkim, we maintained our efforts to provide a safe work environment for our employees and to further improve HSE awareness in 2024. Some of these applications:

HSE Observation and Reporting Program

At Petkim, our employees are empowered by our HSE Policy to reject unsafe work and to identify and implement solutions for carrying out necessary tasks safely. It is of vital importance for our employees to act with this awareness of responsibility and to comply with the requirements of our HSE Management System for the well-being of people and a healthy environment.

HSE Observation and Reporting Program allows our employees to notify and report unsafe behaviors, conditions and near-miss accidents that exceed the limits set by our SAFE HSE Management System. This reporting contributes to taking corrective and preventive actions and significantly supports the provision of a safe working environment by helping to prevent possible accidents.

In this regard, we attach importance to the opinions and participation of our employees and we encourage them to identify, observe and report a possible HSE problem.

Root Cause Analysis (RCA) Program

Our research team, appointed after an incident or accident, thoroughly examines the reasons underlying the incident or accident using the root cause analysis technique. The visible and systemic causes of the incident/accident are thereby determined allowing to take the corrective/improving actions to eliminate or reduce the possibility of recurrence. In order to make this process systematic and consistent, we provide our research team members "Root Cause Analysis" that we have developed internally.

Periodic Field Inspection (PFI) Program

With our Periodic Field Inspection (PFI) program, we aim to conduct regular field tours to effectively monitor the implementation of HSE practices and compliance with HSE requirements at our sites. We also aim to systematically address the findings observed. With our Periodic Field Inspections, we take a proactive approach to prevent potential accidents and near-miss incidents through the resolution of identified findings, action management, and periodic reporting. In 2024, within the scope of the program, in addition to routine PFI inspections, we conducted a total of 173 inspections. Within the scope of this program, we continued to award successful teams in 2024.

Road Safety Program

We have implemented many practices within the scope of the Road Safety Program, which we implemented to raise the safety and health standards of the sites where we work. We conducted route-based risk analyses of the roads in our work sites. In this way, we identified our areas open to improvement and made improvements in the process. We monitored the speed limits of vehicles inside and outside the facility through the Vehicle Tracking System MOBİLİZ. We inspected 6,349 vehicles within the scope of in-field radar application with on-board radar speed detection device. We carried out 1,608 vehicle controls within the scope of Road Safety Inspection. Within the scope of the plans, we provided Safe Driving Techniques Training to a total of 358 employees (194 blue-collar and 164 white-collar) and 867 contractor employees during the year. Within the scope of the Road Safety Procedure, we ensured Safe Vehicle Access Control of 1,364 vehicles within the scope of compliance of the vehicles in our field with the vehicle standards defined in the relevant procedure. We carried out intersection, car park, pedestrian roads and traffic sign arrangements in line with the needs.

Radiation Safety Program

With the Radiation Safety Program, we aim to ensure that radiation applications comply with legal regulations, raise the level of awareness of our employees on the effects of radiation and safe working, and prevent possible accidents. Within the framework of this program, we carried out physical controls of existing sources throughout the year. We audited the field work and legal compliance of the companies providing NDT (Non-destructive testing) services. We ensured that personal dose measurement and radiation measurements were carried out

Forklift Safety Program

With this program, we aimed to raise awareness of forklift operators on safe driving and to minimize the risks at workplaces, including road safety, in order to prevent the incidents that resulted in material loss in our sites in the past years from occurring again.

The innovations that come with the program are as follows:

- Accompanying Vehicle Service
- Safe Forklift Driving Training
- Class 'G' Driving License Requirement
- Certification Process
- Audit and Reporting





HSE Award and Incentive Program

HSE Reward and Incentive Program is a program that aims to support the active participation of our employees in occupational health, safety and environmental activities and to reward those who make effective contributions. In this context, we follow up unsafe behaviors and situations by reporting them through the HSE Monitoring System, and reward positive behaviors by identifying active participation in periodic field inspections and working habits in compliance with HSE rules. At the Award Incentive Commission meetings we organize on a monthly basis, we determine our company and contractor employees nominated by our colleagues and present them their awards. Throughout 2024, we rewarded a total of 92 employees in the categories of "Best HSE Observation of the Month" and "Best HSE Focused Employee of the Month" and presented awards to the best units and factories selected based on periodic field audit scores at special ceremonies.

Electronic Work Authorization (E-Permit) Project

With the project of transferring the work authorization system in the Refinery and Petrochemical Business Unit, which is otherwise carried out manually and with paperwork, to the digital environment, we aim to save time and labor and strengthen the effective field control mechanism. We aim to minimize personnel errors by enabling the application to be monitored online via tablet and computer systems. In 2024, we continued the system's go-live processes in pilot units. We carried out pilot studies at Petkim Steam Production, PP and LDPE-T Plants and Ethylene Plants. We trained approximately 1,700 employees on digital system applications. In 2025, we aim to review the processes in line with the needs and finalize the software.

HSE Synergi Life HSE Reporting Program

Owing to the HSE Synergi Life HSE Reporting Program, we can monitor, manage and report all processes related to HSE on a single common platform. With this software, we can report and analyze HSE key performance indicators, record observations, actions, risk assessments, track HSE audits and legal compliance and further manage HSE incidents and investigations. In addition, we can effectively manage and investigate HSE incidents that occur while monitoring HSE audits and legal compliance processes. In order to use the system more effectively, our development efforts continue in line with different needs. In this context, we completed the mobile application studies in 2024 and put the application into operation for all users. In addition, we integrated the "Video Analysis Technology" used in Petkim Product Packaging and Storage and Material Storage areas into the HSE Synergi Life application.

Video Analytics Program

With the aim of integrating artificial intelligence into our HSE culture, we launched and commissioned the "Video Analysis Technology" Project in Petkim Product Packaging and Storage as well as Material Storage areas. We integrated the "Video Analysis Technology" used in Petkim Product Packaging and Storage and Material Storage areas into the HSE Synergi Life application. In this way, we ensured that unsafe behaviors are automatically reported and recorded.

Toxicological Analysis Based Chemical Risk Assessment Program

We have implemented the Chemical Risk Assessment Program Based on Toxicological Analysis in order to determine in advance the possible effects of hazardous chemicals we use in our workplaces on the health of our employees and to take preventive steps in this regard. Thanks to this important program, we have examined in detail the extent to which our 1,895 employees in 46 different departments are exposed to chemical substances. We evaluate the risks in each of our departments separately and take all necessary precautions to minimize the exposure levels of our employees. In line with the data we obtain within the scope of this program, we improve our ventilation systems, encourage the use of personal protective equipment, make our work processes safer and continuously train our employees.

Water Safety and Legionella Management Program

We implement the Water Safety and Legionella Management Program with great care to maintain the safety and quality of the water we produce and offer for use in all our fields at the highest level. As part of the Water Security and Legionella Management Program, we identify our water sources, purify and disinfect our water, regularly maintain our water distribution systems, and continuously monitor the quality of our water. Thanks to this program, we detect risks early and continuously control microbiological pollution of our waters, including Legionella bacteria. We are committed to providing the highest standards in water safety. Thanks to our Water Safety and Legionella Management Program, we protect the health of our employees and all stakeholders, minimize water-related risks and constantly work to achieve better.





Ergonomic Risk Analysis Program

We have implemented the Ergonomic Risk Analysis Program to determine the ergonomic risks of our control operators and work areas that work in a seated position for long periods of time and to minimize these risks. Thanks to this program, we have provided training on ergonomic risks to 495 employees in 24 different departments. In addition, we have determined the special needs and risk factors of each employee by conducting individual ergonomic risk analysis for 180 employees.

Using the Ergo-SUVA Method, we have examined the working environments of our employees in detail and identified ergonomic risks. In this way, we aim to prevent posture disorders, musculoskeletal disorders and other ergonomic problems.

As part of our program, we have implemented a series of corrective and preventive measures to eliminate or minimize the risks we identified. We have rearranged our work areas, provided ergonomic equipment and informed our employees about correct posture and movement techniques.

We are constantly working to protect the health and safety of our employees. With the Ergonomic Risk Analysis Program, we aim to ensure that our employees have a healthier and more productive working environment.

HSE Week Activities

We celebrated the 2024 HSE Week with many events to increase the safety awareness of our employees and further strengthen the occupational health and safety culture. Throughout the week, we organized various events to raise awareness in all our business units. The opening of the week was held with the HSE themed speech of our R&P Business Unit President Kanan Mirzayev, who emphasized the importance of creating a safe working environment and achieving the zero-accident goal.

Within the scope of activities:

- With the HSE Themed Theater Performance, we offered our employees the opportunity to watch the importance of a safe working environment with a creative and impressive performance.
- Thanks to the Seat Belt Simulation, our employees experienced the critical importance of traffic safety.
- With the OHS-C Themed Photography Competition, we encouraged the visual depiction of safe working environments and rewarded the best shots.
- With Road Safety Simulations, we raised awareness among our employees about safe driving techniques by giving them a better understanding of the risks they may encounter in traffic.
- We organized HSE trainings for children in schools, aiming to instill safety culture in future generations from an early age.

With these events, we have taken an important step towards disseminating our HSE culture and ensuring the sustainability of a safe working environment.





HSE Trainings

Within the scope of our HSE policy, we aim to continuously strengthen our employees with the knowledge and skills that will enable them to work safely in the workplace at Petkim. We implement comprehensive training and communication strategies in order to improve the competencies of our employees on HSE issues, to effectively communicate the latest updates to our practices and procedures and to raise awareness within the framework of protecting the health of our employees.

Beyond complying with the Occupational Health and Safety Law No. 6331, we offer our employees comprehensive training programs ranging from process safety to emergency and crisis management, from working at heights to first aid. In addition to the trainings we provide with our in-house resources such as Root Cause Analysis (RCA) and Automated External Defibrillator (AED), we support the professional development of our employees by carrying out certified trainings requiring professional qualification certificates in cooperation with organizations authorized by the Ministry. We further inform our employees about environmental issues such as reducing our carbon footprint, waste management, emission management, debris management and wastewater management and we raise awareness in reducing our environmental impact.

In order to increase the awareness and competence of our employees on Occupational Health and Safety, we conducted comprehensive training and exercise programs in 2024. During the year, we provided a total of 1,638 person/hours of training to 234 company employees within the scope of the Safe Pass Induction Program (Module-1). In order to create a safe working environment in non-routine activities, we updated the Work Authorization System (SAFE WORK) trainings and offered them to both company and contractor employees. In this context, we provided 11,998 person*hours of training to 1,714 company employees and 24,633 person*hours of training to 1,872 contractor employees.

Under the leadership of the Facility Safety Department, we organized HSE trainings on topics such as emergency management, crisis center awareness and firefighting. We conducted 20 drills during the year to ensure that our employees are prepared for possible emergencies.

We offer trainings on vital issues such as hazard analysis and risk management, including contractor company employees. We continue to organize theoretical and practical Safe Driving Techniques Trainings to increase our employees' road safety awareness and improve their safe driving skills.

We have an effective communication network such as Corporate TV, announcements, visual design materials in order to manage the risks that may occur in the work areas, to share information about current issues and to increase the level of awareness of our employees on HSE practices. We use the following effective communication methods to convey the work carried out by HSE Disciplines to all our employees.

- HSE Newsletters,
- HSE Minute Application,
- HSE Reminder Note,
- Lessons learnt from events,
- Job Specific On-the-Job Safety Talk within the scope of the Labor Management System

Occupational Health Safety and Environment Training (2024)

Total Hours of
Training Provided
to Employees

80,087
(person*hour)



Supply Chain Sustainability

We see our suppliers, who are the most important building blocks of our value chain, as an integral part of our operations that we carry out by taking into account environmental, social and economic impacts. From this perspective, we believe that our supply chain, which is one of the most important elements that ensure the continuity of our activities, should also reflect our understanding of sustainability. Therefore, we focus on responsible supply chain management principles and take environmental, social and economic impacts into consideration in all our processes.

We strive to implement the processes in all of our operations in accordance with the Constitution of the Republic of Türkiye, the United Nations Universal Declaration of Human Rights and the main conventions issued by the International Labor Organization. We respect core values and adhere to a framework of business ethics that complies with universal standards throughout our entire supply chain. We oblige all companies in our supply chain to comply with SOCAR Türkiye Code of Ethics and Anti-Corruption and Trade Controls Policies. In this context, we expect our suppliers to comply with the rules we have determined on human rights, OHS and anti-corruption. We evaluate all parties with whom we have commercial relations in line with SOCAR Türkiye Compliance Procedures by subjecting them to the SOCAR Türkiye Compliance Process and the approval by the Compliance Department.

We aim to minimize our environmental impacts and reflect our social responsibility by prioritizing compliance with sustainability standards in our supply chain processes such as supplier selection and material procurement as well as production processes. By collaborating with our stakeholders, we aim to build a supply chain based on ethical values. When signing contracts with our suppliers, we review certain environmental and social processes in accordance with the specifications of work required in our sites.

In line with our sustainability vision, we implement supplier monitoring, evaluation and development practices to ensure that our supply chain develops in line with this approach. In this way, we ensure that our supply chain fully complies with our sustainability criteria and continuously improves.

Supply Chain Structure

In order to create a more effective and solution-oriented structure for the administrative purchasing needs, which are different in nature and variety, a dedicated Shared Procurement Department was established under Corporate Center management level.

Main Procurement Category

- Procurement of equipment and spare parts
- Procurement of chemicals and catalizors
- Procurement of service

Types of Procurement

- Long/short term service procurement contracts
- Price/quantity based framework contracts
- Spot-based purchase orders

Supplier Structure

- Local small-medium-large scale companies
- Foreign small-medium-large scale companies

Local Supplier Priority

In our responsible supply chain structure, we support local development by expanding our local supplier base. In this context, we particularly focus on working with local suppliers in our purchases of crude oil and non-raw materials. The Refinery Petrochemical Business Unit, which we are affiliated as Petkim, has launched Local Manufacturing Service. Through this service, we ensure that spare parts and equipment originally sourced from foreign companies are procured from local manufacturers. With this strategy, in 2024, we have comprised 85% of our supplier portfolio and 82% of our procurement budget from local suppliers.

Green Procurement Policy

Green Procurement Policy was prepared at SOCAR Türkiye in 2022 and published within the organization. Based on this policy that we have implemented at Petkim, we aim to consider issues such as preservation of resources, energy consumption, prevention of pollution and protection of human health, if possible, at the purchasing stage.

In 2024, the number of suppliers we included in our portfolio through Smat (Intergraph Smart Materials) was 286, an increase of 23% compared to the previous year.



Contractor Management

We provide a fair and ethical working environment that is respectful of human rights and reflects our approach to diversity, equality and inclusion for our contractors, who are integral links in our supply chain. In this regard, we expect our contractors to comply with SOCAR Türkiye Compliance Procedures and SOCAR Türkiye Code of Ethics.

We maintain our sensitivity to occupational safety and environmental sustainability issues within the scope of our contractor company management. All service provider and contractor personnel operating in our fields undergo mandatory training before stepping into the operation field. This training ensures their occupational safety and the protection of the environment.

We further perform annual field inspections together with the Procurement Department and with the participation of other relevant departments. In 2024, we performed 55 inspections for 60 contractors within the scope of compliance assessments. We report defects identified during field inspections to service providers/contractors so that corrective measures are implemented. We take necessary actions in accordance with the procedures for service providers/contractors that are deemed non-compliant.

We apply a pre-qualification (PQ) procedure for purchases over USD 500,000. With this procedure, we evaluate the adequacy and suitability of our contractor companies. In this context, we request some information from our contractor companies under the main framework of HSE and Quality Management.

At the proposal stage, we expect our prospective contractors to submit their HSE Policy, ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System certificates and practices, risk assessments, emergency response plans, number of accident reports and information about their quality management procedures under the main framework of HSE and Quality Management.

Our sensitivity regarding HSE also applies to contractor personnel. We provide an entry level training and field orientation covering emergency procedures within the scope of HSE. These trainings ensure that personnel work safely in the field and are prepared for potential hazards. In 2024, our total number of contractor personnel was 1,872. This number shows how broad an ecosystem we work with and how big our responsibility is regarding HSE. With all these efforts, we focus on protecting the health and safety of both our own employees and our contractor personnel.

Competency Assessment and Contractor Audit Procedure

Within the scope of the procedure, the audits to be executed for the contractors during the year are defined. Total Audit Score consists of the scores given by Procurement, Requesting Unit, Quality and HSE teams. The contractor is expected to remedy/ correct the deficiencies identified in these inspections. A written notification is served to the relevant supplier to correct/ remedy the identified deficiencies. On the basis of total audit score, suppliers with scores "70" and above are considered "Successful" while those with scores below "70" are considered "unsuccessful". Whether the corrective actions determined in accordance with the 2nd and 3rd party audit results are fulfilled within the time period extended to the contractor is confirmed by the procurement personnel or the 3rd party company appointed for this purpose. Penal sanctions defined in the contract are applied to contractors who do not compensate for their deficiencies within the specified period. The contracts of suppliers who cannot increase their scores within the specified periods may be terminated.



We Are Together for Social Responsibility!

Corporate Social Responsibility

In 2024, Petkim took important steps in the field of social responsibility in order to raise the welfare level of society. The projects we have implemented in many areas ranging from education to environmental protection, from health to social assistance have once again proved Petkim's contribution to Türkiye's future. In 2024, we present to you, our stakeholders, our corporate social responsibility projects, the voluntary activities of our employees and the benefits we provide for society in detail.

In 2024, these projects, which were implemented in a wide range of areas from education to the environment, from health to social assistance, once again demonstrated that Petkim is not only a commercial organization, but also an institution with a high sense of social responsibility. In 2025, we aim to undertake even bigger projects in a wide range of areas from education to the environment, from health to social assistance. We will continue to invest in Türkiye's future by reaching even greater goals in the coming years.



Featured Projects in 2024



Education Projects

Education was one of the areas we attached the most importance to in 2024. As a company, we helped students study in better educational environments by providing infrastructure support to 5 schools in and around Izmir. We supported the goal of raising the scientists of the future, especially with robotic coding projects and technical material donations in the field of technology. In addition, as a company, we helped to take special measures to increase the security of schools by providing schools in risky areas with facilities such as private security.

We continue to support the Haydar Aliyev Vocational and Technical Anatolian High School in Aliğa (Aliğa Haydar Aliyev Mesleki Ve Teknik Anadolu Lisesi), which was built by Petkim. With our approach that cares about student safety, we fenced off dangerous areas in the garden of Petkim Primary School, ensuring that students study in a safer environment.





Environment Projects

In 2024, we took steps towards environmental protection and sustainability. In this context, we planted 20,000 saplings on National Afforestation Day in Yamanlar, Izmir. With the participation of company employees and volunteers, we played an important role in raising environmental awareness as well as contributing to the revitalization of nature.

We also demonstrated our sensitivity to the environment with coastal cleaning activities. We contributed to the goal of a sustainable environment by recycling the collected waste.



Health Care Projects

With the donation of 5 computers to the Aliğa District Health Directorate (Aliğa İlçe Sağlık Müdürlüğü), we contributed to the more efficient and faster delivery of health services. Thanks to this technological support, patient registration and follow-up procedures were moved to the digital environment, helping to reduce the workload of healthcare professionals. With this improvement, we aimed to increase the quality of health services and raise the living standards of the people of the region.



Social Support and Social Contributions

In 2024, we continued to strengthen our ties with the community. To this end, we provided both financial and in-kind assistance to public institutions and local communities. We took important steps to increase social benefit, especially with support for public safety and sports. We contributed to public safety efforts by donating technological equipment such as computers, printers and scanners to public institutions. In another activity, we supported the 29 October celebrations by keeping the enthusiasm of the Republic Day alive in Aliğa Siteler Neighbourhood and demonstrated an example of social solidarity.





SOCAR Türkiye Volunteers

The SOCAR Türkiye Volunteers platform was implemented to support employees to add value to society and lead positive changes by participating in volunteering activities. This platform covers our volunteer employees from all group companies and is based on alignment with the United Nations Sustainable Development Goals in project outputs.

In 2024, SOCAR Türkiye Volunteers launched a large-scale initiative for the benefit of society. They developed projects in various fields such as environmental protection, education, animal rights and social awareness. These projects aimed to realize the goal of achieving a fairer and more sustainable future with the participation of all employees, while strengthening the solidarity ties between company employees. Special projects focusing on raising the living standards of disadvantaged groups were implemented. Library donations were made to support children's education and cleaning activities were organized to raise environmental awareness. We visited the PatiPark Animal Care Center, which was realized with the support of Petkim, and met the food needs of the animals in the Patipark.

By taking an active role in these projects, volunteers aimed not only to produce solutions to current problems, but also to leave a hopeful legacy for future generations.



SOCAR Türkiye Volunteers

carried out a total of **2,760 hours** of volunteering activities in 2024.





Annexes

Board of Directors Annual Report

1. General Information

1.1. Trade Name of the Company : Petkim Petrokimya Holding A.Ş.
Trade Registry : 314 - Aliağa Ticaret Sicil Müdürlüğü
Company's Mersis Number : 0729001277300019
Company Website : www.petkim.com.tr
Headquarters Address : Siteler Mahallesi Necmettin Giritlioğlu Cad.
SOCAR Türkiye Aliağa Yönetim Binası No 6/1 Aliağa 35800 İzmir/Türkiye

1.2. Reporting Period: 01 January-31 December 2024

1.3. Key Operational and Financial Highlights

Petkim's EBITDA was 2,067 million TRY, while its net loss for 2024 was recorded as 6,793 million TRY.

Two-Year Key Indicators (TRY thousand)	2023	2024
Total Assets	138,301,481	124,552,685
Net Sales	87,264,493	77,380,795
Net Profit	10,703,730	(6,793,803)
Exports	34,869,651	30,352,908
Issued Capital	2,534,400	2,534,400
Number of Employees (year-end)	2,383	2,433

Summary Balance Sheet (TRY thousand)	2023	2024
Current Assets	29,358,075	27,132,241
Non-Current Assets	108,943,406	97,420,444
Total Assets	138,301,481	124,552,685
Short-term Liabilities	38,625,154	40,649,975
Long-term Liabilities	25,482,670	25,579,004
Shareholders' Equity	74,193,657	58,323,706
Total Equity and Liabilities	138,301,481	124,552,685

Summary Income Statement (TRY thousand)	2023	2024
Net Sales	87,264,493	77,380,795
Gross Profit/Loss	(3,361,550)	(1,242,532)
Operating Profit/Loss	(9,573,857)	(10,968,464)
EBITDA (TRY million)	3,305	2,067
Net Profit/Loss for the Year	10,703,730	(6,793,803)



Key Ratios	2023	2024
Current Ratio	0.76X	0.67X
Liquidity Ratio	0.32X	0.30X
Financial Leverage Ratio	0.46X	0.53X
Debt Ratio (Total Debt/Equity)	0.86X	1.14X
Gross Profit Margin (%)	-3.8	-1.6
Operating Profit Margin (%)	-9.1	-14.1
Net Profit Margin (%)	12.3	-8.8

1.4. Organizational, Capital and Shareholding Structure of the Company

1.4.1. Organizational Structure

The organizational structure of the company was determined as the "General Manager" and "Internal Audit" Unit under the Board of Directors, the "Senior CFO in charge of Financial Affairs" and "Other Positions Under the General Manager". There are 1 President, 8 Vice Presidents in the company's senior management structure and the details are given below.

Kanan Mirzayev	General Manager
Ahmet Gülhan	Vice President (Financial Affairs)
İbrahim Kadioğlu	Vice President (Business Excellence)
Sinan Üçyiğitler	Vice President (Production/Operations)
Ergün Binboğa	Vice President (Technical Services)
Ziya Kangarlı	Vice President (Trading)
Levent Kocagül	Vice President (Human Resources)
Matin Khalilli	Vice President (Supply Chain and Procurement)
Seral Erkut	Vice President (Occupational Health, Safety and Environment)

1.4.2. Capital and Shareholding Structure

Natural and legal persons directly holding share or voting rights in the capital

Shareholder	Paid-in Capital (TRY)	%
SOCAR Turkey Petrokimya A.Ş.	1,292,544,000	51.00
Directorate of Privatization Administration	0.01	0.0001
Traded on BIST (Publicly Held)	1,41,855.999,99	49.00
Total	2,53,400,000	100.00

1.5. Information on Privileged Shares and Voting Rights of Shares

Article 32 of the Company's Articles of Association stipulated that each share entitles its holder to one vote in General Assembly Meetings. Group C shares enjoy the privilege of making nominations to the Board of Directors. Furthermore, Board of Directors decisions passed in relation to matters specified in Article 15 of the Company's Articles of Association become valid if Group C shares cast affirmative votes.

There is one share and one vote right for all outstanding shares of the company.





1.6. Board of Directors



Anar Mammadov

Chairman of the Board

Anar Mammadov was born in 1971 in Baku. He completed his medical education at Azerbaijan Medical University. Then he graduated from Baku State University, Department of Law. He completed his MBA in TRIUM Global Executive MBA and his Ph.D. in oil supply, logistics, and trade at the UK College of Petroleum Studies.

Between 1995 and 1998, he managed the Avista company he founded. Between 1998 and 2007, he worked as a regional director at Milio International. He served as CEO at Axiel Carbonexis between 2007 and 2009, at SOCAR Georgia between 2009 and 2014, and SOCAR Greece between 2014 and 2016. After becoming the General Manager of Petkim in 2016, he was appointed as the Head of SOCAR Türkiye Refinery and Petrochemical Business Unit in November 2019. He has been serving as the Vice President of SOCAR since July 2023.

Mammadov, awarded the Taraggi (Progress) Medal by the Presidency of Azerbaijan in 2018, has more than 15 years of experience in the oil and energy sector. He also speaks fluent English, Russian, and Greek.



Kanan Najafov

Deputy Chairman of the Board of Directors

Kanan Najafov was born in 1975. He graduated from Baku State University with a degree in International Law and International Relations in 1997, from American University Washington College of Law in 1999, in International Business Law, and from the University of Wharton School of Pennsylvania in 2003 with a degree in Business Administration.

He started his career as an operations specialist at the World Bank's Azerbaijan office in 1996-1998 and worked in the Washington and Baku offices of Baker Botts global law firm in 1999-2001. Najafov worked in the Business Analysis and Business Development department of BP PLC's London and Aberdeen offices between 2003 and 2008. Between 2008 and 2012, he worked as an Investment Analyst at Citigroup and Exane BNP Paribas, Vice President at Citigroup, and Chief Strategy Officer and Deputy CEO at NOBEL OIL between 2012-2015. He worked in the private sector for the next five years, and since 2020, he has served as the Chairman of the Board of Directors of the Business Development Fund of the Ministry of Economy of Azerbaijan.

On 11 August 2021, by the decree of the President of the Republic of Azerbaijan, he was appointed as the Deputy Chairman of SOCAR.



Zaur Gurbanov

Board Member

Zaur Gurbanov was born in 1982 in Mingachevir. He served in Azerbaijani Armed Forces and participated in peace keeping operations in 2000-2005. He graduated from Odlar Yurdu University with a bachelor's degree in Business Organization and Management in 2010, master's degree in Finance from the Azerbaijan University of Economics in 2012. He had labor activities in various local and foreign companies from 2005-2010. He held different positions at 'Ernst & Young' an international audit and consulting firm, as advance higher-level staff, senior consultant, manager, senior manager, and director from 2010-2020. He has attended several pieces of training over these years. Since 2020, he has served as Deputy Chief Executive Officer of Azerbaijan Investment Holding. On August 11, 2021, he was appointed Vice President of SOCAR by the President of the Republic of Azerbaijan decree. He serves as the Supervisory Board Member in 'Azerbaijan Caspian Sea Shipping' CJSC, 'Azerbaijan Airlines' CJSC, and 'Baku Metropolitan' CJSC based on the decree of the President of the Republic of Azerbaijan.



1.6. Yönetim Kurulu



Elchin Ibadov
Board Member

Elchin Ibadov graduated from the University of Illinois-Chicago and in 2002 started to work at the World Trade Center Chicago as Research Specialist. Beginning in 2003, he took on a series of positions at PricewaterhouseCoopers (PwC). In the period 2014-2019, Elchin Ibadov worked as Finance Director and CFO at STAR Refinery. In November 2019, he was appointed as CFO of Petkim, meantime assumed the role of Head of Finance of SOCAR Türkiye Refinery and Petrochemicals Business Unit, including STAR Refinery, Petkim, SOCAR Storage and SOCAR Petrol Ticaret. Elchin Ibadov completed a professional training and certification programs at Harvard Business School. He has authored and translated various textbooks of economics, accounting, finance, International Financial Reporting Standards (IFRS) and financial auditing. Ibadov is also a permanent member of international finance and auditing organizations such as ACCA, ACFE and IIA. Ibadov has served as CEO of SOCAR Türkiye since February 2023.



Ömür Önk
Board Member

After completing undergraduate studies in the Business Administration (English) department at Marmara University, Ömür Önk began his professional career at KPMG Türkiye. Following roles in the audit and advisory departments at KPMG, he gained experience in private equity, investment banking, mergers and acquisitions, project finance, strategy, and business development at Alkhair Capital, Unlu & Co., and Global Investment Holding.

Ömür Önk obtained the CFA (Chartered Financial Analyst) Charterholder designation in 2013. He successfully completed the INSEAD MBA program in 2015.

From 2018 to 2019, Ömür Önk served as the CFO at Revo Capital. In 2019, he joined SOCAR Turkey Enerji A.Ş., providing interim support as the CFO of the Gas Business Unit during the acquisition of EWE Holding and its integration into the SOCAR group. In 2020, Ömür Önk became the CFO of Millenicom, and in February 2022, he was promoted to the position of Millenicom General Manager. Since January 2024, he has been serving as the Chief Strategy and Sustainability Officer at SOCAR Türkiye.



Esra Niğde Şahiner
Board Member

Born in Izmir in 1984, Esra Niğde Şahiner graduated from Istanbul Bilgi University Faculty of Law in 2007. She worked in an international law firm in Istanbul between 2007-2009. In 2009, she completed her master's degree in International Trade Law at King's College London as a Jean Monnet scholar funded by the European Union. Her thesis topic was Corporate Governance: Comparison of the European Union and Türkiye. She completed it with a high degree of merit.

Between 2010 and 2012, she worked in law firms providing consultancy to local and foreign corporate companies in Izmir. Esra Niğde Şahiner, who has been working as a supervisor and manager in SOCAR Turkey Enerji A.Ş. Legal Department since 2012, currently serves as Legal Coordinator. Niğde Şahiner has also been in the board of directors at SOCAR Aliğa Liman İşletmecilik A.Ş. since 2023.



1.6. Yönetim Kurulu



Sedat Saruhan*

Independent Board Member

He was born in Ankara in 1962. He completed his primary, secondary and high school education in Ankara. He graduated from Ankara University, Faculty of Law in 1986. He completed his legal internship in Ankara courts in 1987. He completed his military service in 1987-1988 at Eskişehir 1st Tactical Air Command with the rank of Air Force Judge Second Lieutenant. He was discharged with the rank of Lieutenant.

He was in England in 1988-1989 to learn the language. He served as president, chairman of the board of directors, vice president and member for various companies, foundations, federations and associations. Since 1990, he has been working as a lawyer and legal consultant in his own law firm, which he established in Ankara. He speaks English. He is married and has three children.

*Sedat Saruhan complies with the requirements of Capital Markets Board's Corporate Governance Principles of independent board member. He does not have relationship of interest between Petkim Petrokimya Holding A.Ş. and its related parties.



Bekir Emre Haykır*

Independent Board Member

Bekir Emre Haykır, born in Ankara in 1980, graduated from Ankara University Faculty of Law in 2001 and completed his master's degree in International Finance Law at King's College London and European Union Studies at Bahçeşehir University.

Bekir Emre Haykır started working as a professional staff member at the Capital Markets Board in 2003 after completing his law internship. During this period, he served as a specialist lawyer, auditor, and head of the market audit group. In 2013, he started to work as a manager in charge of financial law services at the PwC Istanbul office.

Haykır has been working as the Vice President of the Privatization Board of Türkiye since 2016 and as the Head of the Privatization Board of Türkiye since February 2019.

*Bekir Emre Haykır complies with the requirements of Capital Markets Board's Corporate Governance Principles of independent board member. He does not have relationship of interest between Petkim Petrokimya Holding A.Ş. and its related parties.



Naciye Kurtuluş Sime*

Independent Board Member

Naciye Kurtuluş Sime, who graduated from Istanbul University, Department of Economics in English in 1998, started her career in the financial audit department of KPMG Türkiye in 1998. She worked as an internal audit manager at Akzo Nobel-Marshall Boya between 2001-2006, and as a senior manager in the corporate risk services department of Deloitte Türkiye between 2006-2013. She served as Family Business Services Leader at KPMG Türkiye between 2013 and 2017.

She provides services in the fields of board consultancy, corporate governance, corporate risk management, creation of family constitutions, process analysis and improvement, internal control and internal audit within NKS Danışmanlık, which she founded in 2017. She has also been a member of the Board of Directors at Regnum Holding since 2022. Naciye Kurtuluş Sime has CRMA (Risk Management Assurance Certificate) and CCSA (Control Self-Assessment Expertise Certificate) certificates. She is a member of the Association of Women on Boards of Directors (YKKD), the European Association of Women on Boards of Directors (EWOB), the Corporate Governance Association of Türkiye (TKYD), the Internal Audit Institute of Türkiye (TİDE) and the International Women's Forum (IWF Türkiye).

*Naciye Kurtuluş Sime complies with the requirements of Capital Markets Board's Corporate Governance Principles of independent board member. He does not have relationship of interest between Petkim Petrokimya Holding A.Ş. and its related parties.

*As announced on 24.04.2024; Mr. Elchin Ibadov has been appointed to the Board of Directors vacancy due to the resignation of Mr. Teymur Abasgulyev, one of our Company's Board Members, Mr. Ömür Önk has been appointed to the Board of Directors vacancy due to the resignation of Mr. Mehmet Celal Savaş, and Ms. Esra Niğde Şahiner has been appointed to the Board of Directors vacancy due to the resignation of Ms. Sibel Uğur.

*As announced on 06.05.2024; Ms. Naciye Kurtuluş Sime has been appointed to the Independent Board of Directors vacancy due to the resignation of Ms. Neslihan Tonbul, our Company's Independent Board Member.

*As announced on 19.08.2024; Mr. Sedat Saruhan has been appointed to the Independent Board of Directors vacancy due to the resignation of Mr. Murat Zaman, our Company's Independent Board Member.



1.7. Declarations of Independence of Independent Board Members

I hereby stand for serving as an "Independent Member" on the Board of Directors of Petkim Petrokimya Holding A.Ş. (the Company) as per the criteria specified in the legislation, articles of association, and the Capital Markets Board of Türkiye (CMB) Corporate Governance Principles set out in the Corporate Governance Communiqué (II-17.1) of the CMB enforced upon its publication in the Official Gazette issue 28871 dated 3 January 2014.

Within this context, I hereby declare for the information of the Company's Board of Directors, General Assembly, shareholders and all stakeholders as follows:

a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the Company, any company in which the Company has management control as per Turkish Financial Reporting Standards 10 or significant influence as per Turkish Accounting Standards 28, or any shareholder having management control or significant influence over the Company or any corporate entity in which these shareholders have management control,

b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for, and/ or served as a member on the boards of directors of any company from/ to which, under a contract, the Company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Company, in the past five years,

c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,

d) I am considered to be a resident of Türkiye for the purposes of the Income Tax Law (ITL) no. 193 dated 31 December 1960,

e) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders, f) I shall dedicate sufficient amount of time to be able to follow up the execution of the Company's affairs and to fully meet the requirements of the duties I undertake and to fulfill the representation duties on behalf of the company that I have been assigned by the Board of Directors,

g) I have not held a seat on the Company's Board of Directors for more than six years in the past ten years,

h) I am not serving as an independent board member in more than three companies controlled by the Company or by shareholders having management control over the Company, or in more than a total of five companies traded on the stock exchange.

i) I declare that I have not been registered and announced in the name of the legal entity elected as a member of the board of directors and will not be registered and announced.

10 June 2022

Name/Surname: Murat Zaman



I hereby stand for serving as an "Independent Member" on the Board of Directors of Petkim Petrokimya Holding A.Ş. (the Company) as per the criteria specified in the legislation, articles of association, and the Capital Markets Board of Türkiye (CMB) Corporate Governance Principles set out in the Corporate Governance Communiqué (II-17.1) of the CMB enforced upon its publication in the Official Gazette issue 28871 dated 3 January 2014. Within this context, I hereby declare for the information of the Company's Board of Directors, General Assembly, shareholders and all stakeholders as follows:

a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the Company, any company in which the Company has management control as per Turkish Financial Reporting Standards 10 or significant influence as per Turkish Accounting Standards 28, or any shareholder having management control or significant influence over the Company or any corporate entity in which these shareholders have management control,

b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for, and/ or served as a member on the boards of directors of any company from/ to which, under a contract, the Company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Company, in the past five years,

c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,

d) I am considered to be a resident of Türkiye for the purposes of the Income Tax Law (ITL) no. 193 dated 31 December 1960,

e) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

f) I shall dedicate sufficient amount of time to be able to follow up the execution of the Company's affairs and to fully meet the requirements of the duties I undertake and to fulfill the representation duties on behalf of the company that I have been assigned by the Board of Directors,

g) I have not held a seat on the Company's Board of Directors for more than six years in the past ten years,

h) I am not serving as an independent board member in more than three companies controlled by the Company or by shareholders having management control over the Company, or in more than a total of five companies traded on the stock exchange.

i) I declare that I have not been registered and announced in the name of the legal entity elected as a member of the board of directors and will not be registered and announced.

04 August 2022

Name/Surname: Bekir Emre Haykır



I hereby stand for serving as an "Independent Member" on the Board of Directors of Petkim Petrokimya Holding A.Ş. (the Company) as per the criteria specified in the legislation, articles of association, and the Capital Markets Board of Türkiye (CMB) Corporate Governance Principles set out in the Corporate Governance Communiqué (II-17.1) of the CMB enforced upon its publication in the Official Gazette issue 28871 dated 3 January 2014. Within this context, I hereby declare for the information of the Company's Board of Directors, General Assembly, shareholders and all stakeholders as follows:

a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the Company, any company in which the Company has management control as per Turkish Financial Reporting Standards 10 or significant influence as per Turkish Accounting Standards 28, or any shareholder having management control or significant influence over the Company or any corporate entity in which these shareholders have management control,

b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for, and/ or served as a member on the boards of directors of any company from/ to which, under a contract, the Company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Company, in the past five years,

c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,

d) I am not be working full-time in public institutions and organizations after being elected as a member, except for university faculty, provided that it complies with the legislation to which they are subject,

e) I am considered to be a resident of Türkiye for the purposes of the Income Tax Law (ITL) no. 193 dated 31 December 1960,

f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

g) I shall dedicate sufficient amount of time to be able to follow up the execution of the Company's affairs and to fully meet the requirements of the duties I undertake and to fulfill the representation duties on behalf of the company that I have been assigned by the Board of Directors,

h) I have not held a seat on the Company's Board of Directors for more than six years in the past ten years,

i) I am not serving as an independent board member in more than three companies controlled by the Company or by shareholders having management control over the Company, or in more than a total of five companies traded on the stock exchange.

j) I declare that I have not been registered and announced in the name of the legal entity elected as a member of the board of directors and will not be registered and announced.

03 August 2022

Name/Surname: Neslihan Tonbul



I hereby stand for serving as an "Independent Member" on the Board of Directors of Petkim Petrokimya Holding A.Ş. (the Company) as per the criteria specified in the legislation, articles of association, and the Capital Markets Board of Türkiye (CMB) Corporate Governance Principles set out in the Corporate Governance Communiqué (II-17.1) of the CMB enforced upon its publication in the Official Gazette issue 28871 dated 3 January 2014. Within this context, I hereby declare for the information of the Company's Board of Directors, General Assembly, shareholders and all stakeholders as follows:

a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the Company, any company in which the Company has management control as per Turkish Financial Reporting Standards 10 or significant influence as per Turkish Accounting Standards 28, or any shareholder having management control or significant influence over the Company or any corporate entity in which these shareholders have management control,

b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for, and/ or served as a member on the boards of directors of any company from/ to which, under a contract, the Company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Company, in the past five years,

c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,

d) I am not be working full-time in public institutions and organizations after being elected as a member, except for university faculty, provided that it complies with the legislation to which they are subject,

e) I am considered to be a resident of Türkiye for the purposes of the Income Tax Law (ITL) no. 193 dated 31 December 1960,

f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

g) I shall dedicate sufficient amount of time to be able to follow up the execution of the Company's affairs and to fully meet the requirements of the duties I undertake and to fulfill the representation duties on behalf of the company that I have been assigned by the Board of Directors,

h) I have not held a seat on the Company's Board of Directors for more than six years in the past ten years,

i) I am not serving as an independent board member in more than three companies controlled by the Company or by shareholders having management control over the Company, or in more than a total of five companies traded on the stock exchange.

j) I declare that I have not been registered and announced in the name of the legal entity elected as a member of the board of directors and will not be registered and announced.

19 April 2024

Name/Surname: Naciye Kurtuluş Sime



I hereby stand for serving as an "Independent Member" on the Board of Directors of Petkim Petrokimya Holding A.Ş. (the Company) as per the criteria specified in the legislation, articles of association, and the Capital Markets Board of Türkiye (CMB) Corporate Governance Principles set out in the Corporate Governance Communiqué (II-17.1) of the CMB enforced upon its publication in the Official Gazette issue 28871 dated 3 January 2014. Within this context, I hereby declare for the information of the Company's Board of Directors, General Assembly, shareholders and all stakeholders as follows:

a) Neither I, nor my spouse, nor any relative of mine whether by blood or by marriage unto the second degree, have, within the most recent five years, entered into any employment relationship in an executive capacity involving major duties and responsibilities, or individually or jointly held more than 5% of the capital or voting rights or privileged shares, or established any commercial interest of a significant nature, with any corporate entity with which the Company, any company in which the Company has management control as per Turkish Financial Reporting Standards 10 or significant influence as per Turkish Accounting Standards 28, or any shareholder having management control or significant influence over the Company or any corporate entity in which these shareholders have management control,

b) I was neither a shareholder (5% and higher), nor have I worked in an executive capacity involving major duties and responsibilities for, and/ or served as a member on the boards of directors of any company from/ to which, under a contract, the Company purchased/sold services or products of material quantity during the period of time such services or products were being purchased or sold, and particularly of the firms performing the audit (including tax audit, legal audit and internal audit), rating and consultancy of the Company, in the past five years,

c) I possess the professional education, knowledge and experience for due performance of the duties I will assume in connection with being an independent board member,

d) I am not be working full-time in public institutions and organizations after being elected as a member, except for university faculty, provided that it complies with the legislation to which they are subject,

e) I am considered to be a resident of Türkiye for the purposes of the Income Tax Law (ITL) no. 193 dated 31 December 1960,

f) I possess strong ethical standards, professional credibility and experience that are necessary for making positive contributions to the Company's operations, maintaining my independence in possible conflicts of interest between the Company and its shareholders, and making decisions freely taking into consideration the rights of stakeholders,

g) I shall dedicate sufficient amount of time to be able to follow up the execution of the Company's affairs and to fully meet the requirements of the duties I undertake and to fulfill the representation duties on behalf of the company that I have been assigned by the Board of Directors,

h) I have not held a seat on the Company's Board of Directors for more than six years in the past ten years,

i) I am not serving as an independent board member in more than three companies controlled by the Company or by shareholders having management control over the Company, or in more than a total of five companies traded on the stock exchange.

j) I declare that I have not been registered and announced in the name of the legal entity elected as a member of the board of directors and will not be registered and announced.

02 August 2024

Name/Surname: Sedat Saruhan

**1.8. Information on Outside Positions Held by the Members of the Board of Directors and Executives**

The members of our Company's Board of Directors as of the end of the reporting period are as follows:

Name-Surname	Title	Independence Status	Positions Outside the Company
Anar Mammadov	Chairman	Non-executive	In-group / SOCAR Vice President
Kanan Najafov	Vice Chairman	Non-executive	In-group / SOCAR Vice President
Zaur Gurbanov	Member	Non-executive	In-group / SOCAR Vice President
Elchin Ibadov	Member	Executive	In-group / SOCAR Türkiye Chief Executive Officer
Ömür Önk	Member	Non-executive	In group / Head of SOCAR Türkiye Strategy and Sustainability Services
Esra Niğde Şahiner	Member	Non-executive	In group / SOCAR Türkiye Group Coordinator Senior Legal Counsel
Sedat Saruhan	Member	Independent	Lawyer and Legal Counsel
Bekir Emre Haykır	Member	Independent	Chairman of Privatization Administration
Naciye Kurtuluş Sime	Member	Independent	Regnum Holding A.Ş. Advisory Board Member

1.9. Committees of Board of Directors**Audit Committee**

Members	Title	Relationship with the Company	Independence Status	Duties in other Committees
Naciye Kurtuluş Sime	Committee Chairman	Independent Member of Board of Directors (Non-Executive)	Independent	
Bekir Emre Haykır	Committee Member	Independent Member of Board of Directors (Non-Executive)	Independent	Chairman of the Early Detection of Risk Committee

The Audit Committee is responsible for ensuring the overall soundness of financial and operational activities; specifically, transparency of internal and independent auditing activities, efficiency of internal control system, analysis and election of independent auditing firm, compliance of financial statements of the Company to international accounting standards and prevailing legislation.

The Audit Committee acts with the consent of the Board and within the framework of the Board's working principles. The Audit Committee consists of two independent Board members.

In 2024, the Audit Committee convened four times and submitted five reports to the Board of Directors.



Committee for Early Detection Of Risk

Members	Title	Relationship with the Company	Independence Status	Duties in Other Committees
Bekir Emre Haykır	Committee Chairman	Independent Member of the Board of Directors (Non-Executive)	Independent	Committee Member Responsible for Audit
Zaur Gurbanov	Committee Member	Member of Board of Directors (Non - Executive)	-	-
Elchin Ibadov	Committee Member	Member of Board of Directors (Executive)	-	-



The Early Detection of Risk Committee works to identify, evaluate, and calculate the impacts and probabilities of all kinds of strategic, financial, operational, project and external risks. Managing and reporting these risks in accordance with the corporate risk-taking profile, taking necessary actions regarding the risks, taking them into account in decision-making mechanisms and establishing effective internal control systems accordingly are also within the scope of duty. The Committee also makes recommendations to the Board of Directors regarding emerging risks.

Made up of three members of the Board, the Chairman of the Risk Management Committee is an independent Board member. Operating principles of the Committee are defined by the Board of Directors resolution dated 29 June 2012, numbered 111-199. The existing Risk Management Committee's name has been changed as "The Committee for Early Detection of Risk" at the Company's Board of Directors meeting no: 103/184 held on 21 March 2012.

In 2024 the Committee for Early Detection of Risk submitted six reports to the Board of Directors.

Corporate Governance Committee

Members	Title	Relationship with the Company	Independence Status	Duties in Other Committees
Sedat Saruhan	Committee Chairman	Independent Member of the Board of Directors (Non-Executive)	Independent	-
Kanan Najafov	Committee Member	Vice Chairman of the Board of Directors (Non-Executive)	-	-
Ömür Önk	Committee Member	Member of Board of Directors (Non - Executive)	-	-
Esra Niğde Şahiner	Committee Member	Member of Board of Directors (Non - Executive)	-	-
Aydın Pırıyev	Committee Member	SOCAR VP Director of the Coordination Office	-	-
Emre Can Yüceoğlu	Committee Member	Supervisor of Investor Relations	-	-

The Corporate Governance Committee ensures the implementation of corporate governance principles. The Committee determines the justification and conflicts of interest that arise if these principles are not implemented. The Committee makes suggestions to the Board of Directors to improve corporate governance practices and oversees investor relations practices. It also fulfills the duties of the Nomination Committee and Remuneration Committee within the scope of CMB's "Corporate Governance Principles Communiqué".

In accordance with the Article 11-2 of the Capital Markets Board Corporate Governance Communiqué (II17.1), Investor Relations Supervisor Mr. Emre Can Yüceoğlu was appointed as a member of the Corporate Governance Committee.

Made up of six members, the Chairman of the Corporate Governance Committee is an independent Board member.

Within the framework of the CMB's Communiqué Serial IV, No: 56 on Determination and Implementation of Corporate Governance Principles, article 4.5.1, it was decided that the duties of the Nomination Committee and Remuneration Committee will be carried out by the Corporate Governance Committee at the meeting of the Company's Board of Directors dated 21 March 2012 and numbered 103/184. In 2024 the Corporate Governance Committee submitted four decisions to the Board of Directors.

An Assessment of the Committees by the Board of Directors

It has been stated by the Board of Directors that the committees complied with their respective operating principles and held meetings at defined frequencies in the January-December 2024 period. The minutes on the outcomes of the meetings have been submitted to the Board of Directors. It has been established that the committees effectively fulfilled their functions.



1.10. Executive Management



Kanan Mirzayev
General Manager

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

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

Mirzayev has served as Acting Head of Refinery and Petrochemicals Business Unit at SOCAR Türkiye and Petkim General Manager (Acting) since September 2023.



Ahmet Gülhan
Financial Affairs Vice President

Born in Muğla in 1986, Ahmet Gülhan graduated from Istanbul Technical University, Department of Management Engineering in 2008. He started his career in 2008 in the Internal Audit team of Anadolu Endüstri Holding. Between 2008 and 2011, he carried out internal audit activities of subsidiaries of Anadolu Endüstri Holding. Between 2011 and 2015, he joined the Anadolu Efes internal audit team and continued internal audit activities in all subsidiaries of the group, especially its foreign subsidiaries. Between 2015 and 2016, he joined the SOCAR Türkiye Internal Audit team and carried out internal audit activities in SOCAR Türkiye subsidiaries. He served as STAR Refinery Financial Reporting, Budget and Financial Control Manager between 2017-2019. Between 2019 and 2023, he served as Financial Control and Analysis Director under SOCAR Türkiye Refinery and Petrochemical Business Unit. In March 2023, he was appointed as Vice President of Finance of SOCAR Türkiye Refinery and Petrochemical Business Unit. Ahmet Gülhan, who is married and the father of two children, speaks English fluently.



İbrahim Kadioğlu
Business Excellence Vice President

İbrahim Kadioğlu who was born in 1981, graduated from the Middle East Technical University, Department of Food Engineering, while simultaneously completing his minor in Biological Sciences Department and a 1-year intensive Enterprise program at the same university. Having completed his master's degree in Finance at Koç University and the General Management Program at Harvard Business School, Kadioğlu has attended various Senior Management programs at distinguished universities such as Harvard, Insead and IMD throughout his career. Kadioğlu worked as an internal and external management consultant in many international companies such as IBM, Danone, Türk Telekom and PPC in Australia, France and Türkiye. Mr. Kadioğlu, who started to work as the Corporate Transformation Coordinator in Petkim in February 2013, was appointed as the Vice President of Business Excellence in the Refinery and Petrochemical Business Unit of SOCAR Türkiye after serving as a System and Process Development Coordinator, Business Optimization and Business Intelligence Coordinator and then as a Digitalization Leader. Mr. Kadioğlu is married and has two children. He is fluent in English.



1.10. Executive Management



Sinan Üçyiğittler
Operations Vice President

Born in Istanbul in 1978, Sinan Üçyiğittler graduated from Boğaziçi University, Department of Chemical Engineering in 2003. Üçyiğittler, who completed his master's degree in 2006 with the partnership of Boğaziçi University, Koç University and AKRON University, started his business life as an R&D Process Engineer at Filli Boya in 2004. He worked at Tüpraş İzmir Refinery between 2008 and 2013. After being responsible for the management of the engineering company he founded between 2013-2015, he served as Process Development Officer at Petkim between 2015-2018, Monomer and Polymer Production Director between 2018 and 2019. He served as Process Engineering and Optimization Director between 2019 and 2022. He continued his career as Deputy General Manager of Operations (COO) at Almatıs GmbH in Germany between 2022-2023. In May 2023, he started working again within SOCAR Refinery and Petrochemicals Presidency as Vice President of Operations. Sinan Üçyiğittler, who is married and has one child, speaks English and German fluently.



Ergun Binboğa
Technical Services Vice President

Born in Ankara in 1964, Ergun Binboğa graduated from the Department of Chemical Engineering at the Middle East Technical University in 1988. He then graduated from the Honeywell UOP-Chicago Design Engineering Program in 2005, Harvard University Disruptive Strategies in 2016 and with an Economics MBA Program at İzmir University in January 2021. He started his career at Tüpraş İzmir Refinery in 1989. Between 1989 and 2009, he worked as a Technical Services and R&D Manager, Refinery Operations Planning and Sales Manager, and Production Manager at Tüpraş İzmir Refinery. In the same period, he undertook the responsibility of KBC operational enhancement between 2002-2004 and the İzmir Refinery of Shell Global Solutions Operational Excellence, Hydrocarbon and energy programs between 2006-2009. As of 2015, he continued his career as the Process and Equipment Development Manager at the Tüpraş Head Office and finally as the Production Group Manager at the Tüpraş İzmit Refinery. In 2017, he served as the Operations Director responsible for the commissioning and operations of STAR Rafineri and then as the Assistant General Manager. He was appointed as the Vice President of STAR Rafineri Production Unit in November 2019 and as the Vice President of Technical Services in April 2020. Ergun Binboğa was awarded the Taraggi (Progress) Medal by the Presidency of Azerbaijan in 2024. Fluent in English, Ergun Binboğa is married and has a child.



Matin Khalilli
Procurement and Supply Chain Vice President

Matin Khalilli was born in Baku in 1981. After graduating from the Department of International Law at Baku State University, in 2002, Khalilli completed a Master's degree at the same university in 2007. He prepared his Master's thesis on the International Legal Status of Special Economic Zones. In the first years of his career, he worked as a specialist and manager in the Azerbaijan Regional Investment Project, which the World Bank carried out jointly with the State of Azerbaijan. In 2008, he won the Edmund Muskie scholarship program carried out by the US Department of State and continued his education at Kennesaw State University, pursuing a full-time MBA. In his MBA training, he focused on Process Improvement in Supply Chains and Operations. He worked on Project Management by giving lectures on Operations and Supply Chain Management at universities. After his consultancy and teaching experience in the private sector, he won the internationally recognized PMP® certificate in the Project Management discipline and founded the Baku Project Management School. Having worked in international companies providing Trade and Procurement Services in the Refinery and Petrochemical sector from 2013, Mr. Khalilli joined the SOCAR Türkiye family as Trade Control Manager in 2016. After working as STAR Rafineri Supply Chain Director between 2017 and 2019 and as the SOCAR Türkiye Procurement and Supply Group Director between 2019 and 2020, Matin Khalilli has been working as the Vice President of Procurement and Supply Chain at SOCAR Türkiye Refinery and Petrochemical Business Unit since November 2020. He successfully completed 23 training modules on Strategic Procurement and Supply Chain of the Chartered Institute of Procurement & Supply, based in the UK, and he earned the MCIPS title with the qualification method. This training process is considered equivalent to a bachelor's degree, providing in-depth learning of the discipline, and thus constitutes Matin Khalilli's second bachelor's degree. Mr. Khalilli is married with two children. He is fluent in English, Azerbaijani, Russian and Turkish.



1.10. Executive Management



Levent Kocagül

Human Resources Vice President

Born in 1978 in Turgutlu, Manisa, Levent Kocagül graduated from Dokuz Eylül University with a degree in business administration in 2000. He worked as Human Resources Services Manager at Japan Tobacco International (JTI) from November 2001 to September 2007, and Human Resources Shared Services Manager at Coca-Cola İçecek (CCI) from October 2007 to March 2016. He joined Petkim in May 2016 as Organizational Development Manager, where he became Assistant General Manager of Human Resources in November 2016. As a result of the integration studies carried out in 2019, he was appointed as Vice President for Human Resources at Refinery and Petrochemical Business Unit. Additionally, he was appointed as the Chairman of the Board of Directors of Chemicals, Petroleum, Rubber and Plastics Industry Employers' Association of Türkiye as of 5 September 2018 where he had been serving as Vice President of the Board of Representatives of Aegean Region since 2016. He has been serving as the Chairman of KİPLAS Board of Directors since September 2022, when he was re-elected. Mr. Kocagül, who was elected as a member of the Board of Directors of the Turkish Confederation of Employer Associations (TİSK) in December 2019 and in 2022, has also been a member of the TİSK Executive Board. He has been member of Yunus Emre Foundation on behalf of TİSK since 2021 and has been member of the TED Aliğa College Board of Directors since 2016. Levent Kocagül, who lives in İzmir, is married with two children and is fluent in English.



Seral Erkut

Occupational Health, Safety and Environment Vice President

Born in Türkiye in 1978, Seral Erkut started to work in the Operations department at the ATAŞ Refinery in 2002, after graduating from the Department of Physics Engineering at Ankara University. Erkut, who contributed significantly to the success of the ATAŞ Refinery over a 10 year period with 10 million man-hours of working time without any loss of work time, worked in the "Health, Safety, Environment, Security and Quality" department between 2006 and 2017 after the terminal conversion project by ending the refinery activities. Seral Erkut assumed the duties of "Occupational Health, Safety and Environment Manager" at the SOCAR Depolama company between 2017 and 2019 and "Occupational Health, Safety and Environment Group Coordinator" at SOCAR Türkiye between 2019 and 2020. As of October 2020, Mr. Erkut was appointed as the "Occupational Health, Safety and Environment Director" in the Refinery and Petrochemical Business Unit. As of April 2022, he has been serving as the Occupational Health, Safety and Environment Vice President. Attaching importance to continuous training and personal development, Mr. Erkut holds A-class Occupational Safety Specialist, and Environmental Officer certificates, and has successfully completed a number of training and certification programs, including in Integrated Management Systems, Crisis and Business Continuity Management, Incident Investigation and Root Cause Analysis. Erkut, who is married with two children, is fluent in English and Turkish.



Ziya Kangarlı

Trading Vice President

Ziya Kangarlı started his career in 2003 at the State Oil Fund of the Republic of Azerbaijan as a Senior Specialist in the Commercial Agreements Department and served as the Investment Department Trade Manager, Risk Management Department Deputy Director and CEO Management Office Chief Investment Advisor. After working as the Advisor to the Chairman of the Board of Directors in the Financial Monitoring and Control Service of the Republic of Azerbaijan in 2020, he served as the Deputy CEO of the Azerbaijan Investment Company between 2020 and 2021. Prior to joining SOCAR Türkiye in 2022, he was the Asset Management Director at the Republic of Azerbaijan Investment Holding.



2. Investor Relations

Due to the weak profit margins in the petrochemical sector in 2024, Petkim's stock has performed below the BIST 100 Index in 2024.

The General Assembly for the 2023 financial year was held on June 13, 2024. No amendments were made to the articles of association during the period. Petkim's Investor Relations Department works diligently to increase customer satisfaction and shareholder value through social responsibility, corporate governance and investor relations practices at international standards. The fulfillment of the obligations set out in Capital Markets Legislation, ensuring coordination in corporate governance practices and carrying out relations with shareholders are also gathered under the roof of this department. The Investor Relations Department carries out a number of activities at Petkim, including ensuring compliance with the legislation, the articles of association and other in-house regulations regarding the use of shareholder rights, taking measures to ensure that rights are exercised, reporting to the Board of Directors within the scope of the defined duties and to strengthen the Company's compliance capacity with CMB legislation and the relations with investors, analysts and institutions that regulate capital markets. A total of 31 material event disclosures were submitted to the KAP (Public Disclosure Platform) in 2024 within the framework of the CMB's "Communiqué on Principles Regarding Public Disclosure of Material Events".

The Investor Relations Department received a monthly average of 30 information requests by e-mail and telephone in 2024 and all requests were answered. During the same period, 4 teleconferences were held to inform investors about the company's financial situation, strategies, and activities by the senior management. Additionally, a teleconference detailing the effects of inflation accounting on the company was also conducted during the year. In specially organized meetings, approximately 318 institutional investors were consulted.

Petkim regularly participates in events organized by the Investor Relations Association (TÜYİD) in order to monitor and obtain information on current developments in investor relations topics

PETKİM'S SHARE PRICE PERFORMANCE IN 2024

Petkim Petrokimya Holding A.Ş. shares have been trading under the PETKM ticker on the BIST Star Market since 9 July 1990.

As of the end of 2024, Petkim was included in the BIST 30 and BIST Sustainability 25 indices. In 2024, the Company's share price fluctuated between a minimum of TRY 17.12 and a maximum of TRY 26.20. While the BIST 100 and BIST 30 indices increased by 32% and 31%, respectively, in value during 2024, Petkim's share price decreased by 1% in the same period.

Refinitiv Code: PETKM.IS

Bloomberg Code: PETKM.IT

Date of Public Offering: 19.06.1990

Paid-in Capital: 2.534.400.000 TL

The contact information of the Investor Relations Department is as follows:

INVESTOR RELATIONS DEPARTMENT

Tel 0 232 616 12 40 / 2844 - 0 212 305 00 59

E-Mail yatirimci.iliskileri@socar.com.tr

3. Corporate Governance and Financial Information

3.1. Internal Audit Systems

Information is shared with the Audit Committee during its meetings held within the year to ensure healthy execution of the internal control mechanism. The Committee constantly supervises the operation and efficiency of the system, and communicates the issues relating to risk management and internal control mechanism and suggested solutions to the Board of Directors as and when necessary.

In addition to its activities in the corporate risk management, Internal Audit Unit runs internal audit activities. Carrying out its business with a risk-focused and proactive approach, the unit particularly focuses on the most risky fields; shares the results with related departments, ensures that required action plans are made and follows up the improvements.

The Internal Audit Unit classifies its activities under four groups: compliance, operations, financial tables and specific audits.

Compliance audits focus on the compliance of the Company with legal legislation as well as rules and principles set by the senior management. Operational controls include the monitoring efficiency of the Company's policies and activities, work flowcharts, organizational structure and improvement of internal control systems. The unit also controls and reports the compliance of financial tables to generally accepted accounting standards, in addition to external audit, if necessary. Within the context of specific controls, a department, an issue or an incident is audited upon the request of top management or as a result of professional initiative of an auditor. The corporate integrated management system is used in drawing up the Company's consolidated financial statements, and the Company's subsidiaries are also audited within the frame of the annual audit plan.

Information on the Company's Internal Control System and Internal Audit Activities and the Opinion of the Governing Body

Risk management and internal control procedures in relation to the Company's financial and operational activities have been brought to completion, and their execution and efficiency in accordance with the applicable capital market legislation and regulations are being followed up by the Internal Audit Department



3.2. Information on Associates

ASSOCIATES IN WHICH MORE THAN 5% OF THE CAPITAL IS DIRECTLY HELD

Subsidiaries, Financial Fixed Assets and Financial Investments

Company Name	Company's Field of Activity	Capital (TRY)	Share in Capital (%)
Petlim Limancılık Ticaret A.Ş.	Port operation services	3,015,800,000	93.47
Petkim Specialities Mühendislik Plastikleri San. ve Tic. A.Ş.	Engineering, plastics manufacturing	500,000	100
SOCAR Power Enerji Yatırımları A.Ş.	Energy	90,000,000	9.9
Rafineri Holding A.Ş.	The main purpose of the company is to participate in the capital and management of companies established or to be established at home and abroad and to carry out the investment, financing, organization and management functions of these companies within a collective body and within the principles of modern business administration and other works written in the articles of association.	17,298,720,253	20

The company has no intercompany relationship.

3.3. Additional Legal Explanations

REPURCHASED OWN SHARES BY THE COMPANY

The Company did not repurchase any of its own shares during 2024.

DISCLOSURE ON SPECIAL AUDIT AND PUBLIC AUDIT

Shareholders did not request a special audit under Article 438 of the Turkish Commercial Code. The Company undergoes independent audits for the full year at 12-month periods and interim independent audits at 6-month periods by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., the independent audit firm appointed by the General Assembly.

LAWSUITS FILED AGAINST THE COMPANY AND POTENTIAL RESULTS

There were no lawsuits filed against the Company, which may affect the Company's financial standing and operations as at 31 December 2024.

DISCLOSURE OF ADMINISTRATIVE OR JUDICIAL FINES AGAINST THE COMPANY AND/OR BOARD OF DIRECTORS MEMBERS

There were no fines of material nature imposed against the Company and/or members of its board due to practices that breach the provisions of legislation in 2024.

ASSESSMENT OF PRIOR PERIOD TARGETS AND GENERAL ASSEMBLY DECISIONS

A positive trend has been achieved within the scope of Petkim's sustainable profitability target in recent years. By prioritizing integration and operational efficiency, controllable variables were emphasized in a bid to achieve permanent profitability. Despite the falling profit margins of petrochemical industry in 2024, this strategy pursued by Petkim has had a positive impact on its financial results, helping to maintain its profitability.

The actions as required by the decisions adopted in the Ordinary General Assembly meeting convened during 2024 have been carried out. There are no unfulfilled decisions.

INFORMATION ON EXTRAORDINARY GENERAL MEETINGS

The Company did not call any Extraordinary General Meeting in 2024.



RELATIONS WITH THE CONTROLLING COMPANY

The Company did not engage in any transactions apart from those on an arms' length basis with its principal shareholder SOCAR Turkey Enerji A.Ş. and other group companies at the direction of the group companies, which would be to the benefit of other group companies and which would require equalization.

Risk management, oversight and audit activities are carried out taking into consideration the legislation provisions governing the Board of Directors and the committees set up thereunder. The report drawn up pursuant to Article 199 of the TCC in relation to 2024 activities within this context concluded as follows: "According to the conditions and circumstances known to us, a commensurate counterperformance was provided in all legal transactions Petkim Petrokimya Holding A.Ş. realized in 2024 with the controlling company or the subsidiaries specified in Article 199 of the TCC; there were no actions taken or avoided, nor the Company sustained any loss due to an action taken or avoided."

CONFLICTS OF INTEREST BETWEEN THE COMPANY AND FIRMS FROM WHICH SERVICES ARE PROCURED SUCH AS INVESTMENT ADVISORY AND RATING AND MEASURES ADOPTED BY THE COMPANY TO PREVENT SUCH CONFLICTS OF INTEREST

No conflicts of interest arose between the Company and the firms from which services are procured such as investment advisory and rating.

* Data for which inflation accounting has not been applied.

MAIN FACTORS AFFECTING THE COMPANY'S PERFORMANCE, MATERIAL CHANGES IN THE ENVIRONMENT WHERE THE COMPANY OPERATES, MEASURES ADOPTED BY THE COMPANY IN RELATION TO SUCH CHANGES

Material changes in the environment where the Company operates and main factors affecting its performance are addressed in risk management activities, and controls are added as deemed necessary.

EXPENSES INCURRED IN RELATION TO DONATIONS AND GRANTS (TRY)

In 2024, a total nominal donation of 1,240,000 TRY was made, consisting of 1 million TRY to the Izmir Directorate of Forestry and 240,000 TRY to the Aliğa Heydar Aliyev Vocational and Technical High School.

3.4. An Assessment of the Financial Standing by the Management

a) The successful financial results achieved by Petkim in this year, when profit margins in the petrochemical industry narrowed significantly, are highlighted by its competent human resources, strong management approach, strategies to strengthen its cash position, credibility in the market and integration with STAR Refinery.

Petkim maintained its strong balance sheet in 2024, thanks to its STAR Refinery integration and successful operational activities. Petkim achieved sales of 77 billion TRY in 2024, according to inflation accounting data. Again, according to data with inflation accounting applied, Petkim's net loss in 2024 was 6.7 billion TRY.

b) Major Financial Indicators

	2023	2024
Net Sales (TRY million)	87,264	77,380
Gross Profit / Loss (TRY million)	(3,361)	(1,242)
Gross Profit Margin (%)	-3,8	-1,6
Net Profit/Loss (TRY million)	10,704	(6,793)
Net Profit Margin (%)	12,3	-8,8
EBITDA (TRY million) (*)	3,305	2,067

c) There were no cases of unrequited capital of the Company during the accounting period. Our company commands a strong financial position with the profitability it derives from its main activities. Therefore, there was no need to take action to improve the financial position of the Company. The Company has demonstrated its ability to maintain maximum profitability levels under the current conditions by taking advantage of the market conditions in the sector.





3.5. Profit Distribution Policy

With our Board of Directors' decision no: 2020/7 taken on 04/03/2020, our Company's Profit Distribution Policy was determined as follows:

According to the Articles numbered 37,38 and 39 in the Articles of Association of the Company namely, "Determination of Profit", "Reserve Funds" and "Time and Type of Payments of Profit", profit distribution policy is formed within the frame of Turkish Commercial Code and the provisions of Capital Market Legislation

- In line with the determination of Profit Distribution Policy in 2019 and in the forthcoming years; the Company, in principle, accepts to distribute profits in cash to shareholders at the maximum level without disregarding its medium term and long term strategies, investment and financial plans, market conditions, and economic developments.
- According to the Article numbered 37 of Association of the Company, dividends in advance can be distributed.
- In the event that distributable profit is available in accordance with relevant communiqués, within the framework of the provisions of the Capital Markets Board and the Turkish Commercial Code, it is aimed to distribute at least 50% of the Company's annual distributable profit in cash and / or share and / or in installments. This rate is determined annually by the Board of Directors depending on national and global economic conditions, the Company's medium and long-term growth and investment strategies and cash needs.

- According to the Articles of Association of the Company, the amount to be determined by the General Assembly, not exceeding the 0.1% of distributable profits remaining after distribution of first dividend shall be distributed to Board Members.
- A consistent policy shall be followed between the benefits of the shareholders' and the company in the application of Profit Distribution Policy.
- The date of distribution shall be decided by General Assembly upon proposal of the Board. Profit distribution payments shall be completed within legal terms. For other methods of profit distribution, relevant legislation, communiqués, and regulations of CMB shall be followed.
- In the event that calculated "net distributable profit for the year" is below 5% of issued capital, no profit shall be distributed.
- When no profit is distributed, the Board of Directors shall inform the shareholders at General Assembly meeting about the reasons and how the undistributed profits would be allocated.

3.6. Corporate Governance Principles Compliance Report

In corporate governance practices, the Company makes the utmost effort to comply with the Corporate Governance Principles (the Principles) of the Capital Markets Board (CMB). In areas where compliance cannot be met, Petkim provides reasons for the failure to comply and announces precautions taken against potential conflicts of interest that could arise from non-compliance. The Company updates its annual report and website in compliance with the Principles and for the use of its stakeholders. Stakeholders can access detailed information via the corporate web site or direct their inquiries to the Investor Relations Department.

During the year 2024, 31 material event disclosures were made to Public Disclosure Platform (KAP) in accordance with the CMB's Communiqué on Public Disclosure of Material Events. No additional information was requested by the Capital Markets Board and BIST for the announcements made for material events. The Capital Markets Board has not imposed any sanctions on the Company caused by any noncompliance to material event disclosures. All of the Company's material event disclosures were made in a timely fashion.

There are no principles, which the Company is granted an exemption for and/or which the Company does not implement by reason of having obtained a clearance from the CMB.

a) COMPULSORY PRINCIPLES THAT WE FAIL TO IMPLEMENT

None

b) NON-COMPULSORY PRINCIPLES

The Company does not comply with the following principle: "1.4.2. Concession of the right to vote is avoided. In the event of concession of right to vote, it is essential to abate concessions which may restrain the representation of public shareholders. C group share has the concession of 1 nomination for the Board of Directors. The validity of the resolutions taken by the Board of Directors on the following subjects depends on the affirmative vote of the Board Member selected from C group of the Privatization Administration.

- a)** Amendments to the articles of association which may have an impact on the concessions for C group,
- b)** Registering the nominative shares in the share ledger,
- c)** Determining the form of power of attorney quoted in the Item 31 of the articles of association herein,
- d)** Decisions which propose a minimum of 10% capacity reduction for any plant owned by the Company,
- e)** Establishment or acquirement of a new company or joint enterprise, association or merger with an existing company, demerger, change in the legal form, dissolution, and liquidation of the Company.

There are no plans to make any changes in the Company's future management practices within the frame of the said principle.



The Company does not comply with the following principle: "1.5.2. Minority rights may be defined in the articles of association for shareholders holding less than one twentieth of the capital of the corporation. The scope of minority rights may be enlarged in the articles of association."

Our Company's articles of association do not incorporate a provision granting minority rights also to shareholders holding less than one twentieth of the capital, or a provision enlarging the scope of minority rights. The requests of all shareholders are received via our Investor Relations Unit. In addition, information requests by all shareholders are fulfilled within the frame of the principle of equal information and in a manner to exclude insider information to the extent necessary. There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

The Company partially complies with the following principle: "4.2.8. Corporation's damage that may be caused due to the faults of the board of directors during the charge of their duties shall be insured for an amount exceeding 25% of the corporation's capital and this matter shall be disclosed at the KAP"

The Company has obtained a Directors' and Officers' Liability policy for the losses that the Board of Directors members may cause to the Company by reason of their faults during the performance of their duties; however, the insured amount does not exceed 25% of the Company's capital. The Company has considered an amount lower than the one stipulated in the said principle to be adequate in view of the existing risks, the Company's corporate structure and its business procedures.

There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

The Company does not comply with the following principle: "4.3.9. Corporation shall determine a target rate provided that it is not less than 25% and a target time for membership of women in the board of directors and form a policy for this target. The Board of directors shall annually evaluate the progress in respect to achieving this target.

The Company did not establish a policy in this context. Two women members serve on the Board of Directors. There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

The Company partially complies with the following principle: "4.4.7. Members of the board of directors shall allocate a reasonable time for the business of the corporation. In cases where the member of the board of directors is a manager or board member in another corporation or renders consultancy services to another corporation, in principal this situation should not cause a conflict of interest and the member shall not hinder his/her duty in the corporation. Within this context, external duties that the member conducts shall be conditional on certain rules or become limited. The external duties conducted by the member of the board of directors and the grounds thereof shall be submitted for the shareholders' information, by distinguishing either such corporation is intragroup or out of the group, together with the agenda item regarding election, at the general assembly meeting in which the election is discussed."

No restrictions are applied to external positions to be undertaken by the Board of Directors in other corporations. The investors are informed about the external duties undertaken by the Board members, primarily through annual reports. Board members allocate sufficient time to the Company's affairs as required by their respective duties. There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

The Company partially complies with the following principle: "4.5.5. It shall be noted that any member of the board of directors shall not have a duty in more than one committee." Each Board member cannot be assigned to one committee only, due to the requirement that all committees should include an independent Board member and that the Audit Committee must consist exclusively of independent members under the Principles. Committee members are able to allocate sufficient time for the duties and activities of the respective committees. There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

"4.5.7. Committees may benefit from the opinions of the independent specialists on matters that they find necessary with regard to their activities. The fee of the consultancy services required by the committees shall be paid by the corporation. However in this case, information as to the person/institution that the service is purchased and as to whether this person/institution has any relation with the corporation shall be stated in the annual report."

The Committees did not receive consultancy service from third parties in 2024. There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

The Company partially complies with the following principle: "4.6.1. The Board of directors shall be responsible for the corporation's achievement of its targets on operational and financial performance designated and disclosed to the public. Evaluation as to whether the corporation has achieved its targets on operational and financial performance disclosed to public or not, and if not achieved, reasoning thereof shall be included in the annual report.

The board of directors shall undertake self-criticism and performance evaluation on the basis of both the board, the member and the executive. Members of the board of director and executives shall be either awarded or discharged subject to these evaluations."

The Board of Directors evaluated whether the Company has achieved its targets on operational and financial performance. These assessments are covered in the annual reports. The Board of Directors does not undertake any specific activity with respect to self-assessment of its own performance. There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

The Company partially complies with the following principle: "4.6.5. Remunerations provided for members of the board of directors and executives and all other benefits provided shall be disclosed via the annual report to the public. Principally, public disclosure shall be made on the basis of the persons."



Remunerations provided to the members of the Board of Directors and executives with administrative responsibility are disclosed not individually but collectively in the financial statement footnote: 29. There are no plans to make any changes in the Company's future management practices within the frame of the said principle.

There are no conflicts of interests arising from not fully complying with these principles.

There are no plans to make any changes in the Company's future management practices within the frame of the said principles. The matter shall be considered if and when there is such a plan.

CORPORATE GOVERNANCE PRACTICES

The Company's website provides up-to-date information and is effectively used as a public disclosure tool. Annual report was reviewed and necessary revisions were made in terms of fully complying with the principles.

At the General Assembly, the rules on the following issues were abided by: provision of information as concerns the candidates to Board membership, the announcement of the agenda and relevant information documents at least three weeks prior to the Assembly, provision of information on privileged shares, participation of managers at the meeting, invitation of the media and stakeholders to the meeting, open voting via raising hands and the announcement of this procedure to partners, and the publication of examples of power of attorney documents.

Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) templates that our Company has drawn up in accordance with the principles and procedures set out in the CMB's resolution no. 2/49 dated 10 January 2019 have been sent to the address www.kap.org.tr.

3.7. Principles of the Board of Directors' Activities

Board of Directors is structured in a manner that will create maximum impact and effectiveness. In this issue, utmost attention is paid to comply with the Law, CMB Regulations and Decisions. Principles regarding this issue are specified in the Articles of Association of our Company.

The Board of Directors is formed of nine members, three of which are independent members. Two women members serve on the Board of Directors. The procedures for the Board meetings are defined in Article 15 of the articles of association. The Board of Directors does not utilize electronic portal.

Meetings of the Board of Directors in which there is physical participation are held at the Company headquarters or at another suitable location. Board of Directors convenes -with the attendance of at least 5 (five) members-. The Board of Directors held three meetings in 2024. Average attendance ratio in meetings is 88%. The Board of Directors resolves with the affirmative vote of five members. Pursuant to the articles of association, information and documents relevant to the Board meetings are made available to the members three days in advance of the related meeting.

In 2024, there were no administrative and/or judicial sanctions of a material nature imposed against the members of the governing body on account of practices that are contradictory to the provisions of the legislation.

There is a Directors' and Officers' Liability policy for the losses that the Board of Directors members may cause to the Company by reason of their faults during the performance of their duties; the insured amount does not exceed 25% of the capital.

Remunerations provided to the members of the Board of Directors and executives with administrative responsibility are disclosed not individually but collectively in the related footnote of the financial statements.



3.8. Changes to the Articles of Association

None

3.9. Statement of Responsibility

BOARD OF DIRECTORS RESOLUTION ON THE APPROVAL OF THE ANNUAL REPORT

DECISION DATE: 11.03.2025
DECISION NO: 2025/8
11.03.2025

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUÉ SERIAL: II-14.1, SECTION TWO, ARTICLE 9 WE HEREBY DECLARE THAT;

- a) We have examined the Board of Directors' Annual Report for the period ended 31 December 2024, the Corporate Governance Compliance Report (CRF), the Corporate Governance Information Form (CGIF) stated in the CMB Resolution no. 2/39 dated 10 January 2019, and the explanations in accordance with the Sustainability Principles Compliance Framework (SPCF);
- b) The Annual Report, CRF, CGIF and SPCF do not contain any misrepresentation of the facts in material aspects or any omissions that may turn out to be misleading as of the date of the disclosure based on the information we have obtained within the scope of our duty and responsibility in the organization;
- c) CRF, CGIF and SPCF present a true and fair view, and the Annual Report drawn up pursuant to the CMB Communiqué Serial: II-14.1 presents a fair view of the development and performance of the business and the financial position, major risk exposure and uncertainties of the organization, including those subject to consolidation, based on the information we have obtained in the scope of our duty and responsibility in the organization;

Sincerely,

Kanan Mirzayev
General Manager

Naciye Kurtuluş Sime
Chairman of the Audit Committee

Bekir Emre Haykır
Audit Committee Member

BOARD OF DIRECTORS RESOLUTION ON THE APPROVAL OF FINANCIAL STATEMENTS

DECISION DATE: 06/03/2025
DECISION NO: 2025/07
06.03.2025

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUÉ SERIAL: II-14.1, SECTION TWO, ARTICLE 9 WE HEREBY DECLARE THAT;

- a) We have examined the consolidated balance sheet, statement of profit or loss, statement of cash flows and statement of changes in equity and notes to the consolidated financial statements for the period ended 31 December 2024;
- b) The consolidated financial statements do not contain any misrepresentation of the facts in material aspects or any omissions that may turn out to be misleading as of the date of the disclosure based on the information we have obtained in the scope of our duty and responsibility in the organization;
- c) The financial statements drawn up pursuant to the CMB Communiqué Serial: II-14.1 present a fair and true view of the and the organization's assets, liabilities, financial position and profit & loss, together with those subject to consolidation, based on the information we have obtained in the scope of our duty and responsibility in the organization;

Sincerely,

Kanan Mirzayev
General Manager

Naciye Kurtuluş Sime
Chairman of the Audit Committee

Bekir Emre Haykır
Committee Member



3.10. Audit Committee Report

To the Board of Directors of Petkim Petrokimya Holding A.Ş.

01.01.2024-31.12.2024 Accounting Period Financial Statements

The independently audited comparative consolidated financial statements, (in comparison with previous period's financials) prepared for the accounting period of 01.01.2024-31.12.2024, in compliance with the Turkish Accounting Standards and the Turkish Financial Reporting Standards ("TAS" and "TFRS") published by the Public Oversight Authority and the Turkish Accounting and Auditing Standards Board within the scope of the Communiqué (Serial: II, No: 14.1) of Capital Markets Board ("CMB"), and prepared in compliance with the presentation principles that were determined with the Decision (dated 07.06.2013, No: 20/670) of CMB and announced in the weekly CMB Bulletin (dated 07.06.2013, No: 2013/19), was audited by getting the opinions of the executives who are responsible for the preparation of the Company's financial statements.

Limited within the scope of the information we have, and we have been given, our opinion relating to these financial statements, were presented to the executives who have responsibility in the preparation of the financial statements. Within the framework of this opinion, we have reached a conclusion that these financial statements; truly reflects the facts regarding the Company's activity results and does not contain any significant deficiency that may cause misleading results and complies with the CMB regulations.

Sincerely,

Audit Committee

Naciye Kurtuluş Sime

Chairman of the
Committee

Bekir Emre Haykır

Committee Member

To the Board of Directors of Petkim Petrokimya Holding A.Ş

01.01.2024-31.12.2024 Accounting Period Annual Report

The independently audited comparative consolidated annual report, (in comparison with previous period's annual report) prepared for the accounting period of 01.01.2024-31.12.2024, in compliance with the Turkish Accounting Standards and the Turkish Financial Reporting Standards ("TAS" and "TFRS") published by the Public Oversight Authority and the Turkish Accounting and Auditing Standards Board within the scope of the Communiqué (Serial: II, No: 14.1) of Capital Markets Board ("CMB"), and prepared in compliance with the presentation principles that were determined with the Decision (dated 07.06.2013, No: 20/670) of CMB and announced in the weekly CMB Bulletin (dated 07.06.2013, No: 2013/19), was audited by getting the opinions of the executives who are responsible for the preparation of the Company's financial statements.

Limited within the scope of the information we have, and we have been given, our opinion relating to this financial statements, were presented to the executives who have responsibility in the preparation of the financial statements. Within the framework of this opinion, we have reached a conclusion that these financial statements; truly reflects the facts regarding the Company's activity results and does not contain any significant deficiency that may cause misleading results and complies with the CMB regulations.

Sincerely,

Naciye Kurtuluş Sime

Chairman of the
Committee

Bekir Emre Haykır

Committee Member



PETKİM PETROKİMYA HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024 TOGETHER WITH INDEPENDENT AUDITORS' REPORT

Consolidated Financial Statements As At 31 December 2024

Petkim Petrokimya Holding Anonim Şirketi And Its Subsidiaries

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Petkim Petrokimya Holding A.Ş.

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of Petkim Petrokimya Holding A.Ş. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards ("TFRS").

2) Basis for Opinion

We conducted our audit in accordance with the Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye ("POA") and adopted within the framework of Capital Markets Board ("CMB") regulations. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") as issued by the POA and other ethical principles included in CMB legislation, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Other Matters

The consolidated financial statements of the Group were prepared in accordance with the TFRS published by the POA as of December 31, 2023, were audited by another audit firm whose independent auditor's report thereon dated March 26, 2024 expressed an unqualified opinion.

4) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the key audit matter addressed in the audit
Application of the hyperinflationary accounting	
As stated in Note 2.1 to the consolidated financial statements, the Group has started to apply "TAS 29 Financial Reporting in Hyperinflation Economies" since the functional currency of the Company ("Turkish Lira") is the currency of a hyperinflationary economy as of December 31, 2024.	Our audit procedures included the following;
In accordance with TAS 29, consolidated financial statements and corresponding figures for previous periods have been restated for the changes in the general purchasing power of Turkish Lira and, as a result, are expressed in terms of purchasing power of Turkish Lira as of the reporting date.	<ul style="list-style-type: none">Meeting with the management responsible for financial reporting and reviewing the principles taken into account during the implementation of TAS 29, the determination of non-monetary accounts and the tests performed on the designed TAS 29 models,
In accordance with TAS 29, the Group utilised the Türkiye consumer price indices to prepare inflation adjusted financial statements. The principles applied for inflation adjustment is explained in Note 2.1.	<ul style="list-style-type: none">Testing the inputs and indices used to ensure the completeness and accuracy of the calculations,
Given the significance of the impact of TAS 29 on the reported result and financial position of the Group, we have assessed the hyperinflation accounting as a key audit matter.	<ul style="list-style-type: none">Checking the restatements of corresponding figures as required by TAS 29,Assessing the adequacy of the information provided in inflation adjusted financial statements for compliance with TAS 29.



Key audit matters	How the key audit matter addressed in the audit
Valuation of investment properties and important information disclosed	
<p>As explained in Note 2 and Note 10, after the initial recognition, the Group recognized its investment properties with fair value method. As of December 31, 2024, the fair value of investment properties amounting to TRY 24.361.465 has been determined by independent valuation company with CMB license.</p> <p>The investment properties constitute a significant portion of the Group's total assets and that the valuation methods applied for determining fair value involve significant estimates and assumptions, the valuation of investment properties is considered a key audit matter by us.</p>	<p>Our audit procedures for valuation of investment properties with fair value method included the following;</p> <ul style="list-style-type: none"> We have evaluated the qualifications, competencies and impartiality of the real estate appraisers appointed by the management. In our audit, the appropriateness of the methods used by the valuation experts in the aforementioned valuation reports, which constitute the basis for the fair values of the relevant tangible fixed assets measured according to the revaluation model, has been evaluated. In order to check the compatibility of the assumptions used by the independent valuation experts during the valuation with the market data, the valuation experts of another organization, which is included in the same audit network as our organization, were included in the studies. In this framework, as a result of the studies and examinations carried out by the experts on the real estate valuation calculations in question, we have evaluated whether the estimations and assumptions used in the valuation report are within an acceptable range of fair value, as assessed by the Group's independent valuation experts. The accuracy of the valuation method used was checked together by evaluating the relevant assets and their intended use. <p>In addition, within the scope of the above-mentioned assessments, TAS 40 included in the footnotes in the table and explanatory notes were questioned and evaluated.</p>

Key audit matters	How the key audit matter addressed in the audit
Impairment on assets subject to operating lease	
<p>As of December 31, 2024, the net book value of the assets subject to operating leases included in the Group's consolidated financial statements is TRY 3,586,632.</p> <p>TAS 36 "Impairment of Assets" standard states that at the end of each reporting period, the Group must assess whether there are any significant indications that an asset may be impaired. In this context, if there is an indication of significant impairment, the Group estimates the recoverable amount of the relevant asset.</p> <p>As of December 31, 2024, based on the Group's assessments, an impairment loss of TRY 4,652,686 has been recognized in the consolidated statement of profit or loss for the current period for the assets subject to operating leases, taking into account the determined recoverable amount for these assets.</p> <p>The significant value of assets subject to operating leases in the consolidated financial statements necessitates the use of critical estimates and assumptions during the impairment testing conducted by management. These estimates and assumptions are particularly sensitive to future expected market conditions and include factors such as earnings before interest, taxes, depreciation, and amortization (EBITDA), growth expectations, long-term growth rates, and discount rates applied to cash flows. Given these considerations, the impairment of assets related to operating leases has been identified as a key audit matter.</p>	<p>Our audit procedures included the following;</p> <ul style="list-style-type: none"> Discussions with management have been conducted to evaluate future plans and statements within the context of macroeconomic data. To ensure the appropriateness of the assumptions used by independent valuation experts during the valuation process in relation to market data, valuation experts from another organization that is part of the same audit network as our organization have been included in the review. The fundamental structure and calculations of the models used for the analysis of discounted cash flows have been examined. The prepared cash flow forecasts have been assessed for reasonableness by comparing them with historical financial performance results. Additionally, the appropriateness of the discount rates used has been evaluated, including comparisons with the average Weighted Average Cost of Capital (WACC) in the relevant sectors. The adequacy of the disclosures related to impairment in the notes to the consolidated financial statements has been assessed, including the explanations regarding key assumptions, judgments, and sensitivities.

**5) Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

6) Auditor's Responsibilities for the Audit of the consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing as issued by the Capital Markets Board of Türkiye and InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with standards on auditing as issued by the Capital Markets Board of Türkiye and InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

1. Auditors' report on Risk Management System and Committee prepared in accordance with paragraph 4 of Article 398 of Turkish Commercial Code ("TCC") 6102 is submitted to the Board of Directors of the Company on March 6, 2025.
2. In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period
3. 1 January - 31 December 2014 and financial statements are not in compliance with laws and provisions of the Company's articles of association in relation to financial reporting.
4. In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The name of the engagement partner who supervised and concluded this audit is Cem Uçarlar.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Cem Uçarlar, SMMM
Partner

Mach 6, 2025
İstanbul, Türkiye





Petkim Petrokimya Holding Joint Stock Company and Its Subsidiaries

SUBSIDIARIES CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2024	Audited Previous Period 31 December 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	8.168.876	5.832.413
Financial investments	6	478.634	431.624
Trade receivables		8.374.636	10.894.825
- Trade receivables from related parties	28	1.632.259	2.303.638
- Trade receivables from third parties	7	6.742.377	8.591.187
Other receivables		35.294	177.189
- Other receivables from related parties		410	5.990
- Other receivables from third parties	8	34.884	171.199
Inventories	5	7.435.482	8.866.129
Prepaid expenses		1.331.859	1.115.646
- Prepaid expenses to third parties	15	610.762	918.508
- Prepaid expenses to related parties	28	721.097	197.138
Derivative financial instruments	18	81.029	86.892
Other current assets		1.119.192	1.894.372
- Other current assets to third parties	17	1.119.192	1.894.372
Current tax assets	20	107.239	58.985
TOTAL CURRENT ASSETS		27.132.241	29.358.075
NON-CURRENT ASSETS			
Financial investments	6	95.506	95.506
Derivative financial assets	18	-	59.379
Investments accounted for using the equity method	33	30.175.623	34.691.022
Other receivables		-	27.005
- Other receivables from related parties	28	-	26.908
- Other receivables from third parties		-	97
Investment properties	10	24.361.465	24.297.568
Property, plant and equipment	11	40.057.744	46.690.983
Right of use assets	11	1.182.076	1.266.198
Intangible assets	12	527.157	451.575
Prepaid expenses		430.206	548.094
- Prepaid expenses to related parties	28	25.378	49.490
- Prepaid expenses to third parties	15	404.828	498.604
Deferred tax assets	20	458.506	701.402
Other non-current assets		132.161	114.674
- Other non-current assets related to third parties	17	132.161	114.674
TOTAL NON-CURRENT ASSETS		97.420.444	108.943.406
TOTAL ASSETS		124.552.685	138.301.481

SUBSIDIARIES CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

	Notes	Audited Current Period 31 December 2024	Audited Previous Period 31 December 2023
LIABILITIES			
CURRENT LIABILITIES			
Short-term borrowings		18.420.375	19.195.792
- Short-term borrowings to third parties		18.343.097	19.019.065
- Bank borrowings	9	13.464.083	7.812.592
- Short term lease liabilities	9	79.773	54.932
- Other financial liabilities	9	4.799.241	11.151.541
- Short-term borrowings to related parties		77.278	176.727
- Short term lease liabilities to related parties	28	77.278	176.727
Short-term portion of long-term borrowings		6.454.135	5.155.045
- Short-term portion of long-term borrowings to third parties		6.454.135	5.155.045
- Bank borrowings	9	6.454.135	5.155.045
Derivative financial instruments	18	21.992	22.291
Trade payables		13.486.500	11.921.859
- Trade payables to related parties	28	11.414.048	6.466.773
- Trade payables to third parties	7	2.072.452	5.455.086
Payables related to employee benefits	16	114.427	170.432
Other payables		25.303	35.233
- Other payables to related parties	28	-	126
- Other payables to third parties	8	25.303	35.107
Deferred revenue		1.363.581	806.760
- Deferred revenue from related parties	28	57.157	94.372
- Deferred revenue from third parties	14	1.306.424	712.388
Short term provisions		536.341	1.150.522
- Provision for employee benefits	16	533.745	1.146.772
- Other short term provisions	30	2.596	3.750
Other current liabilities		227.321	167.220
- Other current liabilities related to third parties	17	227.321	167.220
TOTAL CURRENT LIABILITIES		40.649.975	38.625.154
NON-CURRENT LIABILITIES			
Long term financial liabilities		19.496.618	19.674.077
- Long term financial liabilities to third parties		19.301.858	19.130.829
- Bank borrowings	9	18.987.338	18.888.541
- Long-term lease liabilities to third parties	9	314.520	242.288
- Long-term borrowings to related parties		194.760	543.248
- Long term lease liabilities to related parties	28	194.760	543.248
Deferred revenue		890.441	1.820.427
- Deferred revenue from related parties	28	890.441	1.820.427
Long term provisions		1.248.694	1.089.660
- Provision for employee termination benefits	16	1.248.694	1.089.660
Deferred tax liabilities	20	3.943.251	2.898.506
TOTAL NON-CURRENT LIABILITIES		25.579.004	25.482.670
TOTAL LIABILITIES		66.228.979	64.107.824

The accompanying notes are an integral part of these consolidated financial statements.



Petkim Petrokimya Holding Joint Stock Company and Its Subsidiaries

Subsidiaries Consolidated Balance Sheet As At 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2024
EQUITY			
Equity attributable to owners of the parent company		58.368.698	73.832.462
Share capital	19	2.534.400	2.534.400
Adjustment to share capital	19	41.387.934	41.387.934
Share premium		722.906	722.906
Other comprehensive (expense) not to be reclassified to profit or loss		(1.628.925)	(645.742)
- Actuarial loss arising from defined benefit plan		(748.900)	(646.991)
Shares that will not be classified in profit or loss from other comprehensive income of investments valued using the equity method		(880.025)	1.249
-Other shares from other comprehensive income of investments valued using the equity method, after tax		(880.025)	1.249
Other comprehensive (expense)/income to be reclassified to profit or loss		(9.935.349)	(1.798.431)
- Currency translation differences		(2.021.222)	(689.400)
- (Loss)/ Gain on hedge reserves		(1.988.924)	(608.179)
- (Loss)/ Gain on cash flow hedges		(1.988.924)	(608.179)
Shares that will be classified in profit or loss from other comprehensive income of investments valued using the equity method		(5.925.203)	(500.852)
Restricted reserves		3.895.044	3.895.044
Retained earnings		27.736.351	17.066.752
Net profit/(loss) for the year		(6.343.663)	10.669.599
Non-controlling interest		(44.992)	361.195
TOTAL EQUITY		58.323.706	74.193.657
TOTAL LIABILITIES AND EQUITY		124.552.685	138.301.481

Subsidiaries Consolidated Statement Of Profit Or Loss
1 January-31 December 2024 And 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

	Notes	Audited 31 December 2024	Audited 31 December 2024
PROFIT OR LOSS			
Revenue	21	77.380.795	87.264.493
Cost of Sales (-)	21	(78.623.327)	(90.626.043)
GROSS LOSS		(1.242.532)	(3.361.550)
General administrative expenses	22	(3.601.877)	(4.160.939)
Selling, marketing and distribution expenses	23	(1.423.665)	(1.688.104)
Other operating income	24	1.984.005	4.828.322
Other operating expense	24	(6.684.395)	(5.191.586)
OPERATING LOSS		(10.968.464)	(9.573.857)
Income from investing activities	25	671.484	12.347.885
Expense from investing activities	25	(1.402)	(5.001)
Income from investments accounted by equity method	33	1.790.226	14.329.360
OPERATING PROFIT (LOSS) BEFORE FINANCIAL INCOME		(8.508.156)	17.098.387
Financial income	26	2.115.878	16.731.096
Financial expenses	26	(10.274.907)	(26.326.454)
Monetary gain	34	11.866.106	5.891.618
PROFIT/(LOSS) BEFORE TAX FROM CONTINUED OPERATIONS		(4.801.079)	13.394.647
- Current tax expense	20	(25.324)	(27.575)
- Deferred tax expense	20	(1.967.400)	(2.663.342)
PROFIT/(LOSS) FOR THE PERIOD CONTINUED OPERATIONS		(6.793.803)	10.703.730
Distribution of Income For the Period			
- Non-controlling interest		(450.140)	34.131
- Owners of the parent company		(6.343.663)	10.669.599
Earnings/(Loss) Per Share		(2,5030)	4,2099
- Earnings per shares from continued operation	27	(2,5030)	4,2099



Petkim Petrokimya Holding Joint Stock Company and Its Subsidiaries

Subsidiaries Consolidated Other Comprehensive Income
For The Periods 1 January- 31 December 2024 And 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
PROFIT/(LOSS) FOR THE PERIOD	(6.793.803)	10.703.730
OTHER COMPREHENSIVE (EXPENSE)/ INCOME		
Items to be reclassified to profit or loss	(8.092.965)	(973.606)
Currency translation differences	(1.286.211)	240.612
Other comprehensive gain/ (loss) related to cash flow hedges	(1.796.208)	(926.461)
- Tax relating to gain on cash flow hedge	413.805	213.095
Shares that will be classified in profit or loss from other comprehensive income of investments valued using the equity method	(5.424.351)	(500.852)
-Foreign currency translation aains (losses), after tax	(5.424.351)	(500.852)
Items not to be reclassified to profit or loss	(103.893)	(40.917)
Defined benefit plans remeasurement losses	(132.347)	(54.749)
Taxes relating to remeasurements of defined benefit plans	30.438	12.589
Actuarial gain arising from defined benefit plans accounted for investment using equity method	(1.984)	1.243
OTHER COMPREHENSIVE (EXPENSE)/ INCOME	(8.196.858)	(1.014.523)
TOTAL COMPREHENSIVE INCOME/(ENSE)	(14.990.661)	9.689.207
Non-controlling interests	(406.187)	48.253
Owners of parent company	(14.584.474)	9.640.954

Subsidiaries Consolidated Statements Of Changes In Shareholders' Equity
For The Periods 1 January - 31 December 2024 And 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Other comprehensive (expense) not to be reclassified to profit or loss														
Other comprehensive (expense)/ income to be reclassified to profit or (loss)														
	Share capital	Adjustment to share capital	Actuarial loss arising from defined benefit plan	Shares from other comprehensive income of investments valued using the equity method, after tax	(Loss)/ gain on cash flow hedges	Currency translation differences	Shares that will be classified in profit or loss from other comprehensive income of investments valued using the equity method	Share premium	Restricted reserves	Net profit/ (loss) for the year	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
1 January 2023	2,534,400	41,387,934	(604,831)	-	84,893	(1,025,478)	-	722,906	3,888,073	(1,848,835)	19,081,311	64,220,373	83,070	64,303,443
Transfers	-	-	-	-	-	-	-	-	6,971	1,848,835	(1,855,806)	-	-	-
Transactions with non-controlling interest shareholders	-	-	-	-	20,271	109,617	-	-	-	-	(158,753)	(28,865)	229,872	201,007
Total comprehensive income	-	-	(42,160)	1,249	(713,343)	226,461	(500,852)	-	-	10,669,599	-	9,640,954	48,253	9,689,207
- Other comprehensive income/ (expense)	-	-	(42,160)	1,249	(713,343)	226,461	(500,852)	-	-	-	-	(1,028,645)	14,122	(1,014,523)
-Net profit for the year	-	-	-	-	-	-	-	-	-	10,669,599	-	10,669,599	34,131	10,703,730
31 December 2023	2,534,400	41,387,934	(646,991)	1,249	(608,179)	(689,400)	(500,852)	722,906	3,895,044	10,669,599	17,066,752	73,832,462	361,195	74,193,657
1 January 2024	2,534,400	41,387,934	(646,991)	1,249	(608,179)	(689,400)	(500,852)	722,906	3,895,044	10,669,599	17,066,752	73,832,462	361,195	74,193,657
Transfers	-	-	-	-	-	-	-	-	-	(10,669,599)	10,669,599	-	-	-
Effect of business combinations under common control (Note 33)	-	-	-	(879,290)	-	-	-	-	-	-	-	(879,290)	-	(879,290)
Total comprehensive income/ (expense)	-	-	(101,909)	(1,984)	(1,380,745)	(1,331,822)	(5,424,351)	-	-	(6,343,663)	-	(14,584,474)	(406,187)	(14,990,661)
- Other comprehensive income/ (expense)	-	-	(101,909)	(1,984)	(1,380,745)	(1,331,822)	(5,424,351)	-	-	-	-	(8,240,811)	43,953	(8,196,858)
- Net loss for the year	-	-	-	-	-	-	-	-	-	(6,343,663)	-	(6,343,663)	(450,140)	(6,793,803)
31 December 2024	2,534,400	41,387,934	(748,900)	(880,025)	(1,988,924)	(2,021,222)	(5,925,203)	722,906	3,895,044	(6,343,663)	27,736,351	58,368,698	(44,992)	58,323,706

The accompanying notes are an integral part of these consolidated financial statements.



Petkim Petrokimya Holding Joint Stock Company and Its Subsidiaries

Subsidiaries Consolidated Statements Of Cash Flows For The Periods
1 January- 31 December 2024 And 2023

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES:		2.829.510	2.364.827
Net profit/loss for the year (I)		(6.793.803)	10.703.730
ADJUSTMENTS RELATED TO RECONCILIATION OF NET PROFIT (LOSS) FOR THE YEAR (II)		4.523.000	(12.605.349)
Adjustments for depreciation and amortization	11,12	5.184.742	6.148.033
Adjustments for impairments			
- Adjustments regarding impairment (cancellation) of receivables		-	(10.969)
- Adjustments for impairment of inventories	5	(6.963)	(125.785)
- Adjustments related to other impairments (cancellations)	24	4.652.686	1.605.812
Adjustments for provisions			
- Adjustments for provision employee benefits		1.033.937	1.668.753
Adjustments for interest income/(expense)			
- Adjustments for interest income	26	(678.696)	(802.700)
- Adjustments for interest expense	26	4.291.805	4.996.603
Adjustments for unrealized foreign currency translation differences		3.377.741	13.066.352
Adjustments for tax income/(losses)	20	1.992.724	2.690.917
Adjustments for gain/(losses) on sale of property, plant and equipment	25	(122.290)	(730.273)
Arising from the disposal of investment properties adjustments for losses (gains)	25	-	(1.179)
Adjustments for income from government incentives	13	(1.400)	(12.082)
Adjustments for fair value gain			
- Adjustments for fair value gain in financial assets		(252.040)	(474.969)
- Adjustments for fair value gain in investment property	25	(63.897)	(10.914.312)
- Undistributed income of investments valued by equity method Adjustments regarding profits	33	(1.790.226)	(14.329.360)
Monetary gain/loss		(13.095.123)	(15.380.190)
CHANGES IN WORKING CAPITAL (III)		6.083.796	5.257.880
Adjustments related to decrease/ (increase) in trade receivables		2.520.189	397.285
Adjustments related to increase in other receivables		168.900	(114.016)
Adjustments related to increase in inventory		1.517.784	2.389.083
Adjustments for increase in prepaid expenses		(163.181)	1.047.691

	Notes	Audited 1 January - 31 December 2024	Audited 1 January - 31 December 2023
Adjustments for increase in trade payables		1.566.041	1.448.654
Adjustments for increase in other payables from operating activities		(9.930)	(7.402)
Increase in payables related to employee benefits		(25.567)	27.785
Adjustments for increase/(decrease) in deferred revenue		(373.165)	(180.862)
Changes in derivative financial instruments		64.943	(3.468)
Adjustments related to other increase/(decrease) in working capital		817.782	253.130
CASH FLOWS FROM OPERATING ACTIVITIES (I+II+III)		3.812.993	3.356.261
Employee benefits paid		(850.920)	(932.449)
Income taxes paid	20	(132.563)	(58.985)
B.CASH FLOWS FROM INVESTING ACTIVITIES		(4.786.804)	(1.603.073)
Cash outflows from purchases of property, plant and equipment and intangible assets	11	(4.985.568)	(4.554.850)
Proceeds from sale of property, plant and equipment and intangible assets		127.436	934.875
Other cash advances and payables given		64.856	(320.635)
Cash inflows from sales of investment properties		-	2.606
Other cash inflows (outflows)		6.472	2.334.931
C.CASH FLOWS FROM FINANCING ACTIVITIES		6.193.211	(21.298.701)
Proceeds from borrowings	9	29.640.871	30.528.271
Repayments of borrowings	9	(15.873.693)	(19.177.449)
Cash outflows of debt instruments issued		-	(20.886.973)
Proceeds from other financial liabilities	9	5.168.478	14.222.293
Repayments of other financial liabilities	9	(9.051.831)	(21.626.893)
Increase in other debts received from related parties		-	3.664.522
Decrease in other debts received from related parties		-	(3.664.522)
Interest received		678.696	802.700
Interest paid		(4.201.034)	(4.871.621)
Cash outflow related to lease agreements		(168.276)	(289.029)
D. NET DECREASE / (INCREASE) IN CASH AND CASH EQUIVALENTS BEFORE FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C)		4.235.917	(20.536.947)
E. INFLATION IMPACT ON CASH AND EQUIVALENTS		(1.965.293)	(8.075.538)
F. EFFECT OF CURRENCY TRANSLATION DIFFERENCES ON CASH AND CASH EQUIVALENTS		65.839	2.919.495
NET (INCREASE)/DECREASE IN CASH AND CASH EQUIVALENTS (D+E+F)		2.336.463	(25.692.990)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	5.832.413	31.525.403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	8.168.876	5.832.413

The accompanying notes are an integral part of these consolidated financial statements.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 1 - Group's Organisation And Nature Of Operations

Petkim Petrokimya Holding A.Ş. ("Petkim" or "the Company") was established on April 3, 1965. The Company started its investment activities in İzmit-Yarımca and initially established the Ethylene, Polyethylene, Chlorine Alkali, VCM and PVC plants in 1970 in the Yarımca Complex and in the following years, construction of other plants continued. In 1985, Aliağa Petrochemical Complex was established with advance technology and optimum capacity. The Company has 14 main plants, 1 bag production unit and 1 solid waste incineration facility. The Company operates its facilities in the petrochemical sector in Türkiye.

The major operations of the Company and its subsidiaries are as follows:

- To establish and to operate factories, plants in Türkiye home or abroad in relation to the petro-chemistry, chemistry and such other industrial sectors,
- To process and to treat the raw materials and supplementary/ auxiliary substances, materials and chemicals necessary for the production of petrochemicals, chemicals and such other materials/substances by procuring such materials/substances either from Türkiye or abroad, to produce such materials/substances, and to carry out and to perform the domestic and international trading thereof,
- In accordance with the Law 4628 on the Electricity Market, and the related legislation thereto, to establish power plants as per the auto-producer's license in order to meet its own need for electricity and heat/thermal energy at first, to generate electricity and heat/ thermal energy, to sell the generated electricity and heat/ thermal energy and/or the capacity to other legal persons holding the requisite licenses or to the eligible consumers as per the mentioned legislation in case of any surplus production, and to carry out and to perform the activities in relation to the obtainment of any and all kinds of equipment and fuel in relation to the electricity power/ generating plant provided that such activities are not of commercial nature,
- To carry out and to perform the activities in relation to the importation or purchase from domestic resources, of natural gas on wholesale and retail basis, utilization, storage of natural gas imported and purchased, in accordance with the legislation thereto,
- To carry out and to perform pilotage, trailer and mooring activities, to operate ports, cruise ports, passenger terminals, seaports, docks, harbors, berths, liquid fuel/liquefied petroleum pipeline and buoy systems, and such other similar onshore facilities/plants, and to be involved in port management activities, to offer port, agency, provision, bunkering services, and to provide that such services are offered by third parties either by way of leasing or such other methods when required, and to purchase, to have built and to lease, to sell the necessary vessels/naval platforms, and to establish either domestic or international partnerships in relation thereto, to operate warehouses, and to offer warehousing services,

- To support and to donate to the foundations, associations, educational institutions, which have been established for social purposes, and to such other persons, institutions and organizations in accordance with the principles prescribed by the Capital Markets Board.

The "Share Sales Agreement", with respect to the sale of 51% of shares of Petkim Petrokimya Holding A.Ş. (which has been in the privatization process for several years) to SOCAR & Turcas Petrokimya A.Ş. ("STPAŞ"), 44% of which previously owned by the Republic of Türkiye Ministry Privatization Administration ("Administration") and 7% State Pension Fund ("Emekli Sandığı Genel Müdürlüğü") transferred to Republic of Türkiye Social Security Institution, was signed on May 30, 2008.

On June 22, 2012, the listed shares of 10.32% in the Company, which belonged to Prime Ministry Privatisation Administration, was sold to SOCAR İzmir Petrokimya A.Ş. ("SİPAŞ"), the subsidiary of the Company's main shareholder, SOCAR Turkey Enerji A.Ş. ("STEAŞ"). STEAŞ and SİPAŞ merged on 22 September 2014 under STEAŞ.

As of December 31, 2024 and 31 December 2023 the ultimate parent of the Company is State Oil Company of Azerbaijan Republic ("SOCAR"), and mainshareholder is Socar Turkey Petrokimya A.Ş.

The Group is registered at the Capital Markets Board ("CMB") and have been quoted in Borsa İstanbul ("BİST") since July 9, 1990. (Note 19)

The consolidated financial statements were approved for publication by the decision of the Board of Directors dated March 6, 2025 and signed by General Manager Mr. Kanan Mirzayev and Vice President of Financial Affairs Mr. Ahmet Gülhan on behalf of the Board of Directors. The general assembly and certain regulatory bodies have the authority to make changes to the statutory financial statements after they are published.

The registered address of the Company as of the date of preparation of the consolidated financial statements is as follows:

Siteler Mahallesi Necmettin Giritlioğlu Cad.
SOCAR Türkiye Aliağa Yönetim Binası No 6/1 Aliağa/İZMİR



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 1 - Group's Organisation And Nature Of Operations (Continued)

As of December 31, 2024, the Company's subsidiaries ("subsidiaries") the Company and its subsidiaries (hereinafter collectively referred to as the "Group") and their respective operating segments are as follows:

	Nature of operations	Business segment
Petlim Limançılık Ticaret A.Ş. ('Petlim')	Port operations	Port
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	Plastic Processing	Petrochemistry

As of December 31, 2024, the average number of employees working for the Group is 2,419 (December 31, 2023: 2,416). The details of the employees as of December 31, 2024 and December 31, 2023 are as follows:

	31 December 2024	31 December 2023
Union (*)	1.695	1.718
Non - union (**)	738	665
	2.433	2.383

Note 2 - Basis Of Presentation Of Consolidated Financial Statements

2.1 Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, "Principals of Financial Reporting in Capital Markets" published in the Official Gazette numbered 28676 on June 13, 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Accounting Standards/ Turkish Financial Reporting Standards ("TFRS") and its addendum and interpretations ("IFRIC") issued by the Public Oversight Accounting and Auditing Standards Authority ("POAASA") Turkish Accounting Standards Board.

The consolidated financial statements are presented in accordance with the formats specified in the announcement "Announcement on TAS Taxonomy" published by the POA on July 3, 2024, as well as the financial statement samples and usage guide published by Capital Market Board.

The group and its subsidiaries comply with the requirements of the Turkish Commercial Code ('TCC'), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance in maintaining accounting records and preparing statutory financial statements. The consolidated financial statements have been prepared based on the indexed historical cost basis, except for financial assets, investment properties, and liabilities that are presented at fair values.

Financial reporting in hyperinflationary economy

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after December 31, 2024. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of December 31, 2023, on the purchasing power basis as of December 31, 2024.

Pursuant to the decision of the CMB dated December 28, 2023, and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/ Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

*Indicates the personnel who are members of Petrol İş Union.

** Indicates the personnel who are not members of Petrol İş Union



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index ("CPI") of Türkiye published by the Turkish Statistical Institute ("TURKSTAT"). As of December 31, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Conversion Factor	Three-year Inflation Rate
31 December 2024	2.684,55	1,00000	291%
31 December 2023	1.859,38	1,44379	268 %
31 December 2021	1.128,45	2,37897	156 %

2.1 Basis of Presentation (Continued)

Financial reporting in hyperinflationary economy (Continued)

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the consolidated income statement.

Going Concern

The Group incurred a net period loss of TRY 6,793,803 for the current period ending on December 31, 2024, and as of the same date, the Group's current liabilities exceed its current assets by TRY 13,517,734. In response, considering the Group's strong equity structure as well as its credibility with foreign and domestic financial institutions, it is not anticipated that there will be any issues regarding the ability of the Group to make the necessary payments on time within the framework of the prepared short- cash flows by the Group management.

Additionally, the Group Management is working on various short-term and long-term planning to increase the efficiency of production operations and to improve profitability in terms of financial results, and brief explanations are provided below.

As stated in the decision of the Group's Board of Directors dated December 13, 2024, and in the announcement made on the same date on the Public Disclosure Platform ("KAP"), the Group aims to implement a new project (hereinafter referred to as the "Master Plan") in the near future, which includes the establishment of new production units (ethylene, polypropylene, high-density/linear low-density polyethylene) and the modernization of the existing aromatic complex, phthalic anhydride, low-density polyethylene units, and utility facilities, provided that all necessary approvals are obtained following the evaluations below.

The Group has completed the initial feasibility study in 2024, and at this stage, it is planned to conduct detailed technical and commercial analyses by moving to the Pre-FEED (Front-End Engineering Design Preparation) phase and then to the FEED (Front-End Engineering Design) phase.

The Group also aims to work on (i) the project structure, (ii) various financing and legal alternatives, (iii) identifying the necessary steps including investment/financing, and (iv) these matters/steps for the implementation of the Master Plan. Following the completion of these studies and evaluations, the final decision regarding the Master Plan investment will be submitted for approval to the Board of Directors and other relevant authorities, and all significant matters will be shared with our investors.

Considering all these evaluations, the Group's consolidated financial statements as of December 31, 2024, have been prepared in accordance with the principle of going concern.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.1 Basis of Presentation (Continued)

Going Concern (Continued)

Changes and interpretations made to the new standards in effect as of December 31, 2024, and the existing previous standards:

The accounting policies applied in the preparation of the consolidated financial statements for the period ending on December 31, 2024, have been consistently applied with those used in the previous year, except for the new and amended TFRS and TFRS interpretations effective as of January 1, 2024, summarized below. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

2.2 Amendments in Turkish Financial Reporting Standards

i) New standards, amendments, and interpretations effective from January 1, 2024.

Amendments to TAS 1 - Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

The amendments did not have a significant impact on the financial position or performance of the Group.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.2 Amendments in Turkish Financial Reporting Standards (Continued)

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA.

The standard is not applicable for the the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following two amendments to IFRS 9 and IFRS 7 and Annual Improvements to IFRS Accounting Standards as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.2 Amendments in Turkish Financial Reporting Standards (Continued)

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards** – Hedge Accounting by a First-time Adopter: These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- **IFRS 7 Financial Instruments** – Disclosures – Gain or Loss on Derecognition: The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.

- **IFRS 9 Financial Instruments** – Lessee Derecognition of Lease Liabilities and Transaction Price: IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- **IFRS 10 Consolidated Financial Statements** – Determination of a 'De Facto Agent': The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- **IAS 7 Statement of Cash Flows** – Cost Method: The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The Group expects no significant impact on its balance sheet and equity.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.2 Amendments in Turkish Financial Reporting Standards (Continued)

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

2.3 Basis of consolidation

The consolidated financial statements include the accounts of the parent company Petkim and its subsidiaries on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TFRS applying uniform accounting policies and presentation.

a) Subsidiaries

The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The non-controlling share in the net assets and results of subsidiaries for the period are separately classified as "non-controlling interest" in the consolidated balance sheet and statement of income.

The accounting policies of the subsidiaries have been changed where necessary to be consistent with the accounting policies accepted by the Group.

The table below sets out all subsidiaries included in the scope of consolidation together with the related voting rights and effective ownership rates at December 31, 2024 and 2023:

The consolidated financial statements include the accounts of the parent company Petkim and its subsidiaries on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TFRS applying uniform accounting policies and presentation.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.3 Basis of consolidation (Continued)

Subsidiaries	Direct or Indirect Control Shareholding Rates of the Group (%)	
	31 December 2024	31 December 2023
Petlim	93,47	93,47
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	100,00	100,00

b) Investments in subsidiaries

Investments in subsidiaries were accounted for at cost on the date they were first recorded, and in subsequent periods using the equity method. These are entities in which the Group generally holds 20% to 50% of the voting rights or in which the Group has significant influence, but not control, over the company's activities. Unrealized profits arising from transactions between the Group and the subsidiary have been adjusted to the extent of the Group's share in the subsidiary, and unrealized losses have been adjusted if the transaction does not indicate that the transferred asset has been impaired. According to the equity method, after-tax net profit/(loss) of the subsidiaries after the acquisition are reflected in the Group's net profit for the period to the extent of the Group's share in the subsidiary.

The equity method is not continued when the registered value of the investment in the subsidiary becomes zero or the Group's significant influence ceases, unless the Group has undertaken an obligation or made a commitment in this regard regarding the subsidiary. After the Group's share in the subsidiary decreases to zero, additional provision for losses and recognition of debt amounts are only possible if the Group has been exposed to legal or constructive liability or has made payments on behalf of the subsidiary. If the subsidiaries make a profit in subsequent periods, the Group can reflect its share of the profit in the financial statements only after its share of the subsidiary's profit is equal to its share of the losses not reflected in the financial statements.

As a result of the negotiations between the Group and its main shareholder STEAŞ, a share sale and transfer agreement was signed on January 9, 2018 for the purchase of 30% shares of Rafineri Holding A.Ş. ("Rafineri Holding") from STEAŞ for 720 million US Dollars. SOCAR Turkey Yatırım A.Ş., of which Rafineri Holding is a joint venturer with a 60% share, fully owns STAR Rafineri A.Ş. ("STAR"). The transfer of Rafineri Holding's shares subject to the contract will be completed by the Group on a date defined as the "Closing Date" in the contract, following the receipt of the necessary permissions, provided that the conditions specified in the contract are met. With the decision of Petkim's Board of Directors dated April 10, 2023, it was decided to sign a new protocol with STEAŞ in addition to the terms of the existing contract between Petkim and STEAŞ. In accordance with the protocol, Petkim's indirect partnership in STAR will be reduced from 18% to 12%, and therefore the Rafineri Holding shares to be purchased from STEAŞ will be reduced from 30% to 20%, and in this context, the Share Transfer Fee will be reduced to 480 million US Dollar. It has been decided that no other payment will be made within the scope of the contract except the payment of 480 million US Dollar that has already been made to STEAŞ within the scope of the Petkim contract and the contract will be amended accordingly. Discussions were held with STEAŞ regarding this decision and parties are agreed. Petkim's acquisition of 20% of the shares of Rafineri Holding was completed on October 2, 2023, which is the transaction date. With the transaction, Petkim indirectly acquired a 12% shares of STAR. The share purchase accounting of Rafineri Holding has been completed as of December 31, 2023.

By the Board of Directors' decision dated December 27, 2024, STAR Rafineri has purchased the shares of SOCAR Turkey Akaryakıt Depolama A.Ş. from STEAŞ for USD 299,4 million. According to the purchase agreement, the transfer was completed on the payment and contract signing date of December 27, 2024. Thus, STAR Rafineri gained control of SOCAR Turkey Akaryakıt Depolama A.Ş. in 2024 and started to consolidated SOCAR Turkey Akaryakıt Depolama A.Ş. in its consolidated financial statements as of December 31, 2024, in accordance with the principle decision published by the Public Oversight Accounting and Auditing Standards Authority ("POA") numbered 2013-2 regarding the "Accounting for Business Combinations Under Common Control." Additionally, as a result of the revisions made to the articles of association of SOCAR Turkey Yatırım A.Ş. and changes in voting rights parallel to the representation on the Board of Directors, Rafineri Holding has consolidated SOCAR Turkey Yatırım A.Ş. using the full consolidation method in accordance with the same POA principle decision, which indirectly resulted in the consolidation of STAR as well. In this context, this effect is also included among the investments that the Group consolidates using the equity method.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.3 Basis of consolidation (Continued)

c) Foreign currency conversion

i) Functional and presentation currency

Financial statement items for each company of the Group are measured in the currency of the main economy in which that company is located and in which it carries out its operations ('functional currency'). The functional currencies of Petkim, a subsidiary of the Group, and STAR, a subsidiary of Rafineri Holding, which became a subsidiary of the Group in 2023, are US Dollars. The consolidated financial statements are prepared in Turkish Lira (Turkish Lira), which is the functional currency of the parent company and the reporting currency of the Group. Prepared and presented in 'TRY'.

ii) Transactions and balances

Transactions in foreign currencies have been translated into functional currency at the exchange rates prevailing at the date of the transaction. Exchange gains or losses arising from the settlement and translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at the balance sheet dates are included in consolidated comprehensive income, except for the effective portion of foreign currency hedge of cash flow which are included under shareholders equity.

iii) Translation of financial statements of subsidiaries, whose functional currency is not Turkish liras

The assets in the consolidated statement of financial position dated December 31, 2024 are TRY 35.2803 TRY = 1 USD, which are the foreign exchange buying rates valid as of December 31, 2024 announced by the Central Bank of the Republic of Türkiye, and the liabilities are TRY 35.3438 = 1 USD, which are the foreign exchange selling rates valid as of December 31, 2024 (foreign exchange buying rate for valid assets as of December 31, 2023: TRY 29.4382 = 1 USD, foreign exchange selling rate TRY 29.4913 = 1).

Comprehensive income statement items for the year ending 31 December 2024 of the Group's partnerships whose functional currency is US dollar have been translated into TRY using the average exchange rates calculated on a quarterly basis. The retranslation of the opening net assets of these partnerships and the differences arising from the average exchange rates and the exchange rates at the balance sheet date are followed under 'Foreign currency translation differences' under shareholders' equity.

2.4. Comparative information and correction of prior period financial statements

In order to enable the identification of financial position and performance trends, the Group's consolidated financial statements are prepared in comparison with the previous period. As of December 31, 2024, the Group has prepared its consolidated balance sheet in comparison with the consolidated balance sheet prepared as of December 31, 2024 and 2023; the consolidated income statement, consolidated other comprehensive income, consolidated cash flow statement, and statement of changes in equity for the year ending December 31, 2024, have been arranged in comparison with the relevant consolidated financial statements for the years ending December 31, 2023.

2.5. Significant accounting policies

The significant accounting policies applied in the preparation of the consolidated financial statements are summarized below:

a. Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventory consists of purchase materials, cost of conversion and other costs that are necessary to bring the inventories to their present location and condition. The costs of inventories are determined on a weighted average basis by the Group.

Net realizable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses (Note 5).

Spare parts in the forms of operating supplies are presented in the other inventory. These inventories are valued at the lower of cost and net realizable value Spare parts and material inventory are valued at the lower of cost and net recoverable value. The cost of spare parts and material inventory consist of purchase materials and other costs that are necessary to bring them to their present location and condition. The costs of spare parts and material stocks are determined on a weighted average basis by the Group (Note 5).



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

b. Property, plant and equipment

Property, plant and equipment are carried at indexed cost less accumulated depreciation and impairment losses if any. Historical costs include the costs directly related to the acquisition of property plant and equipment. Land is not depreciated as it is deemed to have an indefinite useful life.

Buildings, machinery and equipment are capitalized and depreciated when they are in the condition necessary for operations in the manner intended by the management. Residual values of property, plant and equipment are deemed as insignificant. Expected useful life, residual value and depreciation method are reviewed annually to determine the probable effects of changes in estimates.

The useful lives of property, plant and equipment are as follows:

Useful lives	
Land improvements	4-50 years
Buildings	18-50 years
Machinery and equipment	4-50 years
Motor vehicles	5 years
Furniture and fixtures	3-20 years
Other fixed assets	5 years
Leasehold Improvements	at the lower of 3 years or lease term
Assets subject to operating lease (*)	32-50 years

* The Group determines useful lives of property, plant and equipment and intangible assets in line with opinions of technical experts and recognizes depreciation and amortization expenses during aforementioned useful lives. Useful lives of land improvements related to port project are estimated by considering leasing period granted by Petlim in via operator agreement dated February 22, 2013.

Expenses after the capitalization are added to the cost of related asset and reflected in financial statements as a separate asset if they shall mostly provide an economic benefit and their cost is measured in a trustable manner.

Tangible assets are reviewed for impairment if there are conditions showing that the securities are more than amount recoverable. Assets are grouped at the lowest level which is cash-generating unit in order to determine impairment. Carrying amount of a tangible asset and recoverable value is the one which is higher than the net sales price following the deduction of commensurable value for the sale of the asset. Useful life of assets are reviewed as of date of balance sheet and adjusted, if required.

Maintenance and repair expenses are recorded as expense to the income statement of the related period. The Company omits the carrying values of the changed pieces occurred with respect to renovations from the balance sheet without considering whether they are subject to depreciation in an independent manner from other sections. Main renovations are subject to deprecation based on the shortest of residual life of the related tangible asset or useful life of the renovation itself.

Advances paid related to purchasing of tangible assets are monitored in prepaid expenses under fixed assets until the related asset is capitalized or recognized under on-going investments. Advances paid in foreign currency are evaluated based on being monetary or non-monetary items and measured accordingly. It is evaluated that a significant part of advances paid in foreign currency are in nature of non-monetary item and tracked over exchange rate on the date of advance payment. Impairment regarding advances given is evaluated in accordance with the impairment of non-financial assets policy and recognized on profit and loss statement of the related period.

Spare parts and material stocks qualify as property, plant and equipment when they are expected to be used more than one period and only in connection with an item of property, plant and equipment. Spare parts and material stocks are carried at cost less the accumulated depreciation which is calculated over the remaining useful life of the related item of property, plant and equipment.

Gains or losses on disposals of property, plant and equipment are included in the other operating income and expense accounts, in the consolidated statement of comprehensive income as appropriate.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

b. Property, plant and equipment (Continued)

Advances paid related to purchasing of tangible assets are monitored in prepaid expenses under fixed assets until the related asset is capitalized or recognized under on-going investments. Advances paid in foreign currency are evaluated based on being monetary or non-monetary items and measured accordingly. It is evaluated that a significant part of advances paid in foreign currency are in nature of non-monetary item and tracked over exchange rate on the date of advance payment. Impairment regarding advances given is evaluated in accordance with the impairment of non-financial assets policy and recognized on profit and loss statement of the related period.

Spare parts and material stocks qualify as property, plant and equipment when they are expected to be used more than one period and only in connection with an item of property, plant and equipment. Spare parts and material stocks are carried at cost less the accumulated depreciation which is calculated over the remaining useful life of the related item of property, plant and equipment.

Gains or losses on disposals of property, plant and equipment are included in the other operating income and expense accounts, in the consolidated statement of comprehensive income as appropriate.

c. Intangible assets

Rights and software

Intangible assets comprise acquired rights, information systems and software and capitalized development costs. Intangible assets are amortized on a straight-line basis over their estimated useful lives from the date of acquisition. In case of impairment, the carrying values of the intangible assets are written-down to their recoverable amounts (Note 12).

The estimated useful lives of intangible assets are as follows:

Useful life	
Rights and software	3-15 years

d. Leases

The Group - as a lessee

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset. The Group assess whether:

- The contract involved the use of an identified asset – this may be specified explicitly or implicitly.
- The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset, If the supplier has a substantive substitution right, the asset is not identified.
- The Group has the right to obtain substantially all the economic benefits from the use of an asset throughout the period of use; and
- The Group has the right to direct use of the asset, The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:

- ii. The Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or,
- ii. The Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

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Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

d. Leases (Continued)

Right of use asset

The right of use asset is initially recognized at cost comprising of:

- a) Amount of the initial measurement of the lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received,
- c) Any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee for restoring the underlying asset to the condition required by the terms and conditions of the lease (unless those costs are incurred to produce inventories).

The Group re-measure the right of use asset:

- a) After netting-off depreciation and reducing impairment losses from right of use asset.
- b) Adjusted for certain re-measurements of the lease liability recognized at the present value.

The Group applies TAS16 "Property, Plant and Equipment" to amortize the right of use asset and to assess for any impairment.

TAS 36 Impairment on assets standard is applied to determine whether the right of use asset has been impaired to account any impairment loss.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Lease liabilities are discounted to present value by using the interest rate implicit in the lease if readily determined or with the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a) Fixed payments, including in-substance fixed payments,
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as the commencement date,
- c) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewable period if the Group is reasonably certain to exercise an extension option. and penalties for early termination of a lease unless the Group is reasonably certain to terminate early

After the actual start date of the lease, the Group measures the lease liability as follows:

- a) Increasing the carrying amount to reflect interest on lease liability,
- b) Reducing the carrying amount to reflect the lease payments made and
- c) Remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.



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(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

d. Leases (Continued)

Variable lease payments

Group's lease contracts also include variable lease payments which are not in the scope of TFRS 16. Variable lease payments are recognised in profit or loss in the related period.

The Group - as a lessor

Rental income from operating leases that the group is lessor is recorded as income by linear method during the lease period. The relevant leased asset is included in the statement of financial position according to its nature. The direct costs incurred during the operating lease are added to the book value of the asset and are accounted as expense during the lease term in the same manner as the rental income. These leased assets are included in the balance sheet according to their qualifications. As a lessor as a result of applying the new lease standard, the group did not have to make any adjustments to the accounting of the assets.

e. Investment properties

According to TAS 40 "Investment Properties" standard, real estate held for the purpose of generating rental income or for capital appreciation, or both, rather than for use in the production of goods and services, for administrative purposes, or for sale in the ordinary course of business, is classified as "Investment Property" and is reflected in the financial statements at its fair value. Gains or losses arising from changes in the fair value of investment properties are recognized in the income statement for the relevant period. Investment properties have been reflected in the consolidated financial statements based on the fair value determined through valuation studies conducted by an independent professional appraisal company holding a "Real Estate Valuation License" issued by the Capital Markets Board ("CMB") as of December 31, 2024. Changes in the fair value of investment properties have been accounted for under income/expenses from investment activities in the consolidated statement of profit or loss and other comprehensive income.

The derecognition, disposal of investment property, or the withdrawal of an investment property and its disposal occurs when no future economic benefits are expected. Profit or loss resulting from the disposal of investment properties is recognized in the relevant income and expense accounts in the period in which the disposal process takes place.

f. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an impairment indication for the assets, except for the deferred income tax asset and financial assets stated at fair values.

The Group assesses whether there is any indication that the book value of tangible and intangible assets, calculated by the acquisition cost less accumulated amortization, may be impaired. When an indication of impairment exists, the Group estimates the recoverable values of such assets. When the individual recoverable value of assets cannot be measured, the recoverable value of the profit-generating unit of that asset is measured.

The recoverable amount is the higher of the fair value less costs to sell or the value in use. When calculating the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the specific risks associated with the asset.

When the recoverable amount of an asset (or a cash-generating unit) is lower than its carrying value, the asset's (or cash-generating unit's) carrying value is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of comprehensive income.

An impairment loss recognized in prior periods for an asset is reversed if the subsequent increase in the asset's recoverable amount is caused by a specific event since the last impairment loss was recognized. Such a reversal amount cannot be higher than the previously recognized impairment and is recognized in the consolidated statement of comprehensive income.



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(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

g. Financial investments

The Group determines that the effective part of the gain or loss arising from the hedging instrument related to the net investments in its indirect subsidiary STAR, whose functional currency is US Dollar, is directly recognized in equity, and the ineffective part is recognized in the statement of profit or loss. In case the relevant subsidiary is disposed of, the amount recognized in equity regarding the hedging instrument is recognized as profit or loss (Note 33).

h. Hedging of net investments

The group that is determined to be effective on the gain or loss arising from the hedging instrument related to net investments in its indirect subsidiary STAR, whose functional currency is US Dollar, is recognized directly in equity, and the ineffective part is recognized in the statement of profit or loss. In case of disposal of the subsidiary, the amount recognized in equity regarding the hedging instrument is recognized in profit or loss (Note 31).

i. Financial assets carried at amortized cost

Financial assets for which management has adopted a business model of collecting contractual cash flows and whose contract terms include only principal and interest payments arising from the principal balance at specific dates, with fixed or predetermined payments, that are not actively traded in a market and are not derivative instruments, are classified as assets measured at amortized cost. If their maturities are less than 12 months from the balance sheet date, they are classified as current assets; if more than 12 months, they are classified as non-current assets. Assets measured at amortized cost include 'trade receivables,' 'other receivables,' and 'cash and cash equivalents' in the balance sheet.

Impairment

Group has applied simplified approach and used provision matrix for the calculation of impairment on its receivables carried at amortized cost, since they do not comprise of any significant finance component.

In accordance with this method, if any provision to the trade receivables as a result of a specific event, Group measures expected credit loss from these receivables by the life-time expected credit loss. The calculation of expected loss is performed based on the past experience of the Group and its expectations for the future indications.

Trade receivables

Trade receivables are recorded based on invoice amounts and are subsequently accounted for after deducting provisions for doubtful trade receivables. The Group uses the expected credit loss model for trade receivables under TFRS 9 in cases where trade receivables have not been impaired for specific reasons, along with recognized impairment losses. The expected credit loss calculation is made based on the expected credit loss rate determined by the Group's historical credit loss experiences and forward-looking macroeconomic indicators. The calculated expected credit losses have not been recognized in the consolidated financial statements in accordance with the principle of materiality.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three-months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

j. Financial assets carried at fair value

Assets for which management has adopted a business model of collecting contractual cash flows and/or selling are classified as assets measured at fair value. If management does not intend to dispose of the relevant assets within 12 months from the balance sheet date, those assets are classified as non-current assets. For equity-based financial investments, at initial recognition, the Group makes a choice between financial assets that reflect the fair value difference in other comprehensive income or financial assets that reflect the fair value difference in the profit or loss statement, in such a way that it cannot change the subsequent measurement method.

Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss comprise of "derivative instruments" in the statement of financial position. Derivative instruments are recognized as asset when the fair value of the instrument is positive, as liability when the fair value of the instrument is negative.

Financial assets carried at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income comprise of "financial assets" in the statement of financial position. When the financial assets carried at fair value through other comprehensive income are sold fair value gain or loss classified in other comprehensive income is classified to retained earnings.

Cash flow hedge

The Group defines cash flow hedges as transactions that provide protection against changes in cash flows resulting from a specific risk that can be associated with an asset or liability at the date a derivative contract is entered into, and probable transactions that may affect profit/loss.

The Group presents the gains and losses related to cash flow hedging transactions that are classified as effective in equity as 'hedging gains/(losses)'. The ineffective portion is defined as profit or loss in the period. In the event that the commitment hedged against financial risk or a future probable transaction becomes an asset or liability, the gains or losses related to these transactions, which are tracked among equity items, are included in the acquisition cost or carrying amount of the relevant asset or liability. Otherwise, the amounts accounted for under equity items are transferred to the income statement in the period in which the future probable transaction hedged against financial risk affects the income statement, and are reflected as profit or loss.

If the future probable transaction is no longer expected to occur, the accumulated gains and losses previously accounted for under equity are transferred to the income statement. In the event that the financial risk hedging instrument matures, is sold, terminated, or used, or if the definition of financial risk hedging is canceled, without another instrument being designated in accordance with the documented financial risk hedging strategy, the gains and losses previously accounted for under other comprehensive income continue to be classified under equity until the firm commitment or estimated transaction affects the income statement.

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities' at fair value through profit or loss' or other financial liabilities.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

j. Financial assets carried at fair value (continued)

Borrowings

Bank borrowings are recognized initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are measured at amortized cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings.

If the maturity of the bank borrowings is less than 12 months at the balance sheet date, these are classified in current liabilities; and if more than 12 months, they are classified under non-current liabilities (Note 9).

Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method (Note 7)

Other financial liabilities

Other financial liabilities are initially accounted at fair value, net of transaction costs.

Subsequently other financial liabilities are accounted at amortized cost using the effective interest method, with interest expense recognized on an effective interest rate basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense to the relevant period. The effective interest rate is the rate that exactly discounts the estimated cash flows.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

All other borrowing costs are expensed in the consolidated statement of comprehensive income in the period they incurred.

l. Government grants

All government grants, including non-monetary government grants followed up at fair values, are taken into account in the financial statements when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received or when the grant is actually received by the Group. Government grants shall be recognized in profit or loss on a systematic and pro rata basis over periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.

m. Statement of cash flow

Cash flows during the period are classified and reported as operating, investing and financing activities in the consolidated statement of cash flows.

Cash flows from operating activities represent the Group's cash flows from the sale of petrochemical products and port operations.

Cash flows arising from investment activities represent the cash flows that are used in or provided by the investing activities of the Group.

Cash flows arising from financing activities represent the cash proceeds from the financing activities and financial investments of the Group and the repayments of these funds.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

n. Related parties

Parties are considered related to the Group if;

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity,
- (ii) has significant influence over the reporting entity,
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others),
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
- (iii) Both entities are joint ventures of the same third party,
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity,
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity,
- (vi) The entity is controlled or jointly controlled by a person identified in (a),
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Key management personnel are identified as Board of Directors, general manager and vice general managers (Note 28).

o. Taxation and deferred income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in future and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

o. Taxation and deferred income taxes (Continued)

Deferred tax

Deferred tax is determined by calculating the temporary differences between the carrying amounts of assets/liabilities in the financial statements and the corresponding tax bases, used in the computation of the taxable profit, using currently enacted tax rates. Deferred tax liabilities are generally recognized for all taxable temporary differences where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized if it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax is determined using tax rates that have been enacted by the balance sheet date. Tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in equity. Taxes arisen on items recognized in equity are recognized directly in equity.

Deferred income tax liabilities are recognized for all taxable temporary differences; whereas deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred income tax asset is recognized to the extent that it is probable that the entity will have sufficient taxable profit in the same period as the reversal of the deductible temporary difference arising from tax losses carried forward.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred income tax assets and deferred income tax liabilities are classified as long-term in the consolidated financial statements. (Note 20)



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

p. Employee benefits

Defined benefit plans

The Group is obligated to pay a certain amount of severance pay to personnel who have served for at least one year and who have left their job due to retirement or reasons other than resignation and misconduct, in accordance with the current labor law. Additionally, there is a benefit provided by the Group under the name 'Seniority Incentive Bonus' ('Bonus') paid to employees with a certain level of seniority.

The Group has calculated the severance pay provision in the consolidated financial statements using the 'Projection Method' and based on the experiences gained in previous years regarding the completion of the personnel service period and entitlement to severance pay, and has recorded its discounted value as of the balance sheet date. All calculated actuarial gains have been reflected under equity.

Defined contribution plan

The Group pays contributions to the Social Security Institution on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefit expense when they are due.

Unused vacation

Liabilities arising from unused leave rights defined as long-term provisions provided to employees are accrued in the periods in which they are earned and are accounted for at a discounted value if the effect is significant.

q. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions, as of the balance sheet date, are recorded with the best estimate of management in order to provide for the estimated obligation and are discounted, if they are material for the consolidated financial statement.

r. Contingent assets and liabilities

Contingent assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, are not included in the consolidated financial statements and are treated as contingent assets or liabilities (Note 30).

Contingent liabilities are not recognized in the consolidated financial statements, and disclosed only, unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is mostly probable.

s. Revenue recognition

Group recognizes revenue in accordance with TFRS 15 "Revenue from contracts with customers" standard when the goods or services is transferred to the customer and when performance obligation is fulfilled based on the following main principles:

- Identification of customer contracts,
- Identification of performance obligations,
- Determination of transaction price in the contract,
- Allocation of price to performance obligations,
- Recognition of revenue when the performance obligations are fulfilled.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

s. Revenue recognition (Continued)

The Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer.

For each performance obligation identified, the entity determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If the Group transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over time. However, almost all of the Group's sales of goods and services include a single performance obligation.

The Group recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when the customer obtains control of that asset or service.

Group recognized revenue from its customers only when all of the following criteria are met:

- a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations,
- b) Group can identify each party's rights regarding the goods or services to be transferred,
- c) Group can identify the payment terms for the goods or services to be transferred,
- d) The contract has commercial substance,
- e) is probable that Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity shall consider only the customer's ability and intention to pay that amount of consideration when it is due.

The Group does not adjust the promised amount of consideration for the effects of a significant financing component since the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. If the financing component is significant in revenue, future collections are discounted by the interest rate in financing component. The difference is recognised as income from operating activities in current period.

Revenue from port operations

The Group commenced port operations as of January 1, 2017. The fixed rental income that the Group would receive under the contract was accounted for as rental income over the contract term, updated annually based on the relevant inflation index specified in the contract using the straight-line method. According to the amendment to the operational contract dated February 28, 2025, the fixed shared rental model has been revised to a variable model based on the revenue generated from port operations.

t. The effects of foreign exchange rate changes

The financial statements of each of the Group's entities are prepared in the currency that is prevalent in the primary economic environment in which they operate. The financial position and results of operations of each entity are expressed in TRY, which is the presentation currency for the Group's consolidated financial statements.

During the preparation of the financial statements of each entity, transactions in foreign currencies are recorded using the exchange rates at the transaction date. Monetary assets and liabilities indexed to foreign currencies in the balance sheet are translated using the exchange rates applicable at the balance sheet date. Non-monetary items measured at fair value that are recorded in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Non-monetary items in foreign currencies measured at historical cost are not subject to retranslation



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

t. The effects of foreign exchange rate changes (Continued)

Exchange differences are recognized in the profit or loss of the period when they occur except for below stated circumstances:

- Exchange differences considered as the correction item in the interest costs on the debts associated with the assets built for the purpose of future use and indicated in foreign currency and included in the cost of such assets,
- Exchange differences resulted from the transactions realized for the purpose of financial protection against the risks rising from foreign currency.

u. Share capital and dividends

Ordinary shares are classified as equity. Dividends payable on ordinary shares are recognized as an appropriation of the profit in the period they are declared.

v. Share premiums

Share premium represents differences resulting from the sale of the Company's subsidiaries and associates' shares at a price exceeding the face values of those shares or differences between the face values and the fair value of shares issued for acquired companies.

w. Events after balance sheet date

Subsequent events and announcements related to net profit or even declared after other selective financial information has been publicly announced; include all events that take place between the balance sheet date and the date when the balance sheet is authorized for issue.

In the case that events requiring an adjustment to the financial statements occur subsequent to the balance sheet date, the Group makes the necessary corrections on the consolidated financial statements. Post period end events that are not adjusting events are disclosed in the notes when material.

x. Earnings per share

Basic gain / (lost) per share are calculated by dividing the net profit by the weighted average number of ordinary shares outstanding during the year. The companies can increase their share capital by making a pro-rata distribution of shares ("Bonus Shares") to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings. For the purpose of the earnings per share calculation such Bonus Share issues are regarded as stock dividends. Accordingly, the weighted average number of shares used in earnings per share calculation is derived by giving retroactive effect to the issue of such shares.

y. Segment reporting

Reporting of operating segments is arranged in a manner consistent with reporting to the competent boards of the operating decision-makers. It is the responsibility of the business operator to make decisions on the decision-making mechanisms related to the activities or on the resources to be allocated to the competent division in this regard and to evaluate the performance of the division. The Board of Directors of the Company has been designated as the competent authority to decide on the activities of the company.

x. Netting

Financial assets and liabilities are presented in the statement of financial position on a net basis when there is a legal right to offset and an intention to settle or realize the financial assets and liabilities on a net basis or simultaneously.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.5. Significant accounting policies (Continued)

z. Business mergers and goodwill

Business combinations are accounted for by the purchase method within the scope of TFRS 3, "Business Combinations" standard. The difference between the purchase price and the acquired company's (i) value of net identifiable assets and contingent liabilities in its balance sheet prepared at the date of purchase in accordance with the provisions of TFRS 3, (ii) value of non-controlling interests and (iii) fair value of previously held shares, is recognized as goodwill. If this difference is negative, no goodwill occurs, and the difference is recognized in the "Income from investment activities" account as the gain resulting from the bargain purchase.

Under this method, the purchase price is measured at the fair value of the cash or other assets given, capital instruments issued, or liabilities assumed at the date of acquisition. If the business combination agreement contains provisions stipulating that the purchase price may be adjusted depending on future events; If this adjustment is probable and its value can be determined, this adjustment is included in the purchase price at the merger date. Purchase-related costs are expensed in the period in which they are incurred.

Identifiable assets, liabilities and contingent liabilities of the purchased business are measured at their fair values in the balance sheet of the purchased business as of the date of acquisition and prepared in accordance with the provisions of TFRS 3.

2.6. Significant accounting estimates, judgments and assumptions

a) Provision for lawsuits

The Group Management determines the provision amounts related to ongoing lawsuits by considering the opinions of the Legal Advisors within the Group and external tax law experts, based on the probabilities of losing these lawsuits and the potential liabilities that would arise in the event of a loss, relying on the best estimate of possible cash outflows by management (Note 30).

b) The useful life and provision related to impairment of tangible and intangible assets

The Group determines useful lives of tangible and intangible assets in line with opinions of technical experts and recognizes depreciation and amortization expenses during aforementioned useful lives. The Group reviews useful lives of assets subject to depreciation in each reporting period and it is estimated that there exist no situation requiring any adjustment in useful lives as of December 31, 2024.

In 2013, the Group's subsidiary, Petlim Limancılık Ticaret A.Ş., initiated port leasing activities by signing an operating agreement using a revenue-sharing method for the operation of Petlim Port over a 28-year operating period. At this stage, it has been understood that the revenues in the Operation Agreement are not compatible with current macroeconomic conditions due to differences between the macroeconomic conditions and expectations on the mentioned date and the macroeconomic conditions after the agreement, the negative effects of events such as the increase in U.S. Dollar interest rates, the Russia-Ukraine war, and threat of the Houthis in Yemen to the maritime trade routes, on the revenue of the port and this issue has also been evaluated in the report dated February 21, 2025, prepared by an third party independent valuation company licensed by the Capital Markets Board. In this context, Our Company, Petlim Limancılık Ticaret A.Ş. and port operator SOCAR Aliğa Liman İşletmeciliği A.Ş have signed the amendment protocol regarding the revision of the Operating Agreement between the mentioned companies in line with the renewed revenue expectations. The Group has reviewed its investments related to port operations for potential impairment as of December 31, 2024, in terms of recoverability based on the amendment conditions in the operation agreement. The recoverable amount of cash-generating units has been determined based on value-in-use calculations. The Group management has assessed the port operation as a cash-generating unit, and as a result of the impairment tests conducted on cash-generating units, the assessed impairment has been reflected in the financial statements as of the reporting date.

The Group management has calculated the value in use of the cash-generating unit using the discounted cash flow method, and the relevant calculation includes significant estimates and assumptions made by the Group management. The estimates used include projections of future cash flows that will be generated in accordance with long-term business plans approved by the Group management, as well as certain financial assumptions. The key assumptions used in the valuation are as follows;

Cash-generating unit	Currency in which cash flows are projected	Growth rate	Discount rate (WACC)
Port operations	US Dollar	2,2%	10%



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 2 - Basis Of Presentation Of Consolidated Financial Statements (Continued)

2.6. Significant accounting estimates, judgments and assumptions (Continued)

c) Deferred income tax assets

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Group recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due and recognizes tax assets for the tax losses carried forward and investment incentives to the extent that the realization of the related tax benefit through the future taxable profits is probable. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. (Note 20)

d) Provision for employee benefits

Actuarial assumptions about discount rates, inflation rates, future salary increases, and employee turnover rates are used to calculate Group's provision for employee benefits. Such assumptions used in determination of the provision for defined benefit plans are disclosed in Note 16.

e) Fair value measurement of investment properties

The frequency of revaluation studies is determined to ensure that the carrying amounts of the investment properties being revalued do not differ significantly from their fair values as of the end of the relevant reporting period. The frequency of revaluation studies is dependent on changes in the fair values of the investment properties. In cases where the fair value of a revalued asset is considered to differ significantly from its carrying amount, it is necessary to repeat the revaluation study. On the other hand, for investment properties where changes in fair value are insignificant, it is not deemed necessary to repeat the revaluation studies every year.

In this context, as a result of the assessments made by the Group management, investment properties as of December 31, 2024, have been reflected in the financial statements at their fair value determined by an independent professional valuation company holding a Real Estate Valuation License issued by the Capital Markets Board ("CMB").

Details of the methods and assumptions used within the scope of the valuation studies are as follows.

- In fair value calculations, the most effective and efficient use was evaluated and the current usage purposes were determined as the most effective and efficient use, and the precedent comparison method was used for lands and plots.
- Current market information was used in the comparable comparison method, price adjustments were made within the framework of criteria that may affect the market value, taking into account similar real estate recently put on the market in the region, and the average m2 market value was determined for the lands subject to the report. The comparables found were compared according to criteria such as location, size, zoning status and physical characteristics, real estate marketing companies were consulted for an up-to-date evaluation of the real estate market, and the existing information of an independent professional valuation company was used.

Note 3 - Segment Reporting

Operating segments are identified on the same basis as financial information is reported internally to the Group's chief operating decision maker. The Company Board of Directors has been identified as the Group's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategic decisions.

The operating segment of the Group are as follows;

- Petrochemical
- Port



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 3 - Segment Reporting (Continued)

The Board of Directors assesses the performance of operating segments with specific criteria and measurement units. This measurement criterion consists of net sales and operating profit. Assets and liabilities of the segment include all assets and liabilities of the Group.

a) Revenue

	1 January - 31 December 2024	1 January - 31 December 2023
Petrochemical	76.656.876	86.439.743
Port	723.919	824.750
Total before eliminations and adjustments	77.380.795	87.264.493
Consolidation eliminations and adjustments	-	-
	77.380.795	87.264.493

b) Operating profit

	1 January - 31 December 2024	1 January - 31 December 2023
Petrochemical	(6.537.618)	(10.586.343)
Port	(4.485.991)	962.510
Total before eliminations and adjustments	(11.023.609)	(9.623.833)
Consolidation eliminations and adjustments	55.145	49.976
Operating loss	(10.968.464)	(9.573.857)
Financial (expenses)/income, net	(8.159.029)	(9.595.358)
Monetary gain/loss	11.866.106	5.891.618
Income from investing activities, net	2.460.308	26.672.244
Profit/loss before tax from continued operations	(4.801.079)	13.394.647
Tax (expense)/Income	(1.992.724)	(2.690.917)
Profit/loss for the period	(6.793.803)	10.703.730

c) Total assets

	31 Aralık 2024	31 Aralık 2023
Petrochemical	135.043.585	131.477.752
Port	6.089.338	13.770.993
Total before eliminations and adjustments	141.132.923	145.248.745
Consolidation eliminations and adjustments	(16.580.238)	(6.947.264)
	124.552.685	138.301.481

d) Total liabilities

	31 Aralık 2024	31 Aralık 2023
Petrochemical	61.236.765	55.993.156
Port	6.778.224	8.239.665
Total before eliminations and adjustments	68.014.989	64.232.821
Consolidation eliminations and adjustments	(1.786.010)	(124.997)
	66.228.979	64.107.824

Note 4 - Cash And Cash Equivalents

	31 Aralık 2024	31 Aralık 2023
Banks	8.167.008	5.832.379
- Demand deposits	5.566	141.443
- Turkish Liras	702	69.962
- Foreign currency	4.864	71.481
- Time deposits	8.161.442	5.690.936
- Turkish Liras	4.457.305	294.328
- Foreign currency	3.704.137	5.396.608
Other	1.868	34
	8.168.876	5.832.413

As of December 31, 2024, the weighted average effective interest rate for monthly term deposits in US Dollars and Euros is 4.31% and 2.41% per annum, respectively (December 31, 2023: 3.37% and 2.73% for US Dollars and Euros).

As of December 31, 2024, Turkish Lira term deposits consist of monthly and daily deposits, and the weighted average effective interest rate is 48.68% per annum (December 31, 2023: 40.63%). The Group has no blocked deposits as of December 31, 2024 (December 31, 2023: None).



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 5 - Inventories

	31 December 2024	31 December 2023
Raw materials	1.651.082	1.703.430
Work-in-progress	1.308.952	1.652.898
Finished goods	2.766.953	2.884.294
Trade goods	292.948	298.172
Goods in transit	531.520	1.032.548
Other inventories	968.159	1.385.882
Less: Provision for impairment on inventories	(84.132)	(91.095)
	7.435.482	8.866.129

Movements of provision for impairment on inventory for the periods ended 31 December 2024 and 2023 were as follows:

	2024	2023
1 January	(91.095)	(216.880)
Realized due to sales of inventory	91.095	216.880
Current year additions	(84.132)	(91.095)
31 December	(84.132)	(91.095)

Note 6 - Financial Investments

a) Short-term financial investments :

	31 December 2024	31 December 2023
Marketable securities	478.634	431.624
	478.634	431.624

b) Long-term financial investments

	31 December 2024		31 December 2023	
	Amount	Shareholding rate (%)	Amount	Shareholding rate (%)
SOCAR Power Enerji Yatırımları A.Ş.	95.506	9,90	95.506	9,90
	95.506		95.506	

8,910,000 shares having a nominal price of TRY0,001 per share corresponding to 9.9% of capital of SOCAR Power Enerji Yatırımları A.Ş. (SOCAR Power) (TRY8,910) owned by SOCAR Turkey Elektrik Yatırımları Holding A.Ş. (Power Holding), which is a subsidiary of controlling shareholder of the Group, SOCAR Turkey Enerji A.Ş., in SOCAR Power are purchased by the Group on 26 January 2015.

Note 7 - Trade Receivables And Payables

a) Short-term trade receivables from third parties:

	2024	2023
Trade receivables	6.757.666	8.612.297
Provision for doubtful trade receivables (-)	(15.289)	(21.110)
31 December	6.742.377	8.591.187

The average maturity of trade receivables is 30 days (December 31, 2023: 30 days).

The Group's other disclosures regarding credit risk are explained in Note 31. Due to the Group's broad and diversified customer portfolio, the concentration risk of trade receivables is limited. As per the sales policy, the Group requires 100% collateral on all trade receivables from customers for all sales made. Considering the Group's past experience in collecting trade receivables and future forecasts, the necessary provision has been made. Therefore, management believes that no additional credit risk exist beyond the Group's trade receivables, which have been identified as doubtful receivable and have been fully provided.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 7 - Trade Receivables And Payables (Continued)

Letters of guarantee received for trade receivables

As of December 31, 2024, there are guarantees totaling TRY 34,289,177 from domestic and foreign customers (December 31, 2023: TRY 35,709,196) in the form of letters of guarantee, mortgages, direct orders and collection systems ("DOCS"), receivables insurance, policies, and letters of credit (Note 30).

	2024	2023
1 January	(21.110)	(48.918)
Provisions no longer required	1.493	10.969
Monetary gain/loss	4.328	16.839
31 December	(15.289)	(21.110)

b) Trade payables

	31 December 2024	31 December 2023
Trade payables	2.072.452	5.455.086
	2.072.452	5.455.086

The average maturity of trade payables is 33 days (December 31, 2023: 33 days).

(*)Other financial liabilities consist of letters of credits, naphta financing, murabaha loans and trade goods financing arising from naphtha and other goods purchases. The average remaining maturity of other financial liabilities is 146 days as of December 31, 2024 (December 31, 2023: Average remaining maturity is 59 days).

(**) On January 26, 2023, the Group signed a loan agreement with J.P. Morgan Securities PLC ('JP Morgan') for an amount of USD 300 million with a maturity of 3 years. This credit agreement was amended on December 17, 2024, increasing the amount by USD 100 million to a total of USD 400 million, extending the maturity to December 2027, and updating the annual interest rate to SOFR + 3.95% from . Additionally, as of December 17, 2024, the Group also revised its swap agreement with JP Morgan, fixing the portion amounting to USD 100 million at an interest rate of 7.81%.

(***) The weighted average of the Group's incremental borrowing rates for US Dollar and TRY are respectively 6.7% and 20%.

Note 8 - Other Receivables And Payables

a) Other short-term receivables:

	2024	2023
Receivables from third parties	36.475	173.497
	36.475	173.497
Provision for other doubtful receivables (-)	(1.591)	(2.298)
31 December	34.884	171.199

b) Other short-term payables:

	31 December 2024	31 December 2023
Deposits and guarantees received	9.895	19.491
Other	15.408	15.616
	25.303	35.107

Note 9 - Borrowings And Borrowing Costs

	31 December 2024	31 December 2023
Short-term borrowings	13.464.083	7.812.592
Short-term portions of long-term borrowings	6.454.135	5.155.045
Short-term lease liabilities (***)	79.773	54.932
Other financial liabilities (*)	4.799.241	11.151.541
Short-term financial liabilities	24.797.232	24.174.110
Long-term borrowings(**)	18.987.338	18.888.541
Long-term lease liabilities (***)	314.520	242.288
Long-term borrowings	19.301.858	19.130.829
	44.099.090	43.304.939



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 9 - Borrowings And Borrowing Costs (Continued)

	Weighted average Interest rate p.a. (%)		Original currency		TRY equivalent	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Short-term borrowings:						
TRY borrowings	42,50 - 49,00	-	3.153.844	-	3.153.844	-
USD borrowings	5,90 - 7,45	7,00 - 10,55	291.713	183.484	10.310.239	7.812.592
Short-term portions of long-term borrowings and bond issued:						
USD borrowings	SOFR + 5,00 - 5,60 6,90-10,99	SOFR + 4,67 - 5,60 7,00-10,55	182.610	107.115	6.454.135	4.560.882
Euro borrowings		7,73		12.611		594.163
Total short-term borrowings					19.918.218	12.967.637
Long-term borrowings and bond issued:						
USD borrowings	SOFR + 5,00 - 5,60	SOFR + 4,67 - 5,60	537.218	443.609	18.987.338	18.888.541
Total long-term borrowings					18.987.338	18.888.541
Total borrowings					38.905.556	31.856.178



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 9 - Borrowings And Borrowing Costs (Continued)

The redemption schedule of long-term bank borrowings as of December, 31 2024 and December 31, 2023 is as follows:

31 December 2024	
2026	3.447.081
2027	15.324.547
2028	215.710
	18.987.338
31 December 2023	
2025	2.420.251
2026	14.763.281
2027	1.445.140
2028	259.869
	18.888.541

Fair values of the short-term bank borrowings and other financial liabilities approximate their carrying values due to their short-term nature and long-term borrowings due to having floating interest rate updated with market conditions.

Under the amended loan agreement between the Group and JP Morgan, the Group is required to maintain certain financial ratios within specified limits from June 30, 2025, until the loan repayment is completed, based on its semi-annual and annual consolidated financial statements. There is no obligation to calculate any financial ratios based on the consolidated financial statements as of December 31, 2024.

As of December 31 2024, the collaterals given by the Group against US Dollar and Euro loans held are explained in Note 30.

Movements of financial liabilities (excluding lease liabilities) are as of December, 31 2024 and December, 31 2023 as follows:

	2024	2023
1 January	37.175.306	33.569.182
Proceeds from financial liabilities	34.809.349	44.750.564
Repayments of financial liabilities	(24.925.524)	(61.691.315)
Changes in foreign exchange	5.504.930	16.634.046
Changes in interest accrual	676.602	2.641.516
Less: Change in cash and cash equivalents and financial investments	(4.259.851)	23.458.863
Monetary gain/loss	(13.444.891)	(22.187.550)
31 December	35.535.921	37.175.306

Note 10 - Investment Properties

Fair value	1 January 2024	Fair value increase	Transfers	Disposals	31 December 2024
Arsa	24.297.568	63.897	-	-	24.361.465
	24.297.568				24.361.465
Fair value	1 January 2023	Fair value increase	Transfers	Disposals	31 December 2023
Arsa	13.384.684	10.914.312	-	(1.428)	24.297.568
	13.384.684				24.297.568

STAR has established a right of superficies for a period of 30 years in 2014 on a total area of 2,076,506 m² located in the Aliağa District, which is owned by the Group, for an annual fee of USD 4,6 million. The fee for the right of superficies is increased annually by SOFR + 1%, and as of 2024, the annual rental fee is USD 6,5 million.

According to the valuation report prepared by a real estate valuation company authorized by the Capital Markets Board ("CMB") as of December 31, 2024, the fair value of the related land has been determined.

There are no pledges, collaterals and mortgages on investment properties.

As of December 31, 2024, the Group's lands with the right of construction have been measured with their fair values determined by an independent professional valuation company using other valuation techniques that contain direct or indirect observable inputs (Note 32).



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 11 - Property, Plant And Equipment And Right Of Use Assets

	1 January 2023	Additions	Transferler	Disposals	Impairment ***	Foreign currency translation differences	31 December 2023
Cost:							
Land	872.725	-	-	(9)	-	(3.142)	869.574
Land improvements	4.546.068	-	4.727.027	-	-	(2.119)	9.270.976
Buildings	3.927.175	-	82.923	-	-	(1.341)	4.008.757
Machinery and equipment	167.239.843	-	1.823.072	-	-	-	169.062.915
Motor vehicles	231.224	-	2.670	(6.472)	-	-	227.422
Furniture and fixtures	2.157.112	-	46.076	(11.582)	-	(1.612)	2.189.994
Other fixed assets	23.488	-	-	-	-	-	23.488
Leasehold improvements	10.277	-	-	-	-	-	10.277
Assets subject to operating lease (**)	13.139.472	-	-	-	-	(2.063.354)	11.076.118
Construction in progress (*)	9.878.442	4.985.568	(6.826.376)	-	-	(279)	8.037.355
	202.025.826	4.985.568	(144.608)	(18.063)	-	(2.071.847)	204.776.876
Accumulated depreciation / Impairment (-):							
Land improvements	(2.972.602)	(224.972)	-	-	-	2.838	(3.194.736)
Buildings	(2.972.527)	(85.780)	-	-	-	1.321	(3.056.986)
Machinery and equipment	(144.746.796)	(4.243.089)	-	-	-	-	(148.989.885)
Motor vehicles	(177.755)	(17.242)	-	3.728	-	-	(191.269)
Furniture and fixtures	(1.629.222)	(143.224)	-	9.188	-	253	(1.763.005)
Other fixed assets	(23.488)	-	-	-	-	-	(23.488)
Leasehold improvements	(2.802.176)	(344.668)	-	-	(4.652.686)	310.044	(7.489.486)
Assets subject to operating lease (**)	(10.277)	-	-	-	-	-	(10.277)
	(155.334.843)	(5.058.975)	-	12.916	(4.652.686)	314.456	(164.719.132)
Net book value	46.690.983						40.057.744

(**)Construction in progress mainly consist of investments related to facility improvements.

(***)Assets subject to operating lease consists of port investment.

(***) Refer note 24.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 11 - Property, Plant And Equipment And Right Of Use Assets (Continued)

	1 January 2023	Additions	Transferler	Disposals	Impairment ***	Foreign currency translation differences	31 December 2023
Cost:							
Land	873.103	-	-	-	-	(378)	872.725
Land improvements	4.534.072	-	14.628	(1.611)	-	(1.021)	4.546.068
Buildings	3.927.852	-	-	-	-	(677)	3.927.175
Machinery and equipment	163.540.862	-	3.926.879	(227.898)	-	-	167.239.843
Motor vehicles	530.040	-	44.051	(342.867)	-	-	231.224
Furniture and fixtures	2.115.944	-	116.371	(81.320)	-	6.117	2.157.112
Other fixed assets	23.488	-	-	-	-	-	23.488
Leasehold improvements	10.277	-	-	-	-	-	10.277
Assets subject to operating lease (**)	13.705.741	-	-	-	-	(566.269)	13.139.472
Construction in progress (*)	9.466.372	4.554.850	(4.134.911)	(5.260)	-	(2.609)	9.878.442
	198.727.751	4.554.850	(32.982)	(658.956)	-	(564.837)	202.025.826
Accumulated depreciation / Impairment (-):							
Land improvements	(2.732.920)	(147.570)	-	-	(92.336)	224	(2.972.602)
Buildings	(2.886.773)	(86.085)	-	-	-	331	(2.972.527)
Machinery and equipment	(138.278.784)	(5.182.434)	-	227.898	(1.513.476)	-	(144.746.796)
Motor vehicles	(255.663)	(71.263)	-	149.171	-	-	(177.755)
Furniture and fixtures	(1.570.425)	(136.274)	-	77.286	-	191	(1.629.222)
Other fixed assets	(23.488)	-	-	-	-	-	(23.488)
Leasehold improvements	(2.448.236)	(367.310)	-	-	-	13.370	(2.802.176)
Assets subject to operating lease (**)	(10.277)	-	-	-	-	-	(10.277)
	(148.206.566)	(5.990.936)	-	454.355	(1.605.812)	14.116	(155.334.843)
Net book value	50.521.185						46.690.983

(**)Construction in progress mainly consist of investments related to facility improvements.

(***)Assets subject to operating lease consists of port investment.

(***) Refer note 24.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 11 - Property, Plant And Equipment And Right Of Use Assets (Continued)

In 2024, the Group has not borrowing cost, that are eligible for capitalization related with its investments.
(December 31, 2023: None).

Property, plant and equipments and intangible assets depreciation charges amounting to TRY 5,127,897 (December, 31 2023: TRY 6,091,401) were allocated to cost of sales by TRY 4,601,803 (December 31, 2023: TRY 5,355,215), to inventories by TRY 80,175 (December 31, 2023: TRY 116,978), to general administrative expenses by TRY 414,450 (December 31, 2023: TRY 547,655), to marketing, selling and distribution expenses by TRY 31,470 (December 31, 2023: TRY 71,557).

As of December 31, 2024, Petlim Limancılık Ticaret A.Ş. has given 1st degree mortgage in favor of creditor on its land amounting to USD 350 million on the date of November 20, 2015
(December 31, 2023: USD 350 million).

As of December 31, 2024 and 2023 the details of the right of use assets that are accounted in the consolidated financial statements are as follows:

	31 December 2024	31 December 2023
Land	837.379	694.034
Buildings	301.648	514.663
Motor vehicles	43.049	57.501
Total right of use assets	1.182.076	1.266.198

Additions to the right-of-use assets for the period ending December 31, 2024, are TRY 281,295, and depreciation expenses are TRY 137,019 (December 31, 2023 additions: TRY 31,629, December 31, 2023 depreciation expenses: TRY 173,606).

Note 12 - Intangible Assets

	1 January 2024	Additions	Transfers	Disposals	Foreign currency translation differences	31 December 2024
Cost:						
Rights and software	1.081.796	-	48.431	-	(4.587)	1.125.640
Capitalized development costs	165.661	-	96.177	-	-	261.838
	1.247.457	-	144.608	-	(4.587)	1.387.478
Accumulated amortization (-):						
Rights and software	(708.895)	(62.840)	-	-	4.483	(767.252)
Capitalized development costs	(86.987)	(6.082)	-	-	-	(93.069)
	(795.882)	(68.922)	-	-	4.483	(860.321)
Net book value	451.575					527.157

	1 January 2023	Additions	Transfers	Disposals	Foreign currency translation differences	31 December 2023
Cost:						
Rights and software	1.067.423	-	14.890	-	(517)	1.081.796
Capitalized development costs	147.570	-	18.091	-	-	165.661
	1.214.993	-	32.981	-	(517)	1.247.457
Accumulated amortization (-):						
Rights and software	(615.356)	(94.056)	-	-	517	(708.895)
Capitalized development costs	(80.578)	(6.409)	-	-	-	(86.987)
	(695.934)	(100.465)	-	-	517	(795.882)
Net book value	519.059					451.575



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 13 - Government Grants

As of December 31, 2024, government incentives and grants include incentives and grants amounting to TRY 1,400 received under the Turquality program and from other institutions (December 31, 2023: TRY 12,082). The discounted corporate tax incentives owned by the Group are explained in Note 20

Note 14 - Deferred Revenue

a) Short-term deferred revenue

	31 December 2024	31 December 2023
Advances received	1.304.347	710.431
Deferred revenue	2.077	1.957
	1.306.424	712.388

Advances received include the payments received by the Group from its customers for the sales to be made in the following periods, and it is anticipated that these advances will be closed within one year (December 31, 2023: It is expected to be closed within one year). The fair values of the advances received are estimated to approximate their carrying values.

Note 15 - Prepaid Expenses

a) Short-term prepaid expenses

	31 December 2024	31 December 2023
Advances given for inventory	536.886	851.831
Prepaid insurance and other expenses	71.270	62.275
Advances given for customs procedures	2.606	4.402
	610.762	918.508

b) Long-term prepaid expenses

	31 December 2024	31 December 2023
Advances given for property, plant and equipment	401.214	466.070
Prepaid insurance and other expenses	3.614	32.534
	404.828	498.604

Note 16 - Employee Benefits

a) Liabilities for employee benefits:

	31 December 2024	31 December 2023
Social security contribution	113.536	169.390
Due to personnel	891	1.042
	114.427	170.432

b) Short-term employee benefits:

	31 December 2024	31 December 2023
Provision for bonus Premium	388.319	1.064.603
Provision for seniority incentive bonus	145.426	82.169
	533.745	1.146.772

c) Long-term employee benefits:

	31 December 2024	31 December 2023
Provision for employment termination benefits	773.754	709.590
Provision for unused vacation rights	394.251	298.287
Provision for seniority incentive bonus	80.689	81.783
	1.248.694	1.089.660



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 16 - Employee Benefits (Continued)

c) Long-term employee benefits (Continued)

Provision for unused vacation

Movements of the provision for unused vacation rights are as follows:

	2024	2023
1 January	298.287	219.827
Changes in the period, net	239.016	338.111
Monetary gain/loss	(143.052)	(259.651)
31 December	394.251	298.287

Provision for employment termination benefits:

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women).

The compensation payable is equivalent to one month's salary for each year of service, and this amount is limited to a nominal TRY 41,828.42 as of December 31, 2024 (December 31, 2023: nominal TRY 23,489.83).

The severance pay obligation is not subject to any legal funding and there are no funding conditions.

The provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

TAS 19 requires actuarial valuation methods to be developed to estimate the enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2024	31 December 2023
Net discount rate (%)	2,50	1,98
Probability of retirement (%)	97,8	97,8

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TRY Nominal 46,655.43 which is effective from January 1, 2025 has been taken into consideration in the calculation of employment termination benefits of the Group (January 1, 2024: TRY Nominal 35,058.58).

Movements of the employment termination benefits are as follows:

	2024	2023
1 January	709.590	947.022
Interest cost	149.940	111.721
Payments during the period (-)	(50.276)	(27.528)
Service cost	92.556	124.451
Actuarial (gain)/ loss	122.776	26.838
Monetary gain/(loss)	(250.832)	(472.914)
31 December	773.754	709.590



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 16 - Employee Benefits (Continued)

c) Long-term employee benefits (Continued)

Provision for employment termination benefits (Continued):

Sensitivity analysis of the assumptions, that are used in order to calculate the provision of the employment termination benefits as December, 31 2024 and 2023 are follows:

	31 December 2024 Net discount rate		31 December 2023 Net discount rate	
Sensitivity analysis	100 Basis point increase	100 Basis point decrease	100 Basis point increase	100 Basis point decrease
Rate	3,50	1,50	2,98	0,98
Change in liability of employment termination benefit	(88.951)	108.834	(75.829)	90.357

Provision for seniority incentive bonus:

The Group provides a benefit under the name 'Seniority Incentive Bonus' to employees with a certain level of seniority.

The bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25 and 100 days of gross salary for 30, 105 days of gross salary for 35 and 110 days of gross salary for 40 years seniority is paid to the union personnel with the gross salary of the month when they are reached to the seniority level. In case of termination of employment for any reason that does not prevent gaining severance pay, 20% of seniority incentive which the employee will gain, for each year last first seniority incentive level. In this calculation the periods which are shorter than six months are not considered. Periods which are more than six months are considered as one year.

For the non-union personnel working at the Group, the bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25 years and 100 days for 30, 105 days of gross salary for 35 and 110 days of gross salary for 40 years seniority for the seniority levels in which they are entitled as of the aforementioned date and 30 days of gross salary for the following seniority levels that they are going to be entitled is paid with the gross salary of the month when they are reached to the seniority level. In case of termination of employment for any reason that does not prevent gaining severance pay, 20% of seniority incentive which the employee will gain, for each year last first seniority incentive level. In this calculation the periods which are shorter than six months are not considered. Periods which are more than six months are considered as one year.

The seniority incentive bonus provision is calculated by estimating the present value of the future probable obligation arising from the qualification of the employees for the bonus.

TAS 19 requires that actuarial valuation methods to be developed to estimate the employee benefit provisions. The following actuarial assumptions have been used in the calculation of the total provision:

	31 December 2024	31 December 2023
Net discount rate (%)	2,50	1,98
Used rate related to retirement probability (%)	97,8	97,8

The movements of the provision for seniority incentive bonus are as follows:

	2024	2023
1 January	163.952	112.997
Interest cost	33.308	26.685
Payments during the period (-)	(90.412)	(77.595)
Service cost	185.323	203.437
Actuarial loss	9.571	27.911
Monetary gain/loss	(75.627)	(129.483)
31 December	226.115	163.952



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 17 - Other Assets And Liabilities

a) Other current assets

	31 December 2024	31 December 2023
Value added tax ("VAT") receivable	1.108.342	1.879.070
Other	10.850	15.302
	1.119.192	1.894.372

b) Other non-current assets

	31 December 2024	31 December 2023
Spare parts	131.584	113.957
Other	577	717
	132.161	114.674

c) Other liabilities

	31 December 2024	31 December 2023
Taxes and funds payable and other deductions	227.047	162.269
Other	274	4.951
	227.321	167.220

Note 18 - Derivative Financial Instruments

	31 December 2024 Fair value (TRY)			31 December 2023 Fair value (TRY)		
	Nominal contract amount (TRY)	Assets	(Liabilities)	Nominal contract amount (TRY)	Assets	(Liabilities)
Foreign currency orward transactions	2.827.504	-	21.992	2.767.759	-	22.291
Interest rate swap transactions (*)	2.102.179	81.029	-	2.160.474	146.271	-
	4.929.683	81.029	21.992	4.928.233	146.271	22.291

Note 19 - Equity

The shareholders of the Company and their shareholdings as of December 31, 2024 and December 31, 2023:

		31 December 2024		31 December 2023	
Group:	Shareholder:	Amount (TRY)	Share (%)	Amount (TRY)	Share (%)
A) SOCAR Turkey Petrokimya A.Ş.		1.292.544	51,00	1.292.544	51,00
A) Publicly traded and other		1.241.856	49,00	1.241.856	49,00
C) Privatization Administration		-	0,01	-	0,01
Total paid in share capital		2.534.400	100	2.534.400	100
Adjustment to share capital		41.387.934		41.387.934	
Total share capital		43.922.334		43.922.334	

* The Group has an interest rate swap derivative contract made to fix the interest expenses arising from its variable interest rate and foreign currency bank loan. The Group applies hedge accounting for these contracts. As a result of the effectiveness test conducted in this context, it has determined that the entire transaction is effective, and hedge accounting for cash flow risk continues to be applied.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 19 - Equity (Continued)

Adjustment to share capital represents the difference between inflation adjusted amounts of the cash and cash equivalents of the paid in capital and the amounts before the inflation adjustment .

Approved and issued capital of the Company consist of 253,440,000,000 Group A shares, each of them having a registered nominal price of KR 1, and 1 Group C preferred stock belonging to Management (December 2023 - Approved and issued capital of the Company consist of 253,440,000,000 Group A shares, each of them having a registered nominal price of Kr 1, and 1 Group C preferred stock belonging to Management).

The historical values and the effects of inflation adjustments for the accounts listed under the Company's equity as of December 31, 2024, in accordance with TFRS and VUK financial statements, are as follows:

31.12.2024 (TFRS)	Historic cost	Inflation adjustment effect	Indexed value
Share capital	2.534.400	41.387.934	43.922.334
Legal reserves	646.142	3.248.902	3.895.044

31.12.2024 (VUK)	Historic cost	Inflation adjustment effect	Indexed value
Share capital	2.534.400	722.919	3.257.319
Legal reserves	646.142	4.774.631	5.420.773

Capital of the Company is composed of all registered shares.

The following matters are subject to the approval of the member of the Board of Directors representing the C type share:

- The amendments on the articles of association affecting the privileges of type C,
- The recording of the transfer of the registered shares in the stock ledger,
- The determination of the form of the certificate of authority stated in the 31st clause of the Articles of Association,
- The decision related with the reduction of the capacity of any plant by 10% owned by the Company
- The foundation of new company or partnership, acquisition of a company being a partner of existing companies and/or merging with them, spin-off, changes of the titles, annulment and winding-up.

Dividend distribution

Listed companies shall distribute their profit in accordance with the Capital Market Board's Communiqué on Dividends II-19.1 which is effective from 1 February 2014.

Companies shall distribute their profits as part of the profit distribution policies to be determined by their general assemblies and in accordance with the related regulation provisions. A minimum distribution rate has not been determined in these regulations. The companies pay dividends as determined in their main agreements or profit distribution policies. Furthermore, dividends may be paid in instalments with same or different amounts and profit share advances may be distributed over the profit in the financial statements.

In accordance with the Turkish Commercial Code (TCC), no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of a usufruct right certificate, to the members of the board of directors or to the employees unless the required reserves and the dividend for shareholders as determined in the main agreement or in the dividend distribution policy of the company are set aside; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

The dividend distribution policy of the Company has been determined in accordance with the Communiqué on Dividends II-19-1 as follows:

- In line with the determination of Profit Distribution Policy in 2019 and in the forthcoming years; the Company, in principle, accepts to distribute profits in cash to shareholders at the maximum level without disregarding its medium term and long-term strategies, investment and financial plans, market conditions, and economic developments.
- According to the Article numbered 37 of Association of the Company, dividends in advance can be distributed.
- In the event that distributable profit is available in accordance with the relevant communiqués; within the framework of the provisions of the Capital Markets Board and the Turkish Commercial Code, at least 50% of the annual distributable profit of the Company is aimed to be distributed in cash and / or shares and / or in installments. This rate is determined each year by the Board of Directors, depending on national and global economic conditions, the Company's medium and long-term growth and investment strategies, and cash requirements.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 19 - Equity (Continued)

Dividend distribution (Continued)

- According to the Articles of Association of the Company, the amount to be determined by the General Assembly, not exceeding the 0,1% of distributable profits remaining after distribution of first dividend shall be distributed to Board Members.
- A consistent policy shall be followed between the benefits of the shareholders' and the company in the application of Profit Distribution Policy.
- The date of distribution shall be decided by General Assembly upon proposal of the Board. Profit distribution payments shall be completed within legal terms. For other methods of profit distribution, relevant legislation, communiqués, and regulations of CMB shall be followed.
- In the event that calculated "net distributable profit for the year" is below 5% of issued capital, no profit shall be distributed.
- When no profit is distributed, the Board of Directors shall inform the shareholders at General Assembly meeting about the reasons and how the undistributed profits would be allocated.

A provision in the main agreement is required for dividend to be distributable to holders of privileged shares, holders of usufruct right certificate, to the members of the board of directors, to the employees of the company and to non-shareholders. If, despite the fact that a provision is present in the main agreement regarding dividend distribution to these persons, a rate has not been determined, the dividend to be distributed to these persons may not exceed one fourth of the dividend distributed to shareholders under any circumstance except for those arising from privilege.

Note 20 - Tax Assets And Liabilities

a) Corporate tax:

Current tax liabilities at December 31, 2024 and December 31, 2023 are summarized below:

	31 December 2024	31 December 2023
Calculated corporation tax	25.324	-
Less: Prepaid taxes (-)	(132.563)	(58.985)
Total corporation tax (asset)/liabilities	(107.239)	(58.985)

Tax expenses included in the consolidated income statement for the interim accounting periods ending January 1- December 31, 2024 and 2023 are summarized below:

	1 January - 31 December 2024	1 January - 31 December 2023
Deferred tax (expense)/income	(1.967.400)	(2.663.342)
Current year tax expense	(25.324)	(27.575)
Total tax expense	(1.992.724)	(2.690.917)

Turkish tax legislation does not permit a parent company, its subsidiaries and its subsidiaries to file a tax return on its consolidated financial statements. For this reason, the tax provisions reflected in the financial statements in this consolidated are separately calculated for the subsidiaries.

In Türkiye, the corporate tax rate is 25% for the year 2024 (2023: 25%). The corporate tax rate is applied to the tax base found by adding non-deductible expenses according to tax laws to the commercial income of corporations, and by deducting exemptions (such as participation income exemption, investment incentive exemption, etc.) and deductions (such as R&D deduction) specified in tax laws.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 20 - Tax Assets And Liabilities (Continued)

b) Deferred taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the TFRS and tax procedural law, the statutory tax financial statements prepared in accordance with Corporate Tax Law.

In accordance with the regulation numbered 7456, which entered into force after being published in the Official Gazette dated published in Official Gazette July 15, 2023, "On the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes That Occurred on 6/2/2023, and on Amending Certain Laws and the Decree Law No. 375" the corporate tax rate has been increased to 25% for temporary tax declarations to be submitted after 1 October 2023. It will be applied as 25% starting from 2024. With the change in the mentioned law and, with a 5-point base change in the export exemption rate, the Group re-evaluated its effective tax rate and determined the effective tax rate as 23% and calculated the deferred tax calculations based on this rate.

Meanwhile, the corporate tax exemption for gains from the sale of immovable properties acquired after July 15, 2023 and held in the assets of corporate taxpayers for at least 2 years has been completely abolished, while the corporate tax exemption on the sales gains of immovable properties acquired before this date has been reduced from 50% to 25%. The regulation entered into force as of July 15, 2023.

Details of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided as of December 31, 2024 and December 31, 2023 are as follows:

	Taxable Temporary Differences		Deferred Income Tax Assets/ (Liabilities)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Fair value increase in investment properties	(24.359.984)	(24.283.014)	(4.567.497)	(4.188.820)
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	(7.271.316)	(5.536.994)	(1.679.763)	(1.252.847)
Fair value difference of derivative financial instruments	(10.726)	(123.980)	(2.467)	(30.465)
Other	(1.271.856)	(72.604)	(292.526)	(21.761)
Deferred income tax liabilities	(32.913.882)	(30.016.592)	(6.542.253)	(5.493.893)
Unused investment incentives	11.348.997	6.538.310	2.646.950	2.411.432
Provision for employee benefits	1.782.439	2.236.432	409.961	514.379
Carry forward tax losses	-	1.139.124	-	284.780
Deferred revenue related to the por rental agreement	-	253.330	-	63.333
Inventory provision	-	88.504	-	20.356
Rent allowance fee	-	7.161	-	1.647
Provision for legal cases	2.597	3.750	597	862
Deferred income tax assets	13.134.033	10.266.611	3.057.508	3.296.789
Deferred tax assets/(liabilities) - net			(3.484.745)	(2.197.104)

The Group obtained a strategic investment incentive certificate from TC Ministry of Economy for PTA capacity increase project on January 4, 2013. The Group will be able to deduct 50% of the expenditures within the investment period that are in the scope of the investment incentives, from tax base, up to 90% as deduction from corporate tax. The Group has TRY 240,878 unused investment incentive within the scope of strategic investment incentive certificate at of December 31, 2024. In this context, as of December 31, 2024 the Group has recognized deferred tax assets, that can be used in following periods, amounting to TRY 50,592.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 20 - Tax Assets And Liabilities (Continued)

b) Deferred taxes (Continued)

The Group obtained a strategic investment incentive certificate from TC Ministry of Economy for PTA capacity increase project on January 4, 2013. The Group will be able to deduct 50% of the expenditures within the investment period that are in the scope of the investment incentives, from tax base, up to 90% as deduction from corporate tax. The Group has TRY 240,878 unused investment incentive within the scope of strategic investment incentive certificate at of December 31, 2024. In this context, as of December 31, 2024 the Group has recognized deferred tax assets, that can be used in following periods, amounting to TRY 50,592.

The Group has obtained regional investment incentive certificates from T.C. Ministry of Economy for factory modernization investment at the date of June 15, 2012. The Group will be able to deduct 30% of the expenditures within the investment period that are in the scope of the investment incentives, from tax base, up to 70% deduction from corporate tax. The group has TRY 4,046,793 unused investment incentive within the scope of strategic investment incentive certificate as of December 31, 2024. In this context, as of December 31, 2024 the Group has recognized deferred tax asset, that can be used in following periods, amounting to TRY 1,411,354.

The Group has obtained large scale of investment incentive certificate from T.C. Ministry of Economy for port project investments at the date of November 20, 2014. The Group will be able to deduct 25% of the expenditures within the investment period that are in the scope of the investment incentives, from tax base, up to 50% as deduction from corporate tax. The Group has TRY 2,234,312 unused investment incentives within the scope of the port project investment certificate. In this context, as of December 31, 2024, the Group has recognized deferred tax asset, that can be used in following periods, amounting to TRY 458,506.

The Group, within the scope of factory modernizations, It received a regional investment incentive certificate from the Ministry of Economy on November 20, 2024. Within the scope of the regional investment incentive, the Group will be able to deduct 40% of the expenditures made during the investment period at the rate of 80% of the tax rate. As of December 31, 2024, the Group has made a total investment expenditure of TRY 1,814,167 within the scope of the regional investment certificate. In this context, as of December 31, 2024, the Group has a deferred tax asset of TRY 726,498, which is 80% of 40% of the fixed investment amount that it can use in future periods.

As a result of projections made by the Group management as of December 31, 2024, total unused investment expenditures made within the scope of investment incentive certificate, which are expected to be utilized in the deduction of future taxable profits and on which deferred tax assets have been calculated amounted to TRY 2,646,950 (December 31, 2023: TRY 2,411,432).

The reconciliations of the taxation on income for the years ended December 31, 2024 and 2023 were as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit /(Loss) before taxation	(4.801.079)	13.394.647
Less: Shares in profit of investments accounted for using equity method	(1.790.226)	(14.329.360)
Loss before tax (Excluding the profit/loss shares)	(6.591.305)	(934.713)
Statutory tax rate	25%	25%
Calculated tax expense based on statutory tax rate	1.647.827	233.677
Reconciliation between the tax provision and calculated tax:		
Effect of unused tax losses for which no deferred tax asset was recognized	(3.321.729)	(2.534.559)
Tax rate difference	(603.288)	858.050
Utilised investment incentives during the year Income exempt from tax	(378.677)	1.421.593
Non-deductible expense	(187.079)	(1.090.163)
Inflation effect according to Tax Procedures Law provisions (*)	934.534	3.784.057
Monetary gain/loss	(10.230)	(5.552.206)
Income exempt from tax	35.483	274.769
Other	(109.565)	(86.135)
Total tax expense reported in the profit or loss statement	(1.992.724)	(2.690.917)

* It consists of the deferred tax effect of the temporary differences created by the adjustments made regarding inflation accounting, together with the notification of the Tax Procedure Law dated 30/12/2023 and numbered 32415.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 20 - Tax Assets And Liabilities (Continued)

b) Deferred taxes (Continued)

The movement of deferred income tax is as follows:

	2024	2023
1 January	(2.197.104)	254.927
Recognized in the profit or loss statement	(1.967.400)	(2.663.342)
Recognized in other comprehensive income	444.243	225.684
Foreign currency translation differences	235.516	(14.373)
31 December	(3.484.745)	(2.197.104)

The total amount of the Group's unrecognized deductible taxable losses for deferred tax assets is TRY thousand 12,700, of which TRY thousand 4,300 has an expiration date of 2028, and TRY thousand 8,400 has an expiration date of 2029

Tax Advantages Obtained Within the Scope of Investment Incentive System:

The gains obtained from the investments tied to the Group's incentive certificate are subject to corporate tax at discounted rates until the investment reaches the contribution amount, starting from the accounting period in which the investment is partially or fully put into operation. In this context, as of December 31, 2024, the Group has recognized a tax advantage of TRY 2,646,950 (December 31, 2023: TRY 2,411,432) as a deferred tax asset in the consolidated financial statements. As a result of the recognition of this tax advantage as of December 31, 2024, a deferred tax income of TRY 235,518 has been generated in the consolidated income statement for the period from January 1 to December 31, 2024.

Deferred tax assets are recorded if it is determined that taxable income is likely to occur in future years. In cases where it is probable that taxable income will be generated, deferred tax assets are calculated on the basis of deductible temporary differences, taxable losses and tax advantages earned due to investment allowances with an indefinite life that allow the payment of reduced corporate tax. In this context, the Group bases the reflection of deferred tax assets arising from investment incentives on the consolidated financial statements on long-term plans, and evaluates the recoverability of deferred tax assets related to such investment incentives as of each balance sheet date, based on business models containing taxable profit estimates. The deferred tax assets in question are deducted from the balance sheet date. It is expected to be recovered within 8-10 years.

In the sensitivity analysis carried out as of December 31, 2024, when the inputs in the basic macroeconomic and sectoral assumptions that form the business plans were increased/decreased by 10%, there was no change in the expected recovery periods of deferred tax assets related to investment incentives within the range of 8-10 years.

Note 21 - Revenue And Cost Of Sales

	1 January - 31 December 2024	1 January - 31 December 2023
Domestic sales	47.131.449	52.167.195
Export sales	31.851.960	36.964.618
Other sales	488.255	835.689
Sales discounts (-)	(2.090.869)	(2.703.009)
Net sales	77.380.795	87.264.493
Direct raw materials and supplies	40.569.399	(49.120.346)
Cost of trade goods sold	(19.983.214)	(20.747.966)
Energy	(7.093.784)	(7.348.356)
Labour costs	(4.734.780)	(4.228.002)
Depreciation and amortization	(4.624.586)	(5.417.257)
Changes in work in progress and finished goods	461.287	(1.210.470)
Other	(2.078.851)	(2.553.646)
Cost of sales	(78.623.327)	(90.626.043)



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 22 - General Administrative Expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expense	1.377.601	1.826.395
Outsourced services	1.313.938	1.203.613
Depreciation and amortization	508.259	613.275
Energy expenses	219.182	163.027
Taxes, funds and fees	60.165	60.996
Other	122.732	293.633
	3.601.877	4.160.939

Fees for Services Obtained from Independent Auditor/ Independent Audit Firm

The Group's explanation regarding the fees for the services received from the independent audit firms, which is based on the letter of POAASA dated August 19, 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on March 30, 2021, are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	5.145	4.243
Fees for tax advisory services	-	1.042
Fee for other assurance services	402	275
	5.547	5.560

Note 23 - Marketing, Selling And Distribution Expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Outsourced services	682.263	739.889
Personnel expense	500.036	713.783
Depreciation and amortization	51.897	117.501
Other	189.469	116.931
	1.423.665	1.688.104

Note 24 - Other Income/Expenses From Operating Activities

a) Other operating income:

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gains	1.327.833	4.270.433
Rent income	193.641	122.296
Term sales income	35.287	44.873
Other	427.244	390.720
	1.984.005	4.828.322

b) Other operating expenses:

	1 January - 31 December 2024	1 January - 31 December 2023
Provision for impairment regarding property plant equipment	(4.652.686)	(1.605.812)
Foreign exchange losses	(1.478.120)	(3.027.039)
Term purchase expense	(193.550)	(150.639)
Other	(360.039)	(408.096)
	(6.684.395)	(5.191.586)



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

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Note 25 - Income/ (Expenses) From Investment Activities

a) Income from investment activities

	1 January - 31 December 2024	1 January - 31 December 2023
Fair value increase in financial investments	254.474	474.969
Rent income	229.421	222.151
Gain on sale of property, plant and equipments	123.692	735.274
Fair value increase in investment properties	63.897	10.914.312
Gain on sale of investments properties	-	1.179
	671.484	12.347.885

b) Expenses from investment activities

	1 January - 31 December 2024	1 January - 31 December 2023
Loss on sale of property, plant and equipment	(1.402)	(5.001)
	(1.402)	(5.001)

Note 26 - Financial Income/ Expenses

a) Finance income

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange gains	1.374.101	15.819.328
Interest income	678.696	802.700
Other	63.081	109.068
	2.115.878	16.731.096

b) Finance expense

	1 January - 31 December 2024	1 January - 31 December 2023
Foreign exchange loss	(5.670.076)	(20.932.853)
Interest expense	(4.291.805)	(4.996.603)
Interest expense on employee benefits	(185.594)	(95.082)
Commision expense	(99.876)	(265.346)
Other	(27.556)	(36.570)
	(10.274.907)	(26.326.454)

Note 27 - Earnings Per Share

	1 January - 31 December 2024	1 January - 31 December 2023
Net (loss) / profit for the period of the equity holders of the parent	(6.343.663)	10.669.599
Weighted average number of shares with nominal value of Kr 1 each (thousand)	253.440	253.440
Earnings/(loss) per share (share with a nominal value of 1 TL)	(2,5030)	4,2099



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 28 - Transactions And Balances With Related Parties

i) Balances with related parties

a) Short-term trade receivables from related parties:

	31 December 2024	31 December 2023
SOCAR Aliğa Liman İşletmeciliği A.Ş. ²	941.521	1.290.494
STAR Rafineri A.Ş. ("STAR") ²	587.204	948.241
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ²	81.378	6.073
SOCAR Enerji Ticaret A.Ş. ²	10.986	26.849
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	6.605	29.050
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	2.533	1.637
SOCAR Turkey Petrol Ticaret A.Ş. ²	965	51
SCR Müşavirlik ve İnşaat A.Ş. ²	601	46
SOCAR Turkey Enerji A.Ş.("STEAS") ¹	407	1.027
Azoil Petrolcülük A.Ş. ²	59	58
SOCAR Türkiye Doğalgaz Yatırım	-	112
	1.632.259	2.303.638

b) Long-term other receivables from related parties:

	31 December 2024	31 December 2023
SOCAR Power Enerji Yatırımları A.Ş. ²	-	26.908
	-	26.908

c) Short-term trade payables to related parties:

	31 December 2024	31 December 2023
STAR Rafineri A.Ş. ("STAR") ²	7.012.624	4.847.482
SOCAR Logistics DMCC ²	2.104.023	533.765
SOCAR Enerji Ticaret A.Ş. ²	1.915.875	686.248
SOCAR Turkey Enerji A.Ş.("STEAS") ¹	328.438	259.270
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	31.538	18.420
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ²	9.792	73.216
SCR Müşavirlik ve İnşaat A.Ş. ²	8.229	41.721
SOCAR Turkey Petrol Ticaret A.Ş. ²	2.355	4.741
Azoil Petrolcülük A.Ş. ²	1.137	1.242
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ²	37	-
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	-	128
SOCAR Turkey Fiber Optik A.Ş. ²	-	3
Other	-	537
	11.414.048	6.466.773

Short-term trade payables to related parties are mainly consist of consultancy, service and goods purchases. Average maturity of short-term trade payables is 15 days (December 31, 2023: 21 days).

d) Other payables to related parties:

	31 December 2024	31 December 2023
Due to shareholders ¹	-	126
	-	126

¹ Shareholders of the Company.² Shareholders of the Company or SOCAR's subsidiaries.



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(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 28 - Transactions And Balances With Related Parties (Continued)

i) Balances with related parties (Continued)

e) Short-term deferred revenue from related parties:

	31 December 2024	31 December 2023
SOCAR Aliğa Liman İşletmeciliği A.Ş. ²	40.740	79.657
STAR Rafineri A.Ş. ("STAR") ²	16.147	14.224
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	208	491
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	62	-
	57.157	94.372

f) Long-term deferred revenue from related parties:

	31 December 2024	31 December 2023
SOCAR Aliğa Liman İşletmeciliği A.Ş. ^{2*}	886.186	1.814.085
STAR Rafineri A.Ş. ("STAR") ²	4.187	6.229
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	68	113
	890.441	1.820.427

*The balance is mainly consist of deferred revenue as a part of rental period of the port (32 years), in accordance with the operating agreement between the Group and SOCAR Aliğa Liman İşletmeciliği A.Ş. The Group recognizes these prepayments as revenue within the contractual period on a straight line basis

g) Short-term prepaid expense to related parties:

	31 December 2024	31 December 2023
SOCAR Logistics DMCC ²	565.622	36.652
SOCAR Turkey Enerji A.Ş.("STEAS") ^{1*}	83.462	101.612
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ²	71.780	53.775
STAR Rafineri A.Ş. ("STAR") ²	157	4.412
SCR Müşavirlik ve İnşaat A.Ş. ²	76	110
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ²	-	130
Other ²	-	447
	721.097	197.138

* Refer to note 2.3

¹ Shareholders of the Company.² Shareholders of the Company or SOCAR's subsidiaries.

h) Long-term prepaid expense to related parties

	31 December 2024	31 December 2023
STAR Rafineri A.Ş. ("STAR") ²	14.019	30.685
SOCAR Turkey Enerji A.Ş.("STEAS") ¹	11.359	18.805
	25.378	49.490

i) Short-term leasing payables to related parties:

	31 December 2024	31 December 2023
STAR Rafineri A.Ş. ("STAR") ²	53.963	11.680
SOCAR Turkey Enerji A.Ş.("STEAS") ¹	23.315	17.963
SCR Müşavirlik ve İnşaat A.Ş. ²	-	147.084
	77.278	176.727

j) Long-term leasing payables to related parties:

	31 December 2024	31 December 2023
STAR Rafineri A.Ş. ("STAR") ²	144.051	7.487
SOCAR Turkey Enerji A.Ş.("STEAS") ¹	50.709	52.623
SCR Müşavirlik ve İnşaat A.Ş. ²	-	483.138
	194.760	543.248



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 28 - Transactions And Balances With Related Parties (Continued)

ii) Transactions with related parties

a) Other income/ (expenses), income from investing activities and finance income/ (expenses) from related party transactions - net:

	31 December 2024	31 December 2023
SOCAR Power Enerji Yatırımları A.Ş. ²	13.243	8.178
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	2.375	(113)
SOCAR Aliğa Liman İşletmeciliği A.Ş. ²	260	(5.753)
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	38	(2.651)
SOCAR Turkey Petrol Ticaret A.Ş. ²	13	(87.170)
STAR Rafineri A.Ş. ("STAR") ²	(925.922)	(1.100.446)
SOCAR Enerji Ticaret A.Ş. ²	(51.141)	(188.811)
SOCAR Turkey Enerji A.Ş. ("STEAS") ¹	(14.517)	8.164.169
SCR Müşavirlik ve İnşaat A.Ş. ²	(4.733)	(366.059)
SOCAR Logistics DMCC ²	(220)	(4.004)
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ²	(125)	(103.638)
SOCAR Turkey Doğalgaz Yatırım A.Ş. ²	-	(2.435)
SOCAR Turkey Fiber Optik A.Ş. ²	-	(214)
Other ²	(15)	(51)
	(980.744)	6.311.002

TRY 784,059 of the expenses arising from STAR consist of exchange rate difference expenses and TRY 141,863 of other expenses, TRY 5,380 of the revenues obtained from STEAS consist of exchange rate difference income and TRY 9,137 of other expenses. Income from SOCAR Power consists of interest income.

¹ Shareholders of the Company.² Shareholders of the Company or SOCAR's subsidiaries.

b) Service and rent purchases from related parties:

	31 December 2024	31 December 2023
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ²	1.751.304	1.202.528
SOCAR Turkey Enerji A.Ş. ("STEAS") ¹	872.361	447.654
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ²	869.694	367.449
STAR Rafineri A.Ş. ("STAR") ²	181.201	72.944
SCR Müşavirlik ve İnşaat A.Ş. ²	52.366	209.835
SOCAR Turkey Petrol Ticaret A.Ş. ²	31.447	80.224
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	13.746	521
SOCAR Turkey Doğalgaz Yatırım A.Ş. ²	4.084	-
SOCAR Aliğa Liman İşletmeciliği A.Ş. ²	3.538	-
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	988	4.703
SOCAR Turkey Fiber Optik A.Ş. ²	247	-
Other ²	96	70
	3.781.072	2.385.928

The purchases from SCR Müşavirlik ve İnşaat A.Ş., STAR and STEAS mainly consist of rent and other services purchases.

c) Product purchase from related parties:

	1 January - 31 December 2024	1 January - 31 December 2023
SOCAR Logistics DMCC ²	16.643.872	4.748.519
STAR Rafineri A.Ş. ("STAR") ²	15.347.671	22.775.878
SOCAR Enerji Ticaret A.Ş. ²	7.090.871	3.592.483
SOCAR Trading SA ²	1.775.835	-
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	87.710	-
Azoil Petrolcülük A.Ş. ²	14.007	12.271
SOCAR Turkey Petrol Ticaret A.Ş. ²	6.287	8.229
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	1.935	-
SOCAR Turkey Fiber Optik A.Ş. ²	-	1.402
	40.968.188	31.138.782

Purchases from related parties consist of raw material and commercial product purchases. Purchases from STAR consist of TRY 14,566,725 corresponding to 615,204 tons of naphtha purchases and TRY 780,947 from other purchases.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 28 - Transactions And Balances With Related Parties (Continued)

ii) Transactions with related parties (Continued)

d) Product and service sales to related parties:

	1 January - 31 December 2024	1 January - 31 December 2023
STAR Rafineri A.Ş. ("STAR") ²	6.252.833	7.917.662
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ²	2.348.816	879.757
SOCAR Aliğa Liman İşletmeciliği A.Ş. ²	787.909	878.556
SCR Müşavirlik ve İnşaat A.Ş. ²	338.521	2.302
SOCAR Enerji Ticaret A.Ş. ²	134.170	473.833
SOCAR Turkey Enerji A.Ş. ("STEAS") ¹	113.196	31.817
SOCAR Turkey Petrol Ticaret A.Ş. ²	91.135	791
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	45.082	36.980
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	7.925	8.811
Azeri M-I Drilling Fluids MMC ²	-	18.515
SOCAR Oil Refinery named after Heydar Aliyev ²	-	7.342
Azoil Petrolcülük A.Ş. ²	-	500
SOCAR Azerikimya Production Union ²	-	369
Other ²	6.018	-
	10.125.605	10.257.235

The breakdown of sales from STAR is as follows; TRY 4,181,393 the sales of by product, TRY 1,785,182 the sales of steam sales and the remaining sales of other products sales.

e) Rent income from related parties:

	1 January - 31 December 2024	1 January - 31 December 2023
STAR Rafineri A.Ş. ("STAR") ²	315.349	240.738
SOCAR Turkey Akaryakıt Depolama A.Ş. ²	40.387	38.354
SOCAR Aliğa Liman İşletmeciliği A.Ş. ²	6.564	5.302
SOCAR Turkey Enerji A.Ş. ("STEAS") ¹	4.623	4.189
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	2.841	2.384
SCR Müşavirlik ve İnşaat A.Ş. ²	1.273	1.028
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ²	1.186	1.680
Other ²	10	-
	372.233	293.675

f) Fixed assets purchases from related parties:

	1 January - 31 December 2024	1 January - 31 December 2023
SOCAR Turkey Enerji A.Ş. ("STEAS") ¹	161.890	279.061
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ²	297.307	43.184
SCR Müşavirlik ve İnşaat A.Ş. ²	12.024	16.280
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ²	10.680	15.228
STAR Rafineri A.Ş. ("STAR") ²	1.709	12
SOCAR Aliğa Liman İşletmeciliği A.Ş. ²	202	3
	483.812	353.768

¹ Shareholders of the Company.² Shareholders of the Company or SOCAR's subsidiaries.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 28 - Transactions And Balances With Related Parties (Continued)

ii) Transactions with related parties (Continued)

g) Key management compensation:

	1 January - 31 December 2024	1 January - 31 December 2023
Payments for salary and seniority incentives	342.142	388.898
	342.142	388.898

h) Key management compensation - long-term:

	1 January - 31 December 2024	1 January - 31 December 2023
Provision for unused vacation	5.158	6.523
Provision for seniority incentives	(660)	1.610
Provision for employment termination benefits	551	402
	5.049	8.535
Total	347.191	397.433

The Group classifies the general manager, assistant general managers, and board of directors and audit committee members as executive management. Key management compensation consists of salary and travel payments; employment termination benefits, seniority incentive bonus and vacation pay made to the key management and their provisions for the period in which they incurred.

1 Shareholders of the Company.

2 Shareholders of the Company or SOCAR's subsidiaries.

a) Commitments

None.

Note 30 - Provisions, Contingent Assets And Liabilities

a) Short-term provisions:

	31 December 2024	31 December 2023
Provision for legal cases	2.596	3.750
	2.596	3.750

b) Guarantees received:

	31 December 2024	31 December 2023
Receivable insurance	26.051.456	26.767.861
Bank guarantees within the context of DOCS (*)	5.863.289	6.162.683
Letters of guarantee received from customers	2.272.738	2.555.774
Letters of guarantee received from suppliers	1.345.685	1.591.256
Letters of credit	99.694	219.990
Mortgages	2.000	2.888
	35.634.862	37.300.452

* Direct order and collection system.

c) Guarantees given:

	31 December 2024	31 December 2023
Mortgages given to banks (*)	3.867.078	6.057.932
Custom offices	444.605	413.307
Guarantees given to banks	-	175.831
Other	1.523.534	682.512
	5.835.217	7.329.582

* Mortgage amounting to USD 350 million is related with the borrowing for port investment amounting to USD 109 million as of 31 December 2024.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 30 - Provisions, Contingent Assets And Liabilities (Continued)

c) Guarantees given (Continued)

Collaterals, Pledges and Mortgages ("CPM") provided by the Group:

	31 December 2024	31 December 2023
A. Total amount of CPMs given for the Company's own legal personality	1.968.139	1.271.650
B. Total amount of CPMs given on behalf of fully consolidated companies (*)	3.867.078	6.057.932
C. Total amount of CPMs given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPMs	-	-
i. Total amount of CPMs given on behalf of the majority shareholder	-	-
ii. Total amount of CPMs given to on behalf of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given to on behalf of third parties which are not in scope of C	-	-
	5.835.217	7.329.582

* The guarantee given for the loan used by Petlim is related to pledge and mortgage. Used by Petlim, which has Petkim's guarantee and a pledge of Petlim's shares amounting to 2,818 million TRY. 4,195,854 TRY of the credit limit of 212 million USD has been used as of December 31, 2024. Within the scope of the loan in question, Petlim shares in the nominal amount of 2,818 million TRY were pledged by Petkim in the first stage. Later, on November 20, 2015, a mortgage of 350 million USD was established on the land sold by Petkim to Petlim for 5,650 TRY. It is considered that it would be appropriate to take the land price into consideration instead of the mortgage amount in terms of the risk posed by the given mortgage.

d) Operational leases:

Annual income plans and amounts (not discounted) regarding to the operational lease income, which are not recognized in the consolidated financial statements of the Group as of December 31, 2024 and December 31, 2023 are as follows:

	31 December 2024	31 December 2023
0-5 years	5.126.727	6.001.078
5-10 years	5.648.470	6.372.957
10 years and more	16.027.152	20.325.953
Total	26.802.349	32.699.988

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments

a) Credit risk:

Holding of financial assets involves the risk that counterparties may be unable to meet the terms of the agreements. These risks are managed by collecting collaterals and by restricting the average risk range for counterparties (except intercompany) in every agreement. As part of its sales policy, the Group obtains collateral at an amount of 100% of total outstanding trade receivables from its customers. The Group manages this risk, which may arise from direct customers, by frequently updating the designated credit limits. The use of credit limits is regularly monitored and financial position of the customers, past experiences, reputation in the market and other factors are considered by the Management in order to evaluate the quality of the credits.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

a) Credit risk (Continued)

	31 December 2024			
	Other receivables from related parties	Trade receivables from related parties	Trade receivables from third parties ¹	Cash and cash equivalents
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)²	410	1.632.259	6.742.377	8.168.876
▪ The part of maximum credit risk covered with guarantees etc	-	-	3.529.525	-
A. Net book value of financial assets neither past due nor impaired ³	410	1.632.259	6.445.569	8.168.876
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past ³	-	-	-	-
C. Net book value of assets past due but not impaired ⁴	-	-	293.474	-
▪ The part covered by guarantee etc	-	-	293.474	-
D. Net book value of assets impaired	-	-	3.334	-
▪ Past due (gross book value)	-	-	18.623	-
▪ Impairment amount	-	-	(15.289)	-
▪ The part of net value covered with guarantees etc	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-

¹ Trade receivables of the Group are mainly composed of thermoplastic and fiber material sales.² Unearned credit finance income and covered parts of due and overdue receivables are taken into consideration while determining aforementioned amounts.³ Considering the past experiences, the Group management believes that no additional credit risk for the collection of these receivables.⁴ Considering the past experience of the Group management, it is foreseen that no problem will be encountered in the collection of past financial assets and the aging of the related amounts is as follows:



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

a) Credit risk (Continued)

The credit risk exposure in terms of financial instruments as of December 31, 2023:

	31 December 2024			
	Other receivables from related parties	Trade receivables from related parties	Trade receivables from third parties ¹	Cash and cash equivalents
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E)²	32.898	2.303.638	8.591.187	5.832.413
▪ The part of maximum credit risk covered with guarantees etc	-	-	4.788.029	-
A. Net book value of financial assets neither past due nor impaired ³	32.898	2.303.638	7.975.873	5.832.413
B. Net book value of financial assets whose conditions are renegotiated otherwise will be classified as past ³	-	-	-	-
C. Net book value of assets past due but not impaired ⁴	-	-	610.594	-
▪ The part covered by guarantee etc	-	-	35.163	-
D. Net book value of assets impaired	-	-	4.720	-
▪ Past due (gross book value)	-	-	25.829	-
▪ Impairment amount	-	-	(21.109)	-
▪ The part of net value covered with guarantees etc	-	-	-	-
E. Off-balance items exposed to credit risk	-	-	-	-

¹ Trade receivables of the Group are mainly composed of thermoplastic and fiber material sales.² Unearned credit finance income and covered parts of due and overdue receivables are taken into consideration while determining aforementioned amounts.³ Considering the past experiences, the Group management believes that no additional credit risk for the collection of these receivables.⁴ Considering the past experience of the Group management, it is foreseen that no problem will be encountered in the collection of past financial assets and the aging of the related amounts is as follows:



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

a) Credit risk (Continued)

Receivables			
31 December 2024	Related parties	Third parties	Total
1-30 days overdue	-	222.316	222.316
1-3 months overdue	-	46.570	46.570
3 months and over	-	24.588	24.588
The part covered by the guarantees		(21.113)	(21.113)
			272.361

Receivables			
31 December 2023	Related parties	Third parties	Total
1-30 days overdue	-	533.899	533.899
1-3 months overdue	-	73.932	73.932
3 months and over	-	2.764	2.764
The part covered by the guarantees	-	(35.163)	(35.163)
			575.432

b) Liquidity Risk:

Prudent liquidity risk management comprises maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of fund providers' lines from high-quality lenders and ensuring that the funds generated from operations are maintained at sufficient levels. In order to maintain liquidity, the Group management closely monitors the collection of trade receivables on time in order to and to prevent any financial burden that may result from late collections and arranges cash and non-cash credit lines with banks for the use of the Group. The Group's financial liabilities and liquidity analysis into relevant maturity groupings based on the remaining period as of December 31, 2024 and 2023 are as follows:

31 December 2024					
	Value carried	Total cash outflow (=I+II+III)	Less than 3 months (I)	3 months- 1 year (II)	1 - 5 years and above (III)
Contract due date:					
Bank credits	38.905.556	42.199.223	9.377.968	12.627.772	20.193.483
Other financial liabilities	4.799.241	4.923.406	1.154.886	3.768.520	-
Trade payables to third parties	2.072.452	2.072.452	2.072.452	-	-
Due to related parties	11.414.048	11.414.102	11.414.102	-	-
Lease liabilities	666.331	2.145.439	71.470	92.728	1.981.241
	57.857.628	62.754.622	24.090.878	16.489.020	22.174.724



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

b) Liquidity Risk (Continued)

31 December 2023					
	Value carried	Total cash outflow (=I+II+III)	Less than 3 months (I)	3 months- 1 year (II)	1 - 5 years and above (III)
Contract due date:					
Bank credits	31.856.178	36.696.810	4.805.180	9.964.800	21.926.830
Other financial liabilities	11.151.541	11.286.085	8.370.401	2.915.684	-
Trade payables to third parties	5.455.086	5.455.086	5.455.086	-	-
Due to related parties	6.466.899	6.466.901	6.466.901	-	-
Lease liabilities	1.017.195	2.144.615	92.539	50.430	2.001.646
	55.946.899	62.049.497	25.190.107	12.930.914	23.928.476

The following table analyzes the Group's derivative financial instruments as of balance sheet date. Amounts shown in the table are undiscounted cash movements related to the contract. Amounts that will be collected within 12 months are presented at their carrying value, as the discount amount would have be insignificant.

31 December 2024					
	Value carried	Total cash outflow (=I+II+III)	Less than 3 months (I)	3 months- 1 year (II)	1 - 5 years and above (III)
Contract due date:					
Derivative financial instruments	59.037	(4.929.683)	(2.996.094)	(580.699)	(1.352.890)

31 December 2023

	Value carried	Total cash outflow (=I+II+III)	Less than 3 months (I)	3 months- 1 year (II)	1 - 5 years and above (III)
Contract due date:					
Derivative financial instruments	123.980	(7.115.334)	(4.086.331)	(496.475)	(2.532.528)

c) Market risk:

i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from exchange rate changes due to the conversion of amounts owed or receivable in foreign currency into TRY. The Group follows a policy of balancing its foreign exchange position to mitigate currency risk. Existing risks are followed in meetings held by the Group's Audit Committee and Board of Directors and foreign currencies, closely in terms of the Group's foreign exchange position.

Although the raw materials, which comprise the significant portion of production cost and import volume, are foreign exchange denominated cost items, such exposure is limited with the sales prices impacted by foreign currencies.

Hedging of net investments

In order to hedge the exchange rate risk arising from the conversion of the net investments of STAR, whose functional currency is the US Dollar, into Turkish Lira, the Group has defined a portion of its US Dollar-denominated loans as a hedging instrument. The effective part of the value change arising from exchange rate of the loan defined for the hedging of net investments from financial risk is shown in "Cash Flow Hedging Gains/(Losses)" under equity to be offset from the foreign exchange rate differences arising from the translation of the net assets of the subsidiary into Turkish Lira. Before tax effect of bank loans as of December 31, 2024 The portion of USD 425,000 thousand is defined as the foreign exchange hedge of the subsidiary's net investment.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

c) Market risk (Continued)

Foreign currency position

	31 December 2024				31 December 2023			
	TRY equivalent	USD	Euro	Other	TRY equivalent	USD	Euro	Other
1. Trade receivables	5.496.191	148.784	6.725	-	6.552.700	124.507	26.809	-
2a. Monetary financial assets (Cash, bank accounts included)	5.191.923	132.537	13.898	5.418	5.420.682	110.015	15.790	1.488
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Current assets (1+2)	10.688.114	281.321	20.623	5.418	11.973.382	234.522	42.599	1.488
4. Trade receivables	-	-	-	-	-	-	-	-
5a. Monetary financial assets	-	-	-	-	-	-	-	-
5b. Non-monetary financial assets	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
7. Non-current assets (4+5+6)	-	-	-	-	-	-	-	-
8. Total assets (3+7)	10.688.114	281.321	20.623	5.418	11.973.382	234.522	42.599	1.488
9. Trade payables	10.433.313	246.900	17.102	1.077.522	9.399.067	197.497	15.313	185.844
10. Financial liabilities	20.103.063	568.786	-	-	22.719.547	519.628	12.611	-
11a. Monetary other liabilities	303.823	2.187	-	226.542	197.869	3.876	-	22.735
11b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
12. Short term liabilities (9+10+11)	30.840.199	817.873	17.102	1.304.064	32.316.483	721.001	27.924	208.579
13. Trade payables	-	-	-	-	-	-	-	-
14. Financial liabilities	16.580.549	469.122	-	-	14.229.763	334.195	-	-
15a. Monetary other liabilities	331.252	5.511	-	136.486	660.970	12.582	-	86.729
15b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
16. Long term liabilities (13+14+15a+15b)	16.911.801	474.633	-	136.486	14.890.733	346.777	-	86.729
17. Total liabilities (12+16)	47.752.000	1.292.506	17.102	1.440.550	47.207.216	1.067.778	27.924	295.308
18. Net (liability)/asset contract value of derivative instruments (18a-18b)	(12.198.691)	(345.000)	-	-	(10.040.993)	(235.650)	-	-
18a. Amount of asset contract value of derivative Instruments	2.822.424	80.000	-	-	3.988.867	93.850	-	-
18b. Amount of liability contract value of derivative Instruments	15.021.115	425.000	-	-	14.029.860	329.500	-	-
19. Net foreign (liability)/ asset position (8-17+18)	(49.262.577)	(1.356.185)	3.521	(1.435.132)	(45.274.827)	(1.068.906)	14.675	(293.820)
20. Net foreign currency (liability)/asset Position of monetary items (IFRS 7.B23)	(37.063.886)	(1.011.185)	3.521	(1.435.132)	(35.233.834)	(833.256)	14.675	(298.820)
21. Total fair value of financial instruments used for foreign currency hedging	(21.917)	(622)	-	-	(22.218)	(523)	-	-
22. Hedged amount for foreign currency assets	2,822,424	80,000	-	-	3,988,867	93,850	-	-
23. Hedged amount for foreign currency liabilities	15,021,115	425,000	-	-	14,029,860	329,500	-	-
24. Export	30,352,908	585,842	181,869	430,174	34,869,651	548,708	217,106	606,127
25. Import	27,169,165	625,853	76,596	164,254	31,195,384	562,687	143,728	155,304



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

c) Market risk (Continued)

Table of sensitivity analysis for foreign currency risk

31 December 2024

Profit/ (Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:			
1- Asset/ (Liability) denominated in USD - net	(3.567.491)	3.567.491	(3.567.491)
2- The part hedged for USD risk (-)	-	-	(282.242)
3- USD effect - net (1+2)	(3.567.491)	3.567.491	(3.285.249)
Change of EUR by 10% against TRY:			
4- Asset/ (Liability) denominated in EUR - net	12.935	(12.935)	(12.935)
5- The part hedged for EUR risk (-)	-	-	-
6- Avro effect - net (4+5)	12.935	(12.935)	(12.935)
Change of other currencies by 10% against TRY:			
7- Assets/ (Liabilities) denominated in other foreign currencies - net	34.119	(34.119)	(34.119)
8- The part hedged for other foreign currency risk (-)	-	-	-
9- Other foreign currency effect - net (7+8)	34.119	(34.119)	(34.119)
Total (3+6+9)	(3.520.437)	3.520.437	(3.238.195)

31 December 2023

Profit/ (Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:			
1- Asset/ (Liability) denominated in USD - net	(3.541.553)	3.541.553	(3.541.553)
2- The part hedged for USD risk (-)	-	-	(337.896)
3- USD effect - net (1+2)	(3.541.553)	3.541.553	(3.203.657)
Change of EUR by 10% against TRY:			
4- Asset/ (Liability) denominated in EUR - net	69.016	(69.016)	(69.016)
5- The part hedged for EUR risk (-)	-	-	-
6- Avro effect - net (4+5)	69.016	(69.016)	(69.016)
Change of other currencies by 10% against TRY:			
7- Assets/ (Liabilities) denominated in other foreign currencies - net	10.577	(10.577)	(10.577)
8- The part hedged for other foreign currency risk (-)	-	-	-
9- Other foreign currency effect - net (7+8)	10.577	(10.577)	(10.577)
Total (3+6+9)	(3.461.960)	3.461.960	(3.124.064)



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

c) Market risk (Continued)

The Group's interest rate position as of December 31, 2024 and 2023 is presented below:

	31 December 2024	31 December 2023
Financial instruments with fixed interest rate		
Financial liabilities		
USD Financial liabilities	16.764.374	18.964.132
EUR Financial liabilities	-	594.163
TRY Financial liabilities	3.153.844	-
Financial instruments with variable interest rate		
USD Financial liabilities	23.786.579	23.449.424
EUR Financial liabilities	-	-

If the rates of variable interest rate loans were 100 basis points higher/lower after deducting the loans with fixed interest rates through contracts for hedging purposes from the Group's variable interest rate financial liabilities and all other variables remained constant, interest expenses would be +/- TRY 160,034 will change TRY (December 31, 2023: TRY 88,169).

d) Price risk

The Group's operational profitability and cash inflows from its operations are exposed to risk arising from fluctuations in naphtha prices which are affected by competition in the petrochemical sector and raw material prices. The Group management manages the risk by regularly reviewing the amount of inventory held on hand and takes action for cost reduction to decrease the pressure of cost on the prices. Existing risks are monitored through regular meetings by the Group's Board of Directors.

The Group sets its sales prices considering certain indicators of petrochemical products in domestic and foreign markets. The changes in foreign markets are monitored through the worldwide publications comparing most attainable competitive market prices of Western Europe, Asia and US contract, spot and factory prices and computing actual import costs to Türkiye. While the Group determines the domestic market prices, it considers the indicators such as price information obtained from the market players and sector publications and Group's production levels, stock levels and order amounts received.

e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 31 - Nature And Level Of Risk Deriving From Financial Instruments (Continued)

e) Capital risk management (Continued)

The Group monitors capital on the basis of debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (including short-term financial liabilities, current portion of long-term financial liabilities, long-term financial liabilities as presented on balance sheet) less cash and cash equivalents.

	31 December 2024	31 December 2023
Total financial debt (Note 9)	43.704.797	43.007.719
Less: Cash and cash equivalents and Financial investment	(8.168.876)	(5.832.413)
Net debt	35.535.921	37.175.306
Total equity	58.323.706	74.193.657
Net debt/equity ratio	61%	50%

Note 32 - Financial Instruments (Fair Value And Financial Risk Management Disclosures)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group can realize in a current market exchange.

The methods and assumptions stated below are used in the estimation of the fair values of the financial instruments of which fair values are measurable:

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate to their carrying values. Cash and cash equivalents are carried at their fair values. The fair values of trade receivables and due from related parties are considered to approximate their respective carrying values due to their short-term nature. If there are financial investments not listed on the stock exchange, the impairment-adjusted values are considered as their fair values.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts, they are considered to approximate to their fair values, and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

Fair values of short-term bank borrowings and other financial liabilities are assumed to approximate their carrying values due to their short-term. Long-term floating rate bank loans' interest rates are updated according to the changing market conditions, it is assumed to represent the value of the fair value is the carrying value of these loans. Long-term fixed-rate loan, when evaluated with a fixed interest rate as of the balance sheet date, it is observed its fair value is close to the carrying value.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 32 - Financial Instruments (Fair Value And Financial Risk Management Disclosures)

Fair value estimation

The Group's financials classification of fair value of asset and liabilities were as follows:

Level 1: Depend on registered price (unadjusted) in the active market.

Level 2: Depend on data that are explicitly (via price in active market) or implicitly (derivate from price in active market) observable.

Level 3: Not depend on observable market data.

December 31, 2024 and 2023, fair value and book value of financial statement were as follows:

31 December 2024	Level 1	Level 2	Level 3	Total
Derivative financial instruments	-	81.029	-	81.029
Investment properties- Land		24.361.465	-	24.361.465
Total assets	-	24.442.494	-	24.442.494
Derivative financial liabilities	-	(21.992)	-	(21.992)
Total liabilities	-	(21.992)	-	(21.992)

31 December 2023	Seviye 1	Seviye 2	Seviye 3	Toplam
Derivative financial instruments	-	146.271	-	146.271
Investment properties- Land		24.297.568	-	24.297.568
Total assets	-	24.443.839	-	24.443.839
Derivative financial liabilities	-	(22.291)	-	(22.291)
Total liabilities	-	(22.291)	-	(22.291)

In financial statements, the fair values of investment properties consisting of land measured in accordance with the revaluation model have been determined based on real estate appraisal reports prepared by real estate valuation companies authorized by the Capital Markets Board ("CMB") and assessment has been updated as of December 31, 2024.

The methods used to determine the fair values of land and plots measured at fair value, along with significant unobservable assumptions, are as follows:

31 December 2024				
			31 December 2024	31 December 2023
Investment properties	Valuation Method	Important inputs	Weighted average	Weighted average
Land	Market Approach	Comparable sales price (TRY/m2)	8,0	7,9



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 33 - Investments Accounted For Using Equity Method

	31 December 2024		31 December 2023	
	Participatio rate (%)	Amount	Participation rate (%)	Amount
Rafineri Holding A.Ş.	20	30.175.623	20	34.691.022
	30.175.623		34.691.022	

As a result of the negotiations between the Group and its shareholder STEAŞ, a share sale and transfer agreement was signed on January 9, 2018 for the purchase of 30% shares of Rafineri Holding A.Ş. ("Rafineri Holding") from STEAŞ for USD 720 million. SOCAR Turkey Yatırım A.Ş., of which Rafineri Holding is a joint venturer with a 60% share, fully owns STAR. The transfer of Rafineri Holding's shares subject to the contract will be completed by the Group on a date defined as the "Closing Date" in the contract, following the receipt of the necessary permissions, provided that the conditions specified in the contract are met. With the decision of Petkim's Board of Directors dated April 10, 2023, it was decided to sign a new protocol with STEAŞ in addition to the terms of the existing contract between Petkim and STEAŞ. In accordance with the protocol, Petkim's indirect shares in STAR will be reduced from 18% to 12%, and therefore the Rafineri Holding shares to be purchased from STEAŞ will be reduced from 30% to 20%, and in this context, the Share Transfer Fee will be reduced to USD 480 million. It has been decided that no other payment will be made within the scope of the contract except the payment of USD 480 million that has already been made to STEAŞ within the scope of the Petkim contract and the contract will be amended accordingly. Discussions were held with STEAŞ regarding this decision and parties are agreed. Petkim's acquisition of 20% of the shares of Rafineri Holding was completed on October 2, 2023, which is the transaction date. With the transaction, Petkim indirectly acquired a 12% share in STAR.

The transaction is accounted based on the valuation report prepared by an independent valuation company licensed by the CMB. In the allocation of the purchase price in this valuation report, the valuation of tangible and intangible assets was taken into account and the determined values were subjected to impairment analysis. The cost method applied in the valuation studies for the purchase price allocation includes significant estimates and assumptions such as useful lives, technologic conditions, actual depreciation, commercial attributes and industrial conditions of the assets. Since the valuation is the evaluation of the refinery facility as a whole, in the light of market data to the extent applicable in the valuation of machinery, facilities and devices; The active and operating values within the entire refinery facility were made by taking into account the current status of the machines in question.

Rafineri Holding A.Ş. holds a 60% stake in SOCAR Turkey Yatırım A.Ş., which owns 100% of STAR. Previously, Rafineri Holding A.Ş. accounted for its investment in SOCAR Turkey Yatırım A.Ş. using the equity method. However, as of December 27, 2024, following the Ordinary General Assembly meeting registered on December 31, 2024, Rafineri Holding A.Ş. has gained control over the operations of SOCAR Turkey Yatırım A.Ş. In this context, Rafineri Holding A.Ş. will consolidate SOCAR Turkey Yatırım A.Ş. using the full consolidation method, and indirectly, the consolidation of STAR will also take place. Consequently, the impact of this consolidation will be included in the investments that the Group accounts for using the equity method.

The movements of Rafineri Holding, one of the investments valued by the equity method, between 2 October 2023 and 31 December 2024 are as follows:

	1 January 2024	2 October 2023
Opening	34.691.022	-
Purchase price	-	20.861.232
Gains from purchase transactions	-	9.717.422
Shares of profits and losses	1.790.226	4.611.938
Foreign currency translation differences	(5.394.250)	(518.267)
Defined benefit plans remeasurement gain	(1.984)	1.249
Shares of other comprehensive income/expenses	(30.101)	17.448
Other (*)	(879.290)	-
Closing – 31 December	30.175.623	34.691.022

* Effect of business combinations under common control in investments valued using the equity method.

Rafineri Holding's summary financial statement information (before effective interest) is as follows:

	31 December 2024	30 December 2024(*)
Current assets	86.641.499	128.457.627
Non-current assets	305.138.128	328.503.138
Total Assets	391.779.627	456.960.765
Short-term liabilities	89.683.401	96.884.213
Long-term liabilities	50.945.356	65.943.726
Equity	150.878.116	176.751.733
Non-controlling interests	100.272.754	117.381.093
Total liabilities and equity	391.779.627	456.960.765

* Condensed consolidated financial statements restated by Rafineri Holding through the consolidation of the business combination under common control.



Subsidiaries Notes To The Consolidated Financial Statements For The Period 1 January - 31 December 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the TRY at 31 December 2024, unless otherwise indicated.)

Note 33 - Investments Accounted For Using Equity Method (Continued)

	1 January-31 December 2024	2 October- 31 December 2023
Sales (net)	279.704.061	-
Gross Profit	20.737.370	-
Operating Profit	15.062.743	23.059.620
Net profit for the period	14.918.553	23.059.578
Net profit of the main shareholder	8.951.132	23.059.578

Note 34 – Monetary Gain / (Loss)

Non-monetary items	31 December 2024
Financial statement items	(3.865.046)
Inventories	396.761
Other current assets	58.303
Financial investments	3.017.918
Investments accounted for using the equity method	7.720.416
Property, plant and equipment	24.928.248
Right of use assets	358.016
Intangible assets	347.215
Other non-current assets	108.596
Deferred revenue	(50.822)
Deferred tax liabilities	(5.974.364)
Adjustment to share capital	(41.148.946)
Other comprehensive (expense) not to be reclassified to profit or loss	(267.289)
Other comprehensive (expense)/income to be reclassified to profit or loss	70
Gain (loss) on cash flow hedge	5.012.319
Restricted reserves	(3.248.901)
Retained earnings	4.877.414

Non-monetary items	31 December 2024
Profit or loss statement items	15.731.152
Revenue	(11.118.281)
Cost of sales	16.148.002
Selling, marketing and distribution expenses	215.784
General administrative expenses	734.957
Other operating income	(196.652)
Other operating expense	277.160
Income from investing activities	7.277.086
Expense from investing activities	186
Financial income	(306.630)
Financial expenses	1.545.058
Deferred tax (expense)/income	1.154.482
Monetary gain/(loss), net	11.866.106

Note 35 - Subsequent Events

As of January 31, 2025, a loan agreement amounting to USD 140 million has been signed between the Group's subsidiary, Petlim Limancılık Ticaret A.Ş., and J.P. Morgan, guaranteed by Petkim. The loan has a maturity of 3 years and is payable at maturity, with an annual interest rate of SOFR + 4.35%. This loan agreement has been signed for the purpose of refinancing the loan used under the credit agreement amounting to USD 212 million, which was signed in 2015 by Petlim Limancılık Ticaret A.Ş. with AKBANK T.A.Ş., guaranteed by Petkim, and the repayment of this loan has been completed.



Performance Indicators

Operational Performance Indicators

	2022	2023	2024
The Rate of Meeting Türkiye's Need for Petrochemical Products (%)	12	12	11
Annual Gross Production Capacity (million tons)	3,6	3,6	3,6
Total Production	2.2 million tons	2.3 million tons	2.05 million tons
Capacity Utilization Rate (%)	63,9	66,1	59,9
Ethylene-Propylene Efficiency (%)	46	47	47
PX, OX and Benzene Efficiency (%)	36	35	32
Total Employees	2.335	2.374	2.423

Economic Performance Indicators

Economic and Administrative Performance (thousand TRY)	2023	2024
Revenue*	99,612,378	78,052,279
Revenue from Sustainable Product Categories (Renewable Energy etc) ¹¹	279,754,379	310,660,795 ****
Economic Value Distributed **	946,032,343	850,920,000
Economic Value Retained ***	(846,419,965)	(772,867,721)

	2022	2023	2024
Petkim's Tax Payments (TRY) ¹²	0	13,583,343 ¹³	0 ¹⁴

¹¹ 2022 and 2023 data are consolidated data for Refining and Petrochemicals business unit.

¹² These amounts represent the corporate tax paid on the income of our companies and indirect taxes are not included in these figures.

¹³ Law No. 7440 shows the Additional Earthquake Tax paid in accordance with the Law No. 7440 and the Corporate Tax paid over the income statements of our companies based on the Tax Procedure Law. The Company applies the additions and exemptions in accordance with the current tax legislation in accordance with the law.

¹⁴ In 2024, since there is no corporate tax paid, it is recognized as 0.

* Revenues have been calculated by summing up net sales and the financial returns/gains generated from investments.

** Distributed economic value consists of the total amount of tax and similar liability payments, dividend payments, and employee benefits (such as salaries, fringe benefits, etc.).

*** Retained Economic Value = Revenues - Distributed Economic Value

**** The electricity generated by the Petkim Wind Power Plant (WPP) is used for internal consumption and offset against energy costs. Therefore, since there are no direct sales to third parties and no actual invoiced income is generated, a separate share within the total revenue has not been calculated. The figures presented in the table include only the financial gains derived from sustainable product categories.



Performance Indicators

Environmental Performance Indicators

Environmental Expenditures (USD)	2022	2023	2024
Environmental Investments	14,588,060.00	16,762,570.00	13,111,900.67
Environmental R&D Expenses	1,600,000.00	1,100,000.00	1,250,000.00
Environmental Management Unit Expenses	2,612,160.00	3,586,440.00	3,639,160.00
Environmental Consultancy Expenses	31,350.00	54,980.00	83,720.00
Environmental Measurement and Analysis Expenses	82,010.00	74,990.00	114,254.00
Environmental Training Ex-penses	0	6,056.28	4,211.28
Environmental Penalties	240,380.00	0	0

Environmental Training	Unit	2022	2023	2024
Total Number of Personnel	Persons	2,298	2,294	2,398
Total Training Hours	Hours	2,232.50	2,285.00	3,345.00

Greenhouse Gas Emissions (Tons CO ₂ e)	2022	2023	2024
Scope 1	1,838,002.77	1,950,750.15	1,704,704.49
Scope 2	29,725.58	16,207.32	32,866.00*

* Petkim produces renewable energy through WPP and sells all of the energy generated to the main grid. For this reason, the share of renewable energy in total energy consumption is 0. On the other hand, the amount of electricity supplied from the main grid decreases as the amount of electricity generated from the wind power plant increases, depending on Petkim's power balance. This reduces Petkim's dependence on main grid electricity.

* The verification process is ongoing.

Energy Consumption	Unit	2022	2023	2024
Energy Consumption	GJ	13,358,158.11	13,730,768.60	14,780,419.60
Natural Gas	GJ	12,403,365.59	13,076,369.14	13,262,189.41
Fuel Gas	GJ	3,129,890.40	3,390,609.48	2,956,955.00
Combustible Gas	GJ	18,315.46	3,520.98	0
Aeration Gas (Vent Gas)	GJ	390,555.48	788,202.84	965,021.20
Hydrogen	GJ	2,527,514.82	3,577,050.43	898,448.74
Diesel	GJ	243,090.43	132,605.32	267,688.74
Total Electricity Consumed	GJ	625,557.60	524,707.20	465,199.20
Electricity Generation from Renewable Resources	MWh	7,905,339.00	8,142,910.00	7,499,808.00
Non-Renewable Energy Consumption ¹⁵	MWh	0	0	0
Energy Intensity	GJ/Tons Production	13.14	12.85	13.19

Greenhouse Gas Intensity (Tons CO ₂ e/Tons output)	2022	2023	2024
	0.860	0.858	0.847



Performance Indicators

Environmental Performance Indicators

Air Emissions (Petkim) (Tons)	2022	2023	2024
NOx	2,040.92	1,446.40	1,726.73
SOx	631.68	942.29	423.05
CO	377.00	351.10	272.17
PM	7.35	13.16	42.98
VOC	0.05	1.05	0.20
Other	0.45	0.76	0.38

Water Consumption (m³)	2022	2023	2024
Surface Water	17,523,735.00	15,109,586.00	14,174,104.50
Groundwater	-	-	-
Municipal Water	-	-	56,000.00
Reused Water	-	-	-
Total Water Consumption	17,523,735.00	15,109,586.00	14,230,104.50

Wastewater Volume (m³)	2022	2023	2024
Volume of Wastewater Dis-charged After Treatment	6,490,429.00	5,944,848.00	5,371,596.11
Volume of Wastewater Dis-charged Without Treatment	-	-	-
Total Wastewater Volume	6,490,429.00	5,944,848.00	5,371,596.11

* The amount of reuse is not included in the total amount of waste.

	2022	2023	2024
Net Water Consumption (m³)	11,033,306.00	9,164,738.00	8,858,508.39

Amount of Wastes (Tons)	2022		2023		2024	
	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
On-Site Storage	-	-	-	-	-	-
Reuse	-	2,754.30	-	3,193.02	-	3,050.00
Recycling	17,822.93	5,760.73	5,713.12	8,824.74	-	-
Recovery	-	-	-	-	10,519.09	8,573.67
Sanitary Landfill – Delivered to Landfill	6,551.20	219,994.11	15,821.01	60,325.59	519.53	29,673.31
Incineration	927.68	-	1,889.87	-	280.18	-
Total	25,301.81	225,754.84	23,424.00	69,150.33	11,318.80	38,246.98
TOTAL*	251,056.65		92,574.33		49,565.78	

Transport of Waste (Tons)	2022	2023	2024
Hazardous Waste Transported and Delivered to Third Parties	24,436.17	21,534.08	11,059.82
Non-Hazardous Waste Transported and Delivered to Third Parties	224,878.46	69,150.48	38,250.00



Performance Indicators

Social Performance Indicators

PETKİM	Total number of employees by roles	
2022	Manager	14
	Expert	265
	Technical Staff	309
2023	Technician and Foreman	1,761
	Manager	19
	Expert	317
2024	Technical Staff	326
	Technician and Foreman	1,712
	Manager	26
	Expert	206
	Technical Staff	492
	Technician and Foreman	1,699

PETKİM	Total number of employees by age	
2022	below 30 years of age	258
	btw 30-50 years of age	2,017
	Older than 50 years of age	74
2023	below 30 years of age	204
	btw 30-50 years of age	2,079
	Older than 50 years of age	91
2024	below 30 years of age	181
	btw 30-50 years of age	2,157
	Older than 50 years of age	85

PETKİM	Number of disabled employees	
2022	Male	39
	Female	8
2023	Male	39
	Female	8
2024	Male	40
	Female	9

PETKİM	Employee Rotation by Gender			
		Number of newly recruited employees	Number of leaving employees	Employee turnover rate (%)
2022	Male	52	90	4
	Female	23	12	1
2023	Male	86	60	3
	Female	43	12	6
2024	Male	76	57	3
	Female	26	3	1,3

PETKİM	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Total Employees	2,171	178	2,165	209	2,192	231
Number of junior managers	111	35	121	41	134	43
Number of middle level managers	51	6	65	14	72	17
Number of senior executives	5	0	5	0	6	0
Number of Board members	7	2	7	2	7	2



Performance Indicators

Social Performance Indicators

Employee Rotation by Age	2022			2023			2024		
	below 30 years of age	btw 30-50 years of age	Older than 50 years of age	below 30 years of age	btw 30-50 years of age	Older than 50 years of age	below 30 years of age	btw 30-50 years of age	Older than 50 years of age
Number of newly recruited employees	36	39	-	70	58	1	55	45	2
Number of leaving employees	6	46	50	10	48	14	6	28	26
Employee turnover rate (%)	0.3	2.0	2.1	0.4	2.0	0.6	3.3	1.3	30.6

Number of Employees by Gender	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
	2,171	178	2,165	209	2,192	231
	2,349		2,374		2,423	

PETKİM	2022			2023			2024		
Remuneration	Local Minimum Wage	Entry Level Wage		Local Minimum Wage	Entry Level Wage		Local Minimum Wage	Entry Level Wage	
		Male	Female		Male	Female		Male	Female
Rate of standard entry- level wage by gender ¹¹ compared to local minimum wage	6,471	111%	111%	13,414.5	105%	130%	20,002.5	118.6%	161.3%

¹⁶ Full-time wage in the lowest employment category



Performance Indicators

Social Performance Indicators

Maternity Leave and Rate of Returns to Work (persons/year)	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Total number of employees entitled to maternity leave	125	10	111	9	98	11
Total number of employees taking maternity leave	125	10	111	9	98	11
Total number of employees returning to work after maternity leave ends	123	7	109	12	101	16
Total number of employees who returned to work after maternity leave ends and are still working 12 months after return-ing to work	167	5	120	7	108	12

Total Hours of Training Provided to Employees	2023			2024		
	Male	Female	Total	Male	Female	Total
	100,197.6	12,186.1	112,383.7	118,506.45	18,022.25	136,528.7

Total Hours of Training Provided by Roles	2023			
	Manager	Expert	Technical Staff	Technician and Foreman
	1,252.5	21,068.9	20,123.5	69,938.9
	2024			
	Manager	Expert	Technical Staff	Technician and Foreman
	798	14,962	43,224	77,544.7

* Due to the longer duration of maternity leave, female employees may take leave and return to work in different calendar years compared to male employees. As a result, the timing of leave eligibility and return may vary. In some cases, maternity leave that starts in one year may extend into the following year.

¹² Injuries above the First Aid level

Accident Statistics (Petkim Employees)	2022	2023	2024
Number of Accidents ¹²	12	3	7
Number of Fatal Accidents	1	0	0
Number of Recordable Work-Related Illnesses	0	0	0
Number of Days Lost due to Incidents	0	0	20
Total Hours Worked	4,640,009	4,531,857	4,498,734
Total Hours Planned to Work	4,640,009	4,531,857	4,498,734
Total Recordable Incident Rate (TRIR) (per 200,000 working hours)	0.56	0.13	0.31
Occupational Disease Rate (per 200,000 working hours)	0	0	0
Severity Rate of Accidents (per day lost for each accident)	0	0	2.86
Lost Time Rate (per 200,000 working hours)	0	0	0.89

Accident Statistics (Petkim, its suppliers and contractors)	2022	2023	2024
Number of Accidents ¹²	8	14	14
Number of Fatal Accidents	0	0	0
Total Hours Worked	6,756,949	6,345,575	5,072,899
Accident Frequency Rate (200,000 operations per hour)	0.24	0.44	0.55



Performance Indicators

Social Performance Indicators

OHS Expenditures (USD)	2023
Expenditures within the Scope of OHS	2,737,090
	2024
	3,553,089

Support Provided Institution	Donation Amount (TRY) Excluding VAT
Aliağa Haydar Aliyev Vocational and Technical Anatolian High School	240,000
National Afforestation Day- Izmir Yamanlar Sapling Planting	1,000,000
Total	1,240,000

Training Duration (person*hour)		
Occupational Health Safety Trainings	2023	2024
Total Hours of Training Provided to Employees	90,429.50	80,087

	2023	2024
Number of Contractors	2,230	1,872

Number of Suppliers	2023	2024
Number of Local Suppliers	700	715
Number of Foreign Suppliers	121	122
Total Number of Suppliers	821	837
Percentage of Domestic Suppliers (%)	85	85
Percentage of Procurement Budget Allocated to Domestic Suppliers (%)	78	82





GRI Content Index

STATEMENT OF USE	Petkim has reported in accordance with the GRI Standards for the period 01.01.2024-31.12.2024.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	GRI 11: Oil and Gas Sector 2021

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1 Organizational details	About SOCAR Global & SOCAR Türkiye		
	2-2 Entities included in the organization's sustainability reporting	About the Report		
	2-3 Reporting period, frequency and contact point	About the Report		
	2-4 Restatements of information		There is no information rearranged from previous reports.	
	2-5 External assurance	Limited Assurance Report	This report has not been subject to a Limited Assurance engagement.	
	2-6 Activities, value chain and other business relationships	About the Report		
	2-7 Employees	We are Together to Invest in People Performance Indicators		
	2-8 Workers who are not employees	Stakeholder Engagement Responsible Supply Chain		
	2-9 Governance structure and composition	Corporate Governance Board of Directors Annual Report		
	2-10 Nomination and selection of the highest governance body	Corporate Governance		



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Corporate Governance Board of Directors Annual Report		
	2-12 Role of the highest governance body in oversee-ing the management of im-pacts	Corporate Governance		
	2-13 Delegation of respon-sibility for managing impacts	Business Continuity and Crisis Management		
	2-14 Role of the highest governance body in sustai-nability reporting	Sustainability at Petkim		
	2-15 Conflicts of interest	Business Ethics		
	2-16 Communication of critical concerns	Transparency & Risk Man-agement		
	2-17 Collective knowledge of the highest governance body	Corporate Governance		
	2-18 Evaluation of the per-formance of the highest governance body	Corporate Governance		
	2-19 Remuneration policies	Corporate Governance Diversity, Equality and In-clusion		
	2-20 Process to determine remuneration	Corporate Governance Diversity, Equality and In-clusion		
	2-21 Annual total compen-sation ratio		As SOCAR Türkiye group companies, employee salary data is not shared due to reasons such as being a state-owned company, employee privacy concerns, compliance with the Personal Data Protection Law (KVKK), and not all entities being publicly traded.	
	2-22 Statement on sustai-nable development strategy	Sustainability Strategy		
	2-23 Policy commitments	Current Policies & Man-agement Systems Certificates		
	2-24 Embedding policy commitments	Current Policies & Management Systems Certificates		
	2-25 Processes to remediate negative impacts	Transparency & Risk Management Enterprise Risk Management		



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics		
	2-27 Compliance with laws and regulations	About the Report Corporate Governance		
	2-28 Membership associations	Memberships and Collaborations		
	2-29 Approach to stakeholder engagement	Stakeholder Engagement		
	2-30 Collective bargaining agreements	Human Resources Approach		
PRIORITY ISSUES				
GRI 3: General Disclosures 2021	3-1 Process to determine material topics	Sustainability at Petkim Sustainability Strategy Our Materiality Issues in Sustainability		
	3-2 List of material topics	Our Materiality Issues in Sustainability		
GREENHOUSE GAS EMISSIONS				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Air Quality		11.1.1 11.2.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Air Quality Performance Indicators		11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	Air Quality Performance Indicators		11.1.6
	305-3 Other indirect (Scope 3) GHG emissions		Scope 3 emissions are not calculated.	11.1.7
	305-4 GHG emissions intensity	Air Quality Performance Indicators		11.1.8
	305-5 Reduction of GHG emissions	Air Quality Performance Indicators		11.2.3
LABOR PRACTICES				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Priorities We are Together for Labor Practices! Human Rights		11.7.1 11.9.1 11.10.1 11.11.1 11.13.1



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
GENERAL DISCLOSURES				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Training and Development Social Performance Indicators		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Engagement and Wellbeing		11.10.3
	401-3 Parental leave	Diversity, Equality and Inclusion		11.10.4 11.11.3
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety		11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Social Performance Indicators		11.9.3
	403-3 Occupational health services	Occupational Health and Safety		11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety		11.9.5
	403-5 Worker training on occupational health and safety	Occupational Health and Safety		11.9.6
	403-6 Promotion of worker health	Occupational Health and Safety		11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety		11.9.8
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety		11.9.9
	403-9 Work-related injuries	Occupational Health and Safety Social Performance Indicators		11.9.10
	403-10 Work-related ill health	Occupational Health and Safety Social Performance Indicators		11.9.11
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Training and Development		11.10.6 11.11.4
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development		11.7.3 11.10.7



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
LABOR PRACTICES				
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Training and Development		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights	There are no activities and suppliers where freedom of association and collective bargaining may be at risk during the reporting period.	11.13.2
CIRCULAR ECONOMY AND WASTE				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Circular Economy and Waste		11.5.1 11.8.1
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Circular Economy and Waste		
	301-2 Recycled input materials used	Circular Economy and Waste	Studies on the use of recycled input materials are ongoing.	
	301-3 Reclaimed products and their packaging materials	Circular Economy and Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related im-pacts	Circular Economy and Waste		11.5.2
	306-2 Management of significant waste-related impacts	Circular Economy and Waste		11.5.3
	306-3 Waste generated	Circular Economy and Waste		11.5.4
	306-4 Waste diverted from disposal	Circular Economy and Waste		11.5.5
	306-5 Waste directed to disposal	Circular Economy and Waste		11.5.6
GRI 306: Effluents and Waste 2016	306-3 Significant spills		No significant leakage oc-curred during the reporting period.	11.8.2
CORPORATE GOVERNANCE				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Sustainability Priorities Interaction with Stakeholders Corporate Governance		11.7.1 11.10.1
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice peri-ods regarding operational changes	Interaction with Stakeholders		11.7.2 11.10.5



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
WATER MANAGEMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Water Management Performance Indicators		11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management		11.6.2
	303-2 Management of water discharge-related impacts	Water Management		11.6.3
	303-3 Water withdrawal	Water Management Environmental Performance Indicators		11.6.4
	303-4 Water discharge	Water Management Environmental Performance Indicators		11.6.5
	303-5 Water consumption	Water Management Environmental Performance Indicators		11.6.6
PRODUCT COMPLIANCE AND HAZARDOUS SUBSTANCES				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Product Compliance and Chemical Management		
GRI 417: Pazarlama ve Etiketleme 2016	417-1 Requirements for product and service information and labeling		There are no types of product and service information required by labelling procedures and no products subject to these information requirements.	
	417-2 Incidents of non-compliance concerning product and service information and labeling		There are no cases of non-compliance.	
	417-3 Incidents of non-compliance concerning marketing communications		There are no cases of non-compliance.	
BUSINESS ETHICS				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Business Ethics Anti-Bribery and Anti-Corruption Tax Approach Interaction with Stakeholders Financial Statements and Independent Auditor's Report Diversity, Equality and Inclusion		11.11.1 11.19.1 11.20.1 11.21.1 11.22.1



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
BUSINESS ETHICS				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption		11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	Anti-Bribery and Anti-Corruption		11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Anti-Bribery and Anti-Corruption	There were no cases of corruption during there porting period.	11.20.4
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		There were no lawsuits related to anti-competitive behaviors and activities during the reporting period.	11.19.2
GRI 207: Tax 2019	207-1 Approach to tax	Tax Approach		11.21.4
	207-2 Tax governance, control, and risk management	Tax Approach		11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	Interaction with Stakeholders Tax Approach		11.21.6
	207-4 Country-by-country reporting	Board of Directors Activity Report		11.21.7
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimina-tion and corrective actions taken	Diversity, Equality and Inclu-sion	There were no cases of discrimination during the reporting period.	11.11.7
GRI 415: Public Policy 2016	415-1 Political contributions		No political contributions are made.	11.22.2
HUMAN RIGHTS				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Human Rights		11.12.1 11.16.1 11.18.1
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Rights	There are no activities and suppliers with risks in terms of child labour.	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights	There are no activities or suppliers with a significant risk of forced or compulsory labour cases.	11.12.2
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		There are no security personnel trained in human rights policies or procedures.	11.18.2



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
CUSTOMER SOLUTIONS AND ENGAGEMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Customer Solutions and Engagement		11.3.1
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		There is no percentage of specific product and service categories where health and safety impacts are assessed for improvement.	11.3.3
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		There are no incidents of noncompliance.	
RESPONSIBLE SUPPLY CHAIN				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Responsible Supply Chain		11.10.1 11.12.1 11.14.1
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible Supply Chain		11.14.6
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain		
	308-2 Negative environmental impacts in the supply chain and actions taken		There are no negative impacts of the supply chain on the environment in the reporting period.	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain		11.10.8 11.12.3
	414-2 Negative social impacts in the supply chain and actions taken		There are no negative social impacts of the supply chain in the reporting period.	11.10.9
AIR QUALITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Greenhouse Gas Emissions and Air Quality		11.3.1
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)		ODS emissions are not calculated.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Greenhouse Gas Emissions and Air Quality Environmental Performance Indicators		11.3.2



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
COMMUNITY PARTNERSHIP				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability We are Together for Community Partnership!		11.15.1 11.17.1
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		There are no cases of violations involving the rights of local people.	11.17.2
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		Percentage of operations where local community engagement, impact assessments and development programmes are in place is not available.	11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities		There are no activities with significant actual or potential negative impacts on local communities.	11.15.3
DIVERSITY, EQUALITY AND INCLUSION				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Diversity, Equality and Inclusion		11.11.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity, Equality and Inclusion		11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	Diversity, Equality and Inclusion Social Performance Indicators		11.11.6
TRANSPARENCY & RISK MANAGEMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Transparency & Risk Management		11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Business Continuity and Risk Management		11.2.2
DIGITAL RIGHTS AND RESPONSIBILITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Digital Rights and Responsibility		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		There are no complaints.	



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
BIODIVERSITY AND ECOLOGICAL WELFARE				
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Materiality Issues in Sustainability Biodiversity and Ecological Welfare		11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity and Ecological Welfare		11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and Ecological Welfare		11.4.3
	304-3 Habitats protected or restored	Biodiversity and Ecological Welfare		11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity and Ecological Welfare		11.4.5
ECONOMIC PERFORMANCE¹⁶				
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Economic Value Created Employee Engagement and Wellbeing Financial Statements and Independent Auditor's Report		11.14.1 11.21.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sustainable Economic Value Created		11.14.2 11.21.2
	201-3 Defined benefit plan obligations and other retirement plans	Employee Engagement and Wellbeing		
	201-4 Financial assistance received from government	Financial Statements and Independent Auditor's Report		11.21.3
MARKET PRESENCE¹⁷				
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity, Equality and Inclusion Corporate Governance		11.11.1 11.14.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Diversity, Equality and Inclusion Social Performance Indicators		
	202-2 Proportion of senior management hired from the local community	Corporate Governance		11.11.2 11.14.3

¹⁶ It is not among material topics.¹⁷ It is not among material topics.



GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI SECTOR STANDARD REF. NO.
INDIRECT ECONOMIC IMPACTS ¹⁸				
GRI 3: Material Topics 2021	3-3 Management of material topics	Together in Production! We are Together in Economic Value!		11.14.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Together in Production!		11.14.4
	202-2 Proportion of senior management hired from the local community	We are Together in Economic Value!		11.14.5
ENERGY ¹⁹				
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Efficiency		11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy Efficiency Environmental Performance Indicators		11.1.2
	302-2 Energy consumption outside of the organization	Energy Efficiency Environmental Performance Indicators		11.1.3
	302-3 Energy intensity	Environmental Performance Indicators		11.1.4
	302-4 Reduction of energy consumption	Energy Efficiency Environmental Performance Indicators		
	302-5 Reductions in energy requirements of products and services	Energy Efficiency Environmental Performance Indicators		

¹⁸ It is not among material topics.

¹⁹ It is not among material topics.



UN Global Compact (UNGC) Communication on Progress

Principles	Reference
Human Rights	
Principle 1: Business should support and respect the protection of internationally proclaimed Human Rights principles.	Human Rights
Principle 2: Businesses should take all necessary measures to avoid being complicit in Human Rights violations.	Human Rights
Working Standards	
Principle 3: Businesses should support workers' freedom of association and collective bargaining.	Human Rights Human Resources Approach
Principle 4: Businesses should support the elimination of forced and compulsory labour	Human Rights
Principle 5: Businesses should support the elimination of child labour.	Human Rights
Principle 6: Businesses should support the elimination of discrimination in recruitment and placement.	Human Rights Human Resources Approach
Environment	
Principle 7: Businesses should support precautionary approaches to environmental issues	ENVIRONMENT - We are Together in the Fight Against Climate Change!
Principle 8: Businesses should take initiatives to encourage greater environmental responsibility	ENVIRONMENT - We are Together in the Fight Against Climate Change!
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Transition to Low Carbon Economy and Carbon Technologies
Anti-Corruption	
Principle 10: Businesses should work against all forms of corruption, including bribery and extortion.	Anti-Bribery and Anti-Corruption

UN WEPs Progress Report

Principles		Reference
Principle 1	Providing High Level Corporate Leadership for Gender Equality	Diversity, Equality and Inclusion
Principle 2	Treating all women and men fairly in business life, respecting human rights and the principle of non-discrimination, supporting these principles	Diversity, Equality and Inclusion Human Rights
Principle 3	Ensuring the Health, Safety and Welfare of All Women and Men Workers	Employee Engagement and Wellbeing Human Rights Occupational Health and Safety
Principle 4	Supporting Women's Education, Training and Professional Development Opportunities	Employee Training and Development Diversity, Equality and Inclusion
Principle 5	Applying Entrepreneurial Development, Supply Chain and Marketing Methods for Women's Empowerment	Diversity, Equality and Inclusion
Principle 6	Promoting Equality through Social Initiatives and Advocacy Work	Diversity, Equality and Inclusion
Principle 7	Evaluation and Public Reporting of Achievements Regarding Gender Equality	Diversity, Equality and Inclusion



Sustainability Principles Compliance Framework

PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
A. General Principles							
A.1.1	Priority environmental, social and corporate governance (ESG) issues, risks and opportunities have been identified by the partnership's board of directors.	x				<p>Priority environmental, social and corporate governance issues, risks and opportunities have been determined by the board of directors. This determination process was realised through a comprehensive prioritisation analysis study carried out in 2022. In 2024, the results of the prioritization analysis were examined in more detail and the priority issues were reevaluated, taking into account global and sectoral trends and changing social and environmental concerns. In this evaluation process, factors such as legislation, UN Sustainable Development Goals, industry and mega trends, other companies and competitors in the sector, GRI Standards, SASB Industry Standards, ESG rating agencies and the World Economic Forum (WEF) Global Risks Report were taken into consideration. The importance and impact of each issue was evaluated in terms of stakeholders and Petkim's strategy. The identified priority issues were reviewed by the Sustainability Committee and the Strategy Team and were aligned with Petkim's current business environment, strategic position and strategic approach.</p> <p>During the reporting period, in addition to SOCAR Türkiye's traditional risk registry, sustainability risks were fully integrated into the process. This integration is a result of the work carried out in SOCAR Türkiye. An Environmental, Social and Governance (ESG) risk register, which includes sustainability risks and climate-related risks, has been created and updated specifically for Petkim. The risk register was created as a result of a comprehensive workshop held with the participation of the Sustainability and Risk Committee and relevant business unit officers. In this workshop, risk headings were re-evaluated taking into account the global sustainability agenda, megatrends and current reporting standards such as the Paris Climate Agreement, the European Green Deal, Net Zero Carbon. Risks are grouped under environmental, social and governance headings. In addition, the list, which was created in line with the requirements of the ISO 31000 Risk Management System Standard and IFRS S1 and S2 Standards, was prepared to ensure effective management of sustainability risks.</p>	Petkim Integrated Annual Report Transparency and Risk Management



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
A. General Principles							
A1. Strategy, Policy and Objectives							
A.1.1	The shareholding board of directors has created ESG policies (e.g. Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and announced them to the public.			x		SOCAR Türkiye has established various corporate 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 the SOCAR Türkiye Code of Ethics and Anti-Corruption and Trade Sanctions Policy and the SOCAR Türkiye Occupational Health, Safety and Environment Policy. Environmental, social and governance (ESG) policies are shared in the Petkim Integrated Activity Report and on the website.	Petkim Integrated Annual Report Current Policies & Management Systems Certificates
A.1.2	Short-term and long-term targets determined within the scope of ESG policies have been disclosed to the public.	x				Petkim adopts SOCAR Türkiye's Sustainability Strategy. In line with the Sustainability Strategy, short, medium and long-term targets have been announced within the scope of ESG policies.	Petkim Integrated Annual Report Sustainability Strategy
A2. Application/Monitoring							
A.2.1	The committees and/or units responsible for the implementation of ESG policies and the highest-level officers in the partnership regarding ESG issues and their duties have been identified and disclosed to the public.	x				At SOCAR Türkiye, ESG and sustainability activities are carried out centrally through the Sustainability Committee. Petkim's sustainability activities are also handled by the SOCAR Türkiye Sustainability Committee. The Sustainability Committee is chaired by the CEO of SOCAR Türkiye and co-chaired by the Head of Strategy and Sustainability. The sustainability committee, which operates under the Executive Committee, is also monitored by the Corporate Governance and Sustainability Committee, which operates under the SOCAR Türkiye Board of Directors. In addition, various working groups have been activated to achieve the determined goals. Working groups continue their work for the successful implementation of our sustainability strategy at SOCAR Türkiye and its subsidiaries	Petkim Integrated Annual Report Sustainability in Petkim
A.2.1	Activities carried out within the scope of policies by the responsible committee and/or unit are reported to the board of directors at least once a year.	x				Under the leadership of SOCAR Türkiye Sustainability Committee, Petkim continues its activities in line with its strategies and policies, aiming for excellence in the fields of environment, social and corporate governance and focusing on creating a positive impact. These studies are carried out under the supervision of SOCAR Türkiye Board of Directors and Corporate Governance and Sustainability Committee. Sustainability performance is regularly evaluated and progress is made.	Petkim Integrated Annual Report Sustainability in Petkim



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
A. General Principles							
A2. Uygulama/İzleme							
A.2.2	Implementation and action plans in line with ESG targets have been created and disclosed to the public.	x				Petkim determines its implementation and action plans in line with its ESG targets in line with SOCAR Türkiye.	Petkim Integrated Annual Report Sustainability Strategy
A.2.3	The ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis have been disclosed to the public.	x				Petkim has shared its environmental, social, and governance (ESG) performance indicators annually in the Petkim Integrated Annual Report.	Petkim Integrated Annual Report Performance Indicators
A.2.4	Activities to improve sustainability performance of business processes or products and services are publicly disclosed.	x				In the Petkim Integrated Activity Report, activities to improve sustainability performance for business processes or products and services are disclosed to the public.	Petkim Integrated Annual Report
A3. Reporting							
A.3.1	Information on the partnership's sustainability performance, targets and actions are provided in an understandable, accurate and sufficient manner in the activity reports.	x					Petkim Integrated Annual Report Sustainable Economic Value Created
A.3.2	The Partnership has made publicly available information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities relate to.		x			With the awareness of responsibility towards the Sustainable Development Goals, Petkim implements a Sustainability Strategy to support the SDGs at every stage of the Value Chain.	Petkim Integrated Annual Report - Contribution to UN Sustainable Development
A.3.3	Lawsuits filed and/or concluded against us on ESG issues, which are important in terms of ESG policies and/or will significantly affect our activities, have been publicly disclosed.	x				As of 31.12.2024, there are no lawsuits filed against the Company that could affect the financial situation and activities of the Company.	Petkim Integrated Annual Report Annexes – Board of Directors Annual Report



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
A. General Principles							
A4. Verification							
A.4.1	The Partnership's ESG Key Performance metrics have been verified by an independent third party and are publicly disclosed.			x		The ESG Limited Assurance Audit of Petkim-specific data will be publicly disclosed within the scope of the SOCAR Türkiye Integrated Report. The verification process of the data is ongoing.	SOCAR TR 2024 Integrated Report
B. Environmental Principles							
B.1	The partnership has made public its policies and practices in the field of environmental management, its action plans, environmental management systems (known by the ISO 14001 standard) and programmes.	x				Petkim manages its environmental activities with a total of nine quality systems, including the ISO 14001:2015 Environmental Management System.	Petkim Integrated Annual Report We Are Together in the Fight Against Climate Change
B.2	The scope of the report, reporting period, reporting date and reporting conditions have been disclosed to the public regarding the environmental reports prepared to provide information on environmental management	x					Petkim Integrated Annual Report About the Report
B.3	Given in A2.1.						
B.4	Environmental targets included in the reward criteria within the scope of performance incentive systems based on stakeholders (such as board members, managers and employees) have been disclosed to the public.		x			In measuring the performance of senior managers, the principles of long-term sustainable improvement, compliance with Environment, Society and Corporate Governance (ESG) policies are also taken into consideration, apart from financial areas.	Petkim Integrated Annual Report Corporate Governance
B.5	It was publicly disclosed how the environmental issues identified as priorities were integrated into business goals and strategies.	x					Petkim Integrated Annual Report Sustainable Economic Value Created
B.6	Given in A2.4.						



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
B. Environmental Principles							
B.7	It has been publicly disclosed how environmental issues are managed and integrated into business goals and strategies, including suppliers and customers throughout the partnership value chain, including the operation process.	x					Petkim Integrated Annual Report Interaction with Stakeholders
B.8	Whether the relevant institutions and non-governmental organizations on the environment were included in the policy-making processes and the collaborations with these institutions and organizations were disclosed to the public.	x				Various projects in the field of environment are carried out at Petkim. These projects are carried out in cooperation with public institutions, non-governmental organizations and local governments when necessary.	Petkim Integrated Annual Report Interaction with Stakeholders / Corporate Social Responsibility
B.9	Information on environmental impacts in the light of environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts) has been periodically disclosed to the public in a comparable manner.	x				Information on Petkim's environmental impacts in light of environmental indicators is shared in the Petkim Integrated Activity Report in a periodically comparable manner.	Petkim Integrated Annual Report Fight Against Climate Change Risks
B.10	Details of the standard, protocol, methodology and base year used to collect and calculate the data are publicly available.	x				Details of the standards, protocols, methodologies and base years used to collect and calculate data are shared in the Petkim Integrated Activity Report.	Petkim Integrated Annual Report
B.11	The increase or decrease in Company's environmental indicators as of the reporting year has been comparatively disclosed with previous years.	x				The increase or decrease in environmental indicators for the reporting year in comparison with prior years is shared in the Petkim Integrated Activity Report.	Petkim Integrated Annual Report Performance Indicators



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
B. Environmental Principles							
B.12	Short and long-term targets to mitigate environmental impact are set and these targets are announced together with the information on their progress in relation to the goals set in the past years.	x				Short, medium and long-term targets have been determined to reduce environmental impacts, and these targets are shared in the Petkim Integrated Activity Report.	Petkim Integrated Annual Report Sustainability Strategy
B.13	A strategy to fight the climate crisis has been created and planned actions have been announced to the public.	x				In Petkim's operations, environmental protection is a priority and combating climate change is of utmost importance. Within the framework of SOCAR Türkiye's sustainability principles, approaches such as optimum use of resources, energy efficiency and turning to clean energy sources are adopted. In addition, a holistic and preventive environmental strategy is being developed that aims to minimize environmental impacts.	Petkim Integrated Annual Report Fight Against Climate Change Risks
B.14	Programs or procedures have been established and publicly disclosed to prevent or minimize potential negative environmental impacts of products and/or services.		x			In Petkim, the contents regarding energy efficiency and the use of requested materials (PR) in the purchasing processes of SOCAR Türkiye and its subsidiaries are determined in the Green Procurement Policy, Proposal Evaluation MM Procedure, MM Stock Availability Control and PR Creation Procedures, and the practices are carried out within these scopes.	Petkim Integrated Annual Report Supply Chain Sustainability
	Actions have been taken to reduce greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been announced to the public.		x			There are no actions taken by third parties (e.g. suppliers, subcontractors, dealers, etc.) to reduce greenhouse gas emissions.	Petkim Integrated Annual Report Sustainability Principles Compliance Report and Information Form
B.15	The environmental benefits/gains and cost savings provided by initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.	x				The environmental benefits/gains and cost savings provided by initiatives and projects aimed at reducing environmental impacts are shared in the Petkim Integrated Activity Report.	Petkim Integrated Annual Report We Are Together in the Fight Against Climate Change
B.16	The total energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling) data are disclosed to the public as Scope-1 and Scope-2.	x				Energy consumption data are shared in the Petkim Integrated Activity Report as Scope-1 and Scope-2.	Petkim Integrated Annual Report Greenhouse Gas Emissions and Air Quality / Performance Indicators



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
B. Environmental Principles							
B.17	Information on electricity, heat, steam and cooling generated in the reporting year is disclosed to the public.				x	No information is disclosed on electricity, heat, steam and cooling generated in the reporting year.	Petkim Integrated Annual Report Sustainability Principles Compliance Report and Information Form
B.18	Efforts undertaken to increase the use of renewable energy and transition to zero or low carbon electricity have been disclosed to the public.	x				In line with the Refinery and Petrochemical Business Unit Energy Policy along with the mission, vision, corporate values and basic principles, Petkim is committed to effectively manage energy consumption and develop longterm, sustainable and safe production methods with high energy efficiency. Improving energy performance is prioritized when designing the facilities, systems and processes. Thereupon raw materials, products and services are provided with effective energy efficiency. The processes are improved through continuous internal audits and it is aimed to popularize the use of renewable energy in electricity generation through wind energy investments.	Petkim Integrated Annual Report Energy Efficiency
B.19	The renewable energy generation and consumption data are disclosed to the public.	x				The renewable energy generation and consumption data are disclosed in Petkim Integrated Annual Report.	Petkim Integrated Annual Report Energy Efficiency/ Performance Indicators
B.20	Energy efficiency projects were carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects was disclosed to the public.	x				Energy efficiency projects were carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects was disclosed in the Petkim Integrated Annual Report.	Petkim Integrated Annual Report Energy Efficiency
B.21	Water consumption, the amount of water withdrawn from underground or above ground, if any, recycled and discharged, sources and procedures have been publicly disclosed.	x				Water consumption, the amount of water withdrawn from underground or above ground, if any, recycled and discharged, sources and procedures have been disclosed in the Petkim Integrated Annual Report.	Petki Integrated Annual Report Water Quality and Wastewater Management
B.22	Whether the operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax) has been disclosed to the public	x				As the legal regulation processes regarding the carbon pricing system are still ongoing in Türkiye, there is no carbon pricing system in which Petkim is involved.	Petkim Integrated Annual Report Sustainability Principles Compliance Report and Information Form
B.23	The carbon credit information accumulated or purchased during the reporting period is disclosed to the public.				x	No carbon credit has been accumulated or purchased during the reporting period.	Petkim Integrated Annual Report Sustainability Principles Compliance Report and Information Form



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
B. Environmental Principles							
B.24	If carbon pricing is applied within the Group, the details are disclosed to the public.		x			Petkim aims to develop an internal carbon pricing approach in its future investments to effectively integrate decarbonization and reduce risks caused by potential regulations.	Petkim Integrated Annual Report Sustainability Strategy
B.25	Platforms where the Group discloses its environmental information have been publicly disclosed.	x				Petkim discloses its environmental information to the public in the Sustainability Principles Compliance Report, Integrated Activity Report and SOCAR Integrated Report.	Petkim Integrated Annual Report We are Together in the Fight Against Climate Change
C. Social Principles							
C1. Human Rights and Employee Rights							
C.1.1	A Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Türkiye and other relevant legislation, the responsible persons for the implementation of the policy have been determined	x					Petkim Integrated Annual Report Human Rights
C.1.2	Considering the supply and value chain impacts, fair labour, improvement of labour standards, women's employment and inclusion issues (such as nondiscrimination on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) have been included in the policy on employee rights.	x					Petkim Integrated Annual Report Human Right



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
C. Social Principles							
C.1.3	Precautions taken throughout the value chain regarding the consideration of specific economic, environmental, and social factors such as low-income groups, women, or minority rights/ opportunities have been disclosed to the public.	x				The activities carried out by SOCAR Türkiye and its group companies are compatible with the United Nations Universal Declaration of Human Rights and the main conventions of the International Labor Organization. Petkim further expects its suppliers, customers and business partners to observe the norms in order to ensure that human rights are valued and respected in all operating decisions and processes. Employees' freedom of association, unionization and collective bargaining has been respected within the framework of respect for human rights. Forced labor, labor abuse, and child labor are prevented and no form of discrimination is permitted.	Petkim Integrated Annual Report Human Rights / Business Ethics
C.1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced labour and child labour have been disclosed to the public.	x				The activities carried out by SOCAR Türkiye and its group companies are compatible with the United Nations Universal Declaration of Human Rights and the main conventions of the International Labor Organization. Petkim further expects its suppliers, customers and business partners to observe the norms in order to ensure that human rights are valued and respected in all operating decisions and processes. Employees' freedom of association, unionization and collective bargaining has been respected within the framework of respect for human rights. Forced labor, labor abuse, and child labor are prevented and no form of discrimination is permitted.	Petkim Integrated Annual Report Human Rights / Business Ethics
C.1.5	Investments in employees (training, development policies), compensation, fringe benefits, right to form labour unions, work/life balance solutions and talent management issues have been included in the policy on employee rights.			x			Petkim Integrated Annual Report Employee Engagement and Wellbeing
	Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	x				Through the "Ethics HotLine" which is offered as an integrated facility for all SOCAR Türkiye group companies, to which Petkim is affiliated, employees can submit their complaints and feedback anonymously through official correspondence, e-mails, telephone and similar communication channels. Incoming notifications are regularly reviewed by, SOCAR Türkiye Compliance Department and complaints are referred to the relevant units to be resolved as soon as possible.	Petkim Integrated Annual Report Employee Engagement and Wellbeing
	Activities carried out during the reporting period to ensure employee satisfaction have been disclosed to the public.	x				Activities carried out during the reporting period to ensure employee satisfaction and survey results have been disclosed in the Petkim Integrated Annual Report.	Petkim Integrated Annual Report We are Together to Invest in People



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
C. Social Principles							
C.1.6	Occupational health and safety policies have been established and disclosed to the public .	x					Petkim Integrated Annual Report - HSE Management System
	Measures taken to prevent occupational accidents and to protect health as well as accident statistics have been disclosed to the public.	x					Petkim Integrated Annual Report Occupational Health and Safety
C.1.7	Personal data protection and data security policies have been established and disclosed to the public .			x		The projects and studies implemented within Petkim to ensure full compliance with personal data protection legislation are carried out meticulously, taking into account international standards and global best practices.	Petkim Integrated Annual Report Business Continuity and Crisis Management
C.1.8	Ethics policy has been established and disclosed to the public.	x				SOCAR Türkiye Code of Ethics has been constituted based on core values such as trust, agility, inclusion, efficiency, passion and obligation. Petkim further adopts these principles and applies them in all its operations.	Petkim Integrated Annual Report Ethics and Compliance
C.1.9	Activities regarding social investment, social responsibility, financial inclusion and access to finance has been disclosed.			x		The Corporate Social Responsibility (CSR) Procedure constituted by SOCAR Türkiye has been implemented in all group companies, including Petkim, as of 2021. In this context, Petkim undertakes projects in the fields of environment, health, education and sports.	Petkim Integrated Annual Report We are Together for Social Responsibility
C.1.10	Informative meetings and training programs were held for the employees on ESG policies and practices.	x				Training programs addressing the employees on ESG Policies and Practices have been organized within SOCAR Türkiye. Legally required trainings and projects and vocational training processes are organized for to enable the employees to gain professional qualifications.	Petkim Integrated Annual Report Employee Training and Talent Development
C2. Stakeholders, International Standards and Initiatives							
C.2.1	A customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public	x				Ethical whistle blowing channels, suggestions and complaints systems are accessible to employees as well as contractors, suppliers and the local community. Complaints and suggestions submitted through these channels are carefully handled and finalized. SOCAR Türkiye and its subsidiaries generate benefits by developing studies/projects aimed at providing urgent solutions and local contributions to social needs in the provinces of İzmir, Istanbul, Bursa and Kayseri where they operate. With the screens developed on the portal, the customers are allowed to instantly communicate their requests, complaints and feedback and subsequently track the status of their complaints. These screens further enabled to systematically calculate customer satisfaction and to improve the relationships.	Petkim Integrated Annual Report – Customer Solutions



PRINCIPLE	COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK	
	YES	NO	PARTLY	NOT RELEVANT			
C2. Stakeholders, International Standards and Initiatives							
C.2.2	Information on communication with stakeholders (which stakeholder, subject and frequency) has been disclosed to the public.	x				Petkim implements a transparent, participatory and two-way communication approach in stakeholder communication as a basic principle. Although it is essential to strengthen communication with all stakeholders, stakeholders with whom communication is frequent include customers, shareholders and investors, public institutions and local governments, trade unions, suppliers and contractors, professional associations and non-governmental organizations, financial institutions, educational institutions, the media and local communities. In this regard, various channels are actively used while communicating with the employees and external stakeholders. Petkim systematically communicates through various tools such as corporate intranet, in-house surveys, e-mail, e-bulletins, corporate TV, posters and banners, reputation and satisfaction surveys, training practices, performance management system, interviews, working groups, complaint and suggestion systems.	Petkim Integrated Annual Report Customer Solutions
C.2.3	International reporting standards adopted in the reporting processes have been explained.	x				Petkim Integrated Annual Report has been prepared in accordance with the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI), taking into account the IFRS S1 and S2 frameworks published by the International Accounting Standards Board (IASB) and which constitute the pillars of the Türkiye Sustainability Reporting Standards ("TSRS"). The principles of the United Nations Global Compact (UNGC), to which Petkim has been a signatory since 2021, were also taken into account in the report content.	Petkim Integrated Annual Report - Interaction with Stakeholders
C.2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member have been disclosed to the public.	x				Petkim has been a signatory of the UN Women's Empowerment Principles, a joint initiative of UN Women and UN Global Compact, since 2021. Petkim has successfully attained the membership to the United Nations Global Compact (UNGC).	Petkim Integrated Annual Report
C.2.5	Developments have been made and studies have been carried out to be included in the sustainability indices of Borsa Istanbul and/ or international index providers.	x				Petkim is the only subsidiary of SOCAR Türkiye whose shares have been offered to the public and its shares are traded on Borsa İstanbul. Based on the projects undertaken within the scope of sustainability management, Petkim has been included in the BIST Sustainability Index, which was launched by Borsa İstanbul in 2014 and determined by evaluating companies every year, S&P Global, FTSE Russell, Fortune Türkiye and Criff Türkiye.	Petkim Integrated Annual Report Sustainable Economic Value Created



PRINCIPLE		COMPLIANCE STATUS				DESCRIPTION	REPORT/ LINK
		YES	NO	PARTLY	NOT RELEVANT		
D. Corporate Governance Principles							
D.1	Beneficiaries' opinions have been consulted in determining the measures and strategies in the field of sustainability.	x				<p>Petkim's Sustainability Strategy focuses on meeting the expectations of the stakeholders and creating a positive impact within the framework of the United Nations Sustainable Development Goals (SDGs). Effectively managing social, economic and environmental impacts by creating value for people, society and the environment constitutes the pillars of this strategy.</p> <p>The comprehensive prioritization analysis conducted in 2022 enabled Petkim to obtain valuable feedback by interacting with its stakeholders. Based on this analysis, the priorities in environmental, social and governance areas have clearly been determined by taking into account the expectations of a wide range of stakeholders from the customers to employees, suppliers and society.</p> <p>In 2024, the findings of the prioritization analysis conducted in the previous two years were examined in more detail and the priority issues were re-evaluated to reflect changing social and environmental concerns along with global and sectoral trends.</p>	<p>Petkim Integrated Annual Report</p> <p>Sustainability Strategy / Our Sustainability Priorities</p>
D.2	Social responsibility projects, awareness raising events and trainings were carried out to raise awareness about sustainability and its importance.	x				<p>Social responsibility projects were undertaken.</p>	<p>Petkim Integrated Annual Report</p> <p>Corporate Social Responsibility</p>



Dictionary of Technical Terms

A

ACN

Acrylonitrile

AYPE

Low Density Polyethylene

B

BDX

Butadiene - 1,3

BIST

Borsa İstanbul

C

Carbon Border Adjustment Mechanism (CBAM)

A regulatory carbon tax or fee levied on products imported into a particular country or region to encourage the reduction of carbon emissions.

CBR

Cis Polybutadiene Rubber

CCPS

Center for Chemical Process Safety

CCUS

Carbon Capture, Utilization and Storage

CDP

Carbon Disclosure Project is an initiative launched in 2000 and aims to bring together and disclose information that will help companies, investors and governments take action on climate change

CEMS

Continuous Emission Measurement Systems

CMB

Capital Markets Board

CRM

Corporate Risk Management

CS

Carbon Black

Circular Economy

Unlike the linear economic model, the circular economy is an economic approach that aims to use resources effectively, to reduce the amount of waste and to recycle materials as much as possible.

D

Digital Transformation

The process of transforming business processes, corporate culture and customer experiences with digital technologies.

E

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization

EIA

Environmental Impact Assessment

EOQ

The European Organization for Quality

EMRA

Energy Market Regulatory Authority

Enterprise Resource Planning Project (ERP)

An integrated information system that allows businesses to manage their resources effectively.

ESG

Environmental, Social and Governance

Ethylene

A hydrocarbon that is one of the basic building blocks of the petrochemical industry and is usually produced by steam cracking.

G

GCC

Global Carbon Council

GDRE

General Directorate of Renewable Energy

GIS

Geographic Information System

GMP

Good Manufacturing Practices

GRI

The Global Reporting Initiative is an international organization that provides standards and principles for organizations to measure and report their sustainability performance.

H

HAZOP (Hazard and Operability Study)

A detailed technique used to systematically conduct a risk assessment of the safety and operational effectiveness of a facility or process.

HDPE

High Density Polyethylene

HSE

Health, Safety and Environment

HSE

Occupational Health Safety – Environment



I-I

IASB

International Accounting Standards Board

IEA

International Energy Agency

IFC

International Finance Corporation

IFRS

International Financial Reporting Standards

IMO

International Maritime Organization

IoT

Internet of Things

IPPC

Integrated Pollution Prevention and Control

I-REC

International Renewable Energy Certificate

ISO

International Standards Organization

(ISCC) International Sustainability and Carbon Certification

A certification that confirms the compliance of products and raw material sources with sustainability standards.

IT-OT

Information Technologies-Operational Technologies

K

KRI

Key Risk Indicators

L

Layers of Protection Analysis (LOPA)

A semi-quantitative risk analysis method that evaluates the effectiveness of individual layers of protection designed to reduce risks in industrial processes

LPG

Liquid Petroleum Gas

M-N

MARPOL

The International Convention for the Prevention of Pollution from Ships

MOC

Process Safety Management of Change

Nafta

A light hydrocarbon mixture obtained through petroleum distillation, which is an important raw material in the petrochemical industry.

NGO

Non-Governmental Organizations

Net Zero Emission

An environmental goal in which an organization aims to offset the amount of greenhouse gases it releases into nature through various means (e.g. through carbon capture or emission reduction projects), thereby reducing net greenhouse gas emissions to zero.

O

Open Innovation

An innovation strategy in which companies aim to develop new products, services or business models by integrating ideas and solutions from external sources with internal innovation processes.

OSHA

Occupational Safety and Health Administration

P

P&ID

Process and Instrumentation Diagram

PET

Polyethylene Terephthalate

PFI

Periodic Field Inspections

Polypropylene (PP)

A light and durable type of plastic produced from propylene.

Propylene

A hydrocarbon that is an important petrochemical product and is used in the production of plastics, solvents, and other chemicals.

PS

Polystyrene

PTA

Pure Terephthalic Acid

PVC

A polymer produced from chlorine and ethylene and used in many areas such as pipe construction, medical devices and flooring.



R

RCA

Root Cause Analysis

R&D

Research and Development

RES

Rüzgar Enerji Santrali

ROI

Wind Power Plant

RTLS

Real Time Location System

S

SASB

Sustainability Accounting Standards Board

SBR

Styrene Butadiene Rubber

SPPSolar Power Plant

Sustainable Development Goals (SDGs)

A development agenda set by the United Nations consisting of 17 goals aimed at ending global poverty, protecting the planet and ensuring peace and prosperity for all by 2030.

T

TEİAŞ

Turkish Electricity Transmission Corporation

TOE

Energy measurement unit meaning "Tonne of Oil Equivalent." This unit allows different energy sources or energy consumption to be expressed in a comparable way in terms of the amount of energy contained in one ton of crude oil. .

TEU

"Twenty-foot Equivalent Unit" is a standard unit of measurement used in container transportation.

TS

Turkish Standards

TSI

Turkish Standards Institution

TSRS

Turkish Sustainability Reporting Standards

TCC

Turkish Commercial Code

U

UN WEPs

The United Nation's Women's Empowerment Principles is a guide based on seven principles designed to support the empowerment of women in business.

UNGC

The United Nations Global Compact is an initiative that adopts and implements ten basic principles in the business world on human rights, labor rights, environment and anti-corruption.

V

Value Chain

A comprehensive business model that includes every step, starting from the development of a product or service, from the supply chain to the procurement of raw materials, from production to distribution, from marketing to sales and finally to delivery to consumers.

VCM

Vinyl Chloride Monomer

VOC

Volatile Organic Compounds

W

WEC

World Energy Council

WEF

World Economic Forum



Contact Information

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Sürdürülebilirlik Raporlaması ve Tasarım Danışmanlığı

Deloitte Türkiye Sürdürülebilirlik Hizmetleri (deloitte.com)

