

SUSTAINABILITY REPORT 2025

BROADENING IMPACT *with* ACCOUNTABILITY



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MESSAGE FROM THE PRESIDENT

Dear stakeholders,

The global energy sector continued to evolve rapidly in 2025, shaped by changing market dynamics and growing expectations for climate performance. At SOCAR, we view these priorities as closely interconnected. Our role is not only to create economic value and support energy security, but also to operate safely, transparently, and with a clear commitment to long-term sustainable development.

Throughout the year, we remained focused on operational resilience, disciplined execution, and the steady advancement of our strategic priorities. We maintained stable operations across our portfolio, supported reliable energy supply to our markets, and continued to strengthen SOCAR's position as an integrated energy company operating in a rapidly changing environment.

In line with these priorities, we continued to diversify our portfolio through selected investment decisions, partnership agreements, and progress across upstream, downstream, midstream, and renewable energy activities. These efforts support the development of a more flexible, lower-carbon, and internationally connected business. In this context, the acquisition of a 10% stake in the Tamar field in the Eastern Mediterranean marked our entry into a new upstream region, while the agreement to acquire 99.82% of the shares of Italiana Petroli in Italy represents an important step in strengthening our downstream presence

in Europe. We also expanded cooperation with international partners across petrochemical and energy transition projects.

As geopolitical tensions continue to contribute to market volatility and price fluctuations, ensuring a reliable and accessible energy supply remains a critical priority for the global energy sector. As we continue to strengthen energy security, we are expanding investments that support the energy transition. SOCAR Green LLC plays an important role in advancing this objective. A significant milestone in this regard was SOCAR's entry into sustainable finance through the issuance of USD 200 million in green bonds in 2025. The proceeds are intended to support renewable energy projects and investments through SOCAR Green LLC. We view this not only as a financing instrument, but also as a clear demonstration of our commitment to aligning investment decisions with long-term sustainability objectives.

At the same time, we continued efforts to integrate sustainable solutions into our operations. Across our operations, we continued advancing initiatives in biofuels, carbon utilization, and digital technologies that improve operational efficiency while supporting lower-carbon energy solutions.

Climate action remains an important part of SOCAR's long-term direction. At the same time, we recognize that sustainable development extends beyond environmental performance alone. It also includes the health and safety of our people, investment in capabilities, responsible engagement with communities, and strong standards of ethics, compliance, and accountability. We remain committed to strengthening these areas as an integral part of how SOCAR operates and creates long-term value.

This approach is guided by Azerbaijan's Nationally Determined Contribution (NDC 3.0). As a key participant in the oil and gas sector, we recognize our direct impact on national emissions targets. The NDC establishes a clear framework, including a 40% reduction target by 2035 and priorities such as methane reduction, flaring minimization, and the deployment of low-carbon technologies.

Our progress during the year was also reflected in external assessments. In 2025, SOCAR received an ESG Entity Rating from Sustainable Fitch, following the ESG assessment by MSCI in the previous year. While these assessments are based on different methodologies, they provide important external reference points and reflect continued progress in strengthening risk management, improving transparency, and integrating sustainability considerations into our strategy and decision-making processes.

Our priority for the future remains to balance energy security, operational resilience, strategic growth, and sustainability practically and responsibly. We recognize that expectations will continue to evolve, and we welcome the responsibility that comes with operating in a transforming energy landscape. Our goal remains to deliver measurable progress, greater transparency, and long-term value for all our stakeholders.

Rovshan Najaf
President of SOCAR



ABOUT THE REPORT

The State Oil Company of Azerbaijan Republic (hereinafter “SOCAR” or “the Company”) presents its 15th Sustainability Report (the “Report”). The Report covers sustainability performance for the year ended 31 December 2025 and is published in 2026. It is designed to provide stakeholders with transparent, consistent, and decision-useful information on the Company’s environmental, social, and governance (ESG), as well as economic performance.

The objective of this Report is to present measurable progress, material impacts, and forward-looking priorities in a structured and internationally comparable approach. The 2025 Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, including GRI 11: Oil and Gas Sector 2021, which addresses sector-specific risks and impacts. GRI Standards serve as the primary reporting framework, while the Report also incorporates guidance from other frameworks:

- UN Global Compact Ten Principles;
- UN Sustainable Development Goals (SDGs);
- Sustainability Accounting Standards Board (SASB) Standards for the Oil and Gas Industry.

In 2025, the Company also applied a double materiality assessment aligned with the principles

of the European Sustainability Reporting Standards (ESRS) to identify and prioritize material sustainability matters from both impact and financial perspectives. Further information on the methodology, process, and outcomes of this assessment is provided in a dedicated section of this Report. The combined application of these frameworks provides consistency, comparability, and relevance of disclosures, supporting the analytical review for all stakeholders across the globe.

This Report presents consolidated sustainability performance information for SOCAR’s operations in the Republic of Azerbaijan and its international subsidiaries. Unless otherwise stated, references to “SOCAR” or “SOCAR (Azerbaijan)” relate to operations within the Republic of Azerbaijan, covering entities fully owned (100%) and directly included in the Head Office’s structure. Where relevant (e.g., greenhouse gas emissions), the reporting boundary may also include entities in which SOCAR has partial ownership or operational influence. The applied boundary is specified in the respective sections. References to “SOCAR Group” or “SOCAR Global” encompass both domestic and international operations that fall within the defined reporting boundary and are under the Company’s operational control. Within this Report, “SOCAR Türkiye” refers to the Company’s operations in Türkiye, including Petkim, STAR Refinery, SOCAR Terminal, SOCAR Depolama, and the Corporate Headquarters, unless otherwise stated.

The scope of disclosure includes SOCAR’s operations in Azerbaijan as well as key international

subsidiaries. These subsidiaries represent the most material international operations in terms of scale, risk exposure, and ESG impact:

- SOCAR Türkiye Enerji A.Ş., including Petkim Petrokimya Holding A.Ş., and STAR Rafineri A.Ş
- SOCAR Energy Georgia LLC;
- SOCAR Energy Ukraine LLC;
- SOCAR Energy Holdings AG, including SOCAR Energy Austria GmbH and SOCAR Energy Switzerland GmbH;
- SOCAR Trading SA.

In line with the Company’s commitment to progressively enhancing transparency and reporting completeness, the 2025 reporting boundary has been expanded to include SOCAR Trading SA for the first time, ensuring more comprehensive coverage of the Group’s commercial activities and risk profile. SOCAR Trading SA contributed approximately 58% of Group revenue in 2025. This expansion was made to improve the representativeness and coverage of the Group’s consolidated ESG disclosures. All data relating to international operations has been collected, reviewed, and validated in coordination with the respective subsidiaries, ensuring consistency with the Group’s reporting methodology, internal control framework, and data governance procedures.

Given the diversified structure of SOCAR’s portfolio, certain differences may arise between sustainability indicators presented in this Report and standalone disclosures published by individual subsidiaries (e.g.,

SOCAR Türkiye). These differences primarily result from variations in accountability boundaries and operational units included within respective reporting frameworks. SOCAR applies a consolidated reporting approach aligned with its internal governance and control structure, where material topics, boundaries, or methodologies differ from previous reporting periods, explanations are provided in the relevant sections to ensure transparency and year-on-year comparability.

The Sustainability Report is reviewed and approved annually by the Company’s Executive Board, reinforcing Board-level oversight of ESG performance and disclosures. To ensure reliability and accuracy, relevant data is reviewed and validated by responsible business units, internal controls are applied across reporting entities, and an independent limited external assurance engagement has been conducted.

The independent assurance statement confirms that the Report complies with applicable international reporting standards, that material topics are appropriately addressed, and that disclosed information is accurate and reliable. Any forward-looking statements have been prepared based on the information available to the Company as of the reporting date and should not be considered definitive, as they remain subject to change due to the evolving scope of operations, shifts in geographic presence, and broader socioeconomic developments.

THE HISTORY IN BRIEF

1846

The world's first industrial oil well was drilled in the Bibiheybat settlement of Baku, where oil was produced from a depth of 21 meters, 13 years prior to the drilling of the first oil well in the United States.

1941-1945

In the first year of World War II, Azerbaijan supplied 23.5 million tons of oil. In total, 75 million tons of Baku oil reached the front, with 90% of military aviation fuel produced by Baku refineries.

1992

By presidential decree, the State Oil Company of Azerbaijan Republic (SOCAR) was established on the basis of the Azerineft State Concern and Azerneftkimya Production Union.

1998

The Ankara Declaration provided political support and strategic momentum for the implementation of the Baku-Tbilisi-Ceyhan (BTC) pipeline project.

2020

For the first time in history, Azerbaijani natural gas was delivered directly to European markets. On March 19, SOCAR and Equinor also confirmed the discovery of the Garabagh oil field - the first oil field discovered after Azerbaijan regained its state independence.

1875

The Nobel brothers - Robert, Ludvig, and Alfred - began their operations in Azerbaijan's oil industry.

1949

Oil Rocks became the world's first offshore oil field developed in the open sea.

1994

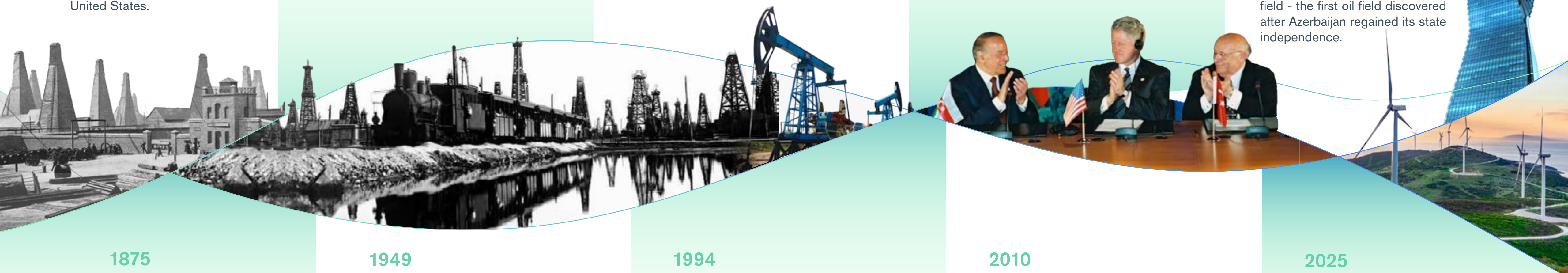
Under the leadership of National Leader Heydar Aliyev, the Production Sharing Agreement for the joint development of the Azeri and Chirag fields and the Deepwater portion of the Gunashli field in Azerbaijan's sector of the Caspian Sea was signed.

2010

The "Umid" gas and condensate field was discovered.

2025

SOCAR signed an agreement to acquire 99.82% stake in Italiana Petroli, gaining major refining capacity and a nationwide network of around 4,600 fuel stations in Italy. This marks SOCAR's largest international deal, significantly expanding its presence in the European downstream market.



SOCAR AT A GLANCE

SOCAR is the national oil company of the Republic of Azerbaijan and plays a central role in the country's energy sector. The Company operates across Azerbaijan and maintains a significant international presence, including in Türkiye, Georgia, Romania, Switzerland, Austria, Ukraine, and Italy.

As a vertically integrated energy company, SOCAR's value chain starts from exploration and production to processing, transportation, marketing, refining, petrochemicals, and related energy activities.

This integrated model supports operational continuity, cost efficiency, and supply reliability across domestic and export markets.



MISSION

Our mission is to contribute to sustainable development and energy security locally, regionally, and internationally by enhancing our rich experience in oil and gas operations with modern technology and know-how.



VISION

We aim to become a leading energy company by developing our operations through energy transition, innovation, and digitization.



Care



Continuous Development



Accountability



One Team



Safety

SIGNIFICANT INITIATIVES MADE IN 2025

01. Renewable Capacity Development and Decarbonization

The 445 MW Bilasuvar Solar PV project achieved financial close and advanced construction, and the 240 MW Shafag Solar PV project reached FID ahead of 2027 commissioning.

02. Green Finance

SOCAR issued and started trading of \$200 million in green bonds to support the development of renewable energy projects, marking a significant step in advancing the Company's sustainable financing agenda and low-carbon transition.

CONTRIBUTION TO THE MISSION & VISION



Diversifies energy portfolio, reduces carbon intensity, and strengthens long-term energy security aligned with transition strategy.



Advances low-carbon transition by funding renewable energy projects and strengthening long-term financial sustainability.

SOCAR is an energy company operating across the oil, gas, petrochemicals, transportation, trading, and renewable energy value chain. The Company is strengthening the integration of ESG factors into business planning, risk management, and capital allocation to support long-term value creation.

Through ongoing digital transformation, SOCAR has improved ESG data quality, consistency, and traceability across the Group. The reporting framework incorporates sector-specific indicators aligned with GRI and SASB standards, with selected metrics subject to external assurance.

In 2025, SOCAR conducted a Double Materiality Assessment to identify the most relevant ESG topics from both an impact and financial perspective, covering SOCAR's environmental and social impacts as well as sustainability-related risks and opportunities affecting enterprise value. The indicators presented below reflect the most material topics identified and form the basis of SOCAR's ESG disclosures and reporting framework.



Net Profit
2,949
Million AZN



Total GHG Emissions
17.1
Million tonnes of CO_{2e}



LTIR
0.07
per 200,000 working hours in
SOCAR (Azerbaijan)



Oil Export
3,088
Thsd tonnes



Upstream Methane Intensity¹
2.5
%



Corruption Cases
0
by the end of 2025



Gas Export
2,895
Million m³



Total Employees
70,159
for Group, excluding JVs
and affiliates



Internal Renewable Generation
132,211
MWh, SOCAR Group

1. Calculated on an operational control basis.

SOCAR TÜRKİYE

SOCAR Türkiye operates across refining, petrochemicals, natural gas, logistics, and energy infrastructure. As Türkiye's largest foreign direct investor, it has built a highly integrated energy value chain through strategic assets including Petkim, STAR Refinery, and TANAP, supporting Türkiye's energy security and industrial development.

SOCAR ENERGY GEORGIA

Established in 2006 as SOCAR's first international subsidiary, SOCAR Energy Georgia is engaged in the import, wholesale, and retail distribution of oil and gas products, as well as natural gas supply.

SOCAR ENERGY UKRAINE

Operating since 2008, SOCAR Energy Ukraine distributes petroleum products, natural gas, and aviation fuel in wholesale and retail. With over 50 premium fuel stations nationwide, it remains committed to reliable service and supporting local communities despite ongoing challenges in Ukraine.

SOCAR ENERGY SWITZERLAND

Headquartered in Switzerland, SOCAR Energy Switzerland focuses on fuel retail operations across Switzerland and Austria. Through its network of service stations, the company provides high-quality fuels, convenience retail services, and customer-focused energy solutions.

SOCAR TRADING

SOCAR Trading is SOCAR's international marketing arm, established in 2007 and headquartered in Geneva, Switzerland. As the main supplier of Azeri Light crude oil, it trades crude, refined products, LNG, natural gas, and carbon products through offices in Geneva, London, Singapore, Dubai, and Houston.



BAKU-TBILISI-CEYHAN PIPELINE

The BTC pipeline transports crude oil and condensate mainly from Azerbaijan's ACG and Shah Deniz fields to global markets via Ceyhan.

In 2025, around 27 million tonnes of oil were exported via 283 tankers.

SOUTH CAUCASUS PIPELINE

SCP transports natural gas from the Shah Deniz field in Azerbaijan through Georgia to Türkiye. It facilitates the export of Caspian natural gas to regional and international markets while supporting energy diversification and security. In 2025, 23.2 bcm of natural gas was exported through the SCP.

TANAP

Transports natural gas from Shah Deniz Phase 2 and other Caspian fields across Türkiye, forming the central section of the SGC. Extending from the Georgian-Turkish border to the western border of Türkiye, it connects with the TAP and supports long-term energy supply reliability. In 2025, 17.04 bcm of natural gas was transported through TANAP for export to European and regional markets.

TAP

Completes the SGC by transporting natural gas from the Türkiye-Greece border through Northern Greece and Albania, across the Adriatic Sea, and into Southern Italy, where it connects to the Snam Rete Gas network. By providing an additional supply route, TAP strengthens energy security and market resilience across Southern Europe. In 2025, 11.04 bcm of natural gas was delivered to European markets through TAP.

INTERNATIONAL FOOTPRINT

In 2025, we continued to optimize our operations while expanding our asset base. In this context, three major acquisitions were made during the reporting period. Beyond strengthening our portfolio, these transactions enhanced our capacity to ensure a stable and reliable energy supply, reinforcing our contribution to long-term energy security.

- **Italiana Petroli (Italy, downstream & retail)** – In September 2025, SOCAR signed an agreement to acquire 99.82% of Italiana Petroli S.p.A. and MIP S.p.A. from API Holding, gaining control of one of Italy's largest fuel station networks and related logistics assets, and strengthening its downstream presence in Europe.
- **GAMA Enerji CCGT Plant (Türkiye, gas-to-power)** – In December 2025, at the 2nd Azerbaijan–Türkiye Investment Forum, SOCAR Türkiye Enerji agreed to acquire 100% of an 870 MW combined-cycle gas turbine power plant in Central Anatolia from Gama Enerji, reinforcing SOCAR's integrated gas-to-power value chain in Türkiye.
- **Tamar Gas Field (Israel, upstream)** – On 31 January 2025, SOCAR signed an agreement with Union Energy to acquire an effective 10% stake in the offshore Tamar gas field through stakes in Union Energy and Tamar Petroleum, marking its entry into Mediterranean upstream gas projects.

OTHER SOCAR TRADING'S OFFICES



ESG PERFORMANCE HIGHLIGHTS

In 2025, SOCAR and its international subsidiaries delivered measurable progress across key Environmental, Social, and Governance priorities. The highlights presented below reflect a selection of the most significant initiatives and outcomes

achieved both at the Head Office level in Azerbaijan and across different geographies – from methane-reduction projects in the Caspian basin to renewable diesel pilots in Switzerland and biodiversity protection in Indonesia.

EXTERNAL ESG RATINGS

8

S&P · MSCI · Fitch · FTSE · LSEG · EcoVadis · BIST · WEF

METHANE ABATED

44.5 KT

CH₄ reduction vs. 2024 (LDAR programme)

STAKEHOLDERS ENGAGED

1,100+

First ESRS-aligned double-materiality assessment

GEOGRAPHIES COVERED

9

Azerbaijan, Türkiye, Switzerland, Georgia, Ukraine, the UK, the UAE, the USA, Singapore

EXTERNAL ESG RATINGS & RECOGNITION

SOCAR (AZERBAIJAN)

HEAD OFFICE

S&P Global CSA

Rated

2025 Non-disclosure

MSCI ESG Rating

Rated

2025 Non-disclosure

Fitch ESG Score

3/5

2025 disclosure

First-ever Fitch ESG score

SOCAR TÜRKİYE

SUBSIDIARY - TR

S&P Global CSA:

45

1st in TR chemicals sub-sector

MSCI ESG Rating:

BB

2025 assessment

FTSE Russell:

3.9

Included in FTSE4Good

LSEG ESG Score:

74

Strong disclosure

BIST Sustainability 25

First & only petrochemical

SOCAR TRADING

SUBSIDIARY - GLOBAL

EcoVadis Sustainability

69/100

Four-point year-on-year improvement

Peer ranking

Top 12%

among rated industry

Silver-tier eligibility

SUSTAINABILITY HIGHLIGHTS BY GEOGRAPHY

SOCAR (AZERBAIJAN)



 44.5 kt CH₄ reduction vs. 2024 levels, achieved primarily through large-scale Leak Detection & Repair (LDAR) activities across onshore and offshore assets.

 14,580 kWh solar generation at the North Export Pipeline, plus 65 solar-powered systems installed across gas operations.

 Conducted its first ESRS-aligned double materiality assessment, identifying 120 ESG impacts, risks, and opportunities with input from over 1,100 stakeholders.

 Submitted its first methane emissions report under OGMP 2.0 in 2025, marking a key step in advancing methane emissions transparency.

 Launched the Methane AI platform in 2025 to centralize methane data management and support international reporting, including OGMP 2.0 submission.

SOCAR TÜRKİYE



 Established a net-zero target for Scope 1 and Scope 2 emissions by 2050.

 Decarbonisation projects prevented 52,000 tCO₂e; STAR flare optimisation cut a further 21,000 tCO₂e/year.

 Petkim projects delivered 356,000 Gcal in energy savings.

 ISCC CORSIA certification obtained for SAF standards.

 SAF, DAC, CO₂ capture, artificial photosynthesis & plastic-pyrolysis projects advanced through EU-supported programmes.

 STAR Refinery remained in the WEF Global Lighthouse Network; SOCAR Türkiye named among Fast Company's Best 50 Workplaces for Innovators.

SOCAR TRADING



 Secured the first carbon certificates for the 2024 compliance period, generated through an LDAR-based emissions reduction project in Azerbaijan.

 Enabled issuance of the first internationally certified renewable carbon credits (Gold Standard) from hydropower plants in Lachin, marking a milestone for carbon markets in Azerbaijan.

 Implemented a financial incentive mechanism encouraging lower-carbon shipping, based on Energy Efficiency Operational Indicator (EEOI) and aligned with IMO 2050 decarbonization targets.

 Fleet of 9 vessels, EHS data collection and reporting initiated.

 Co-sponsored 2 biodiversity projects in Azerbaijan – Sturgeon and Caspian salmon release initiative; "Protect the Caspian Sea!" coastal clean-up initiative.

 "Regulatory Compass" developed to navigate sustainability regulations; shipping carbon-intensity target under assessment.

SOCAR ENERGY SWITZERLAND



Expanded low-emission mobility infrastructure by adding 20 EV charging stations for passenger vehicles and 1 for trucks across the network in 2025.



Introduced HVO100 renewable diesel, enabling up to 90% CO₂ emissions reduction compared to conventional diesel, available at 9 fuel stations.



Allocated CHF 12,286.50 to climate protection measures linked to 485,344 litres of fuel consumption, addressing approximately 1,214 tCO₂ emissions.



Supported the Maumere Bay Reef Project (Indonesia), contributing to coral reef restoration, biodiversity protection, and coastal ecosystem resilience.

SOCAR ENERGY GEORGIA



Started the process for the launch of the first fully electric EV charging station in the South Caucasus, featuring 4 units supporting simultaneous charging of up to 6 vehicles.



Solar generation reached 1.73 GWh across six stations, covering 11% of the company's total electricity consumption. The share of solar energy is targeted to increase to 40% by 2030.



Received Certificate of Appreciation from UN Women Georgia for 10 years of contribution to women's economic empowerment.

SOCAR ENERGY UKRAINE



"Embrace the Wings" project raised 2 million UAH to support mental well-being services.



Sustainable Development Policy for 2025–2026 approved and implemented.



In 2025, SOCAR Energy Ukraine launched the Shelter Project, involving the installation of mobile bomb shelters at selected fuel stations to protect employees and customers during missile and drone attacks, with priority given to locations closest to active conflict zones.

MAIN SUSTAINABILITY MILESTONES IN 2025

In 2025, SOCAR reached two important sustainability milestones. The implementation of two carbon offsetting projects resulted in a combined reduction of 63,697 tCO₂e, contributing to the Company's greenhouse gas emissions reduction efforts. During the year, SOCAR also introduced

the ESG Data Platform to centralize sustainability data and streamline reporting processes across the Company, enabling automated cross-checks, enhancing data traceability, and facilitating access to sustainability data for reporting and decision-making.

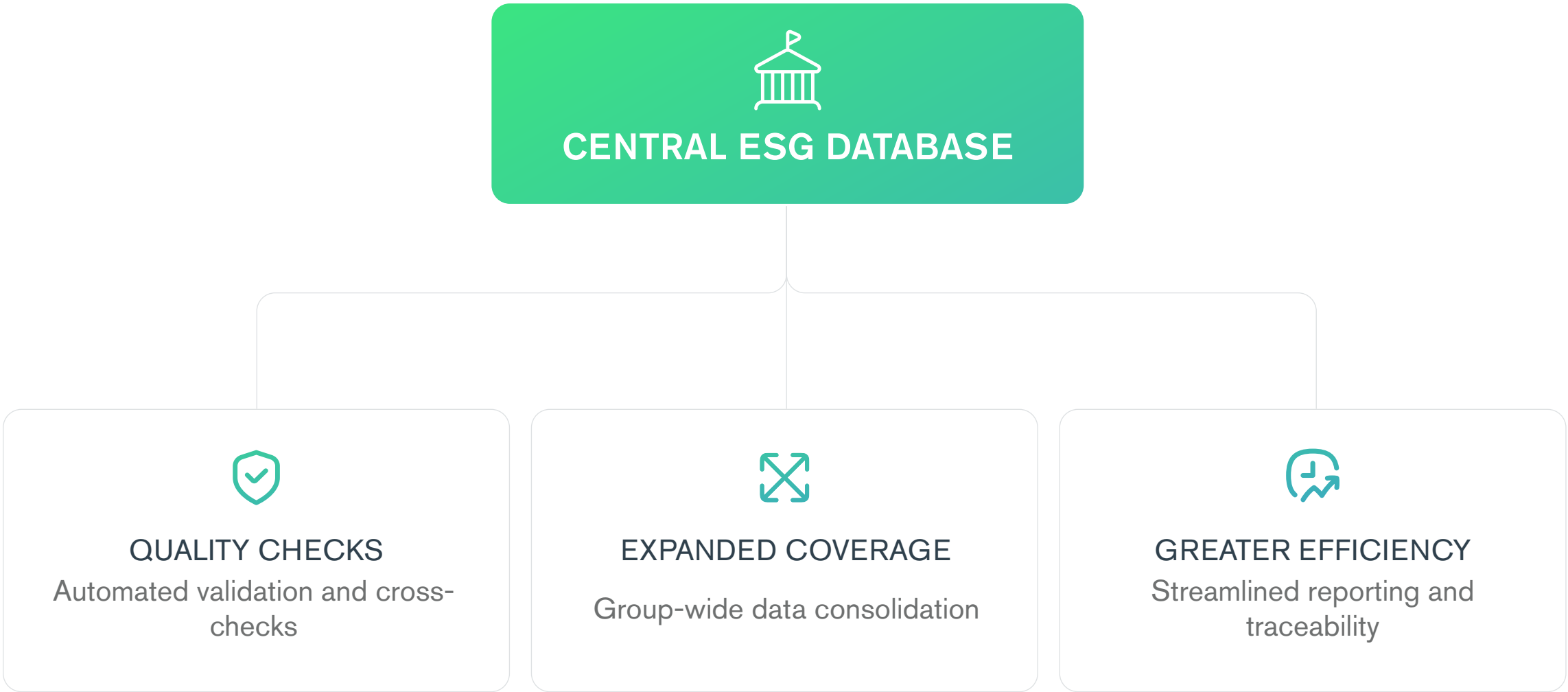
CARBON CREDIT PORTFOLIO OVERVIEW

	SOCAR Hydro Bundle-3	Advanced LDAR at Oil Rocks
Project type	Renewable energy generation	Methane emissions reduction
Location	Lachin district, Azerbaijan	Oil Rocks offshore field, Caspian Sea
Objective	Replace fossil-fuel electricity with 7.1 MW small-scale hydro generation	Implement systematic LDAR activities at upstream oil production facilities
Primary objective	Generate renewable electricity and reduce reliance on fossil-fuel-based power generation.	Reduce methane emissions through the detection, quantification and timely repair of leaks
GHG emissions reduction	5,872 tCO ₂ e Avoided via clean generation	57,825 tCO ₂ e Reduced upstream methane
Co-benefits	Energy security, local employment	Improved operational efficiency

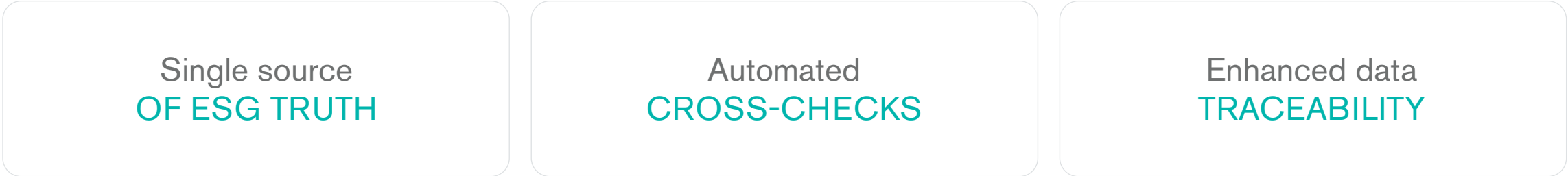
CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS



ESG DATA PLATFORM



Group-wide ESG Data Platform centralizes ESG data management, enhances data quality and transparency, and supports efficient sustainability reporting, assurance, and decision-making.



DOUBLE MATERIALITY ASSESSMENT

SOCAR's first Double Materiality Assessment marks an important step in strengthening the Company's sustainability governance and aligning its reporting practices with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). As a Wave 2 company – a non-EU parent with operations in the

EU – SOCAR is exposed to a broad spectrum of environmental, social, and governance impacts, as well as related financial risks and opportunities. The assessment provides a structured, forward-looking basis for identifying and prioritizing the sustainability topics most significant to our operations, stakeholders and long-term value creation.

IMPACT MATERIALITY

Captures SOCAR's actual and potential effects on the environment and society – including operational footprint, community outcomes, and value-chain impacts.

ENVIRONMENT · SOCIETY

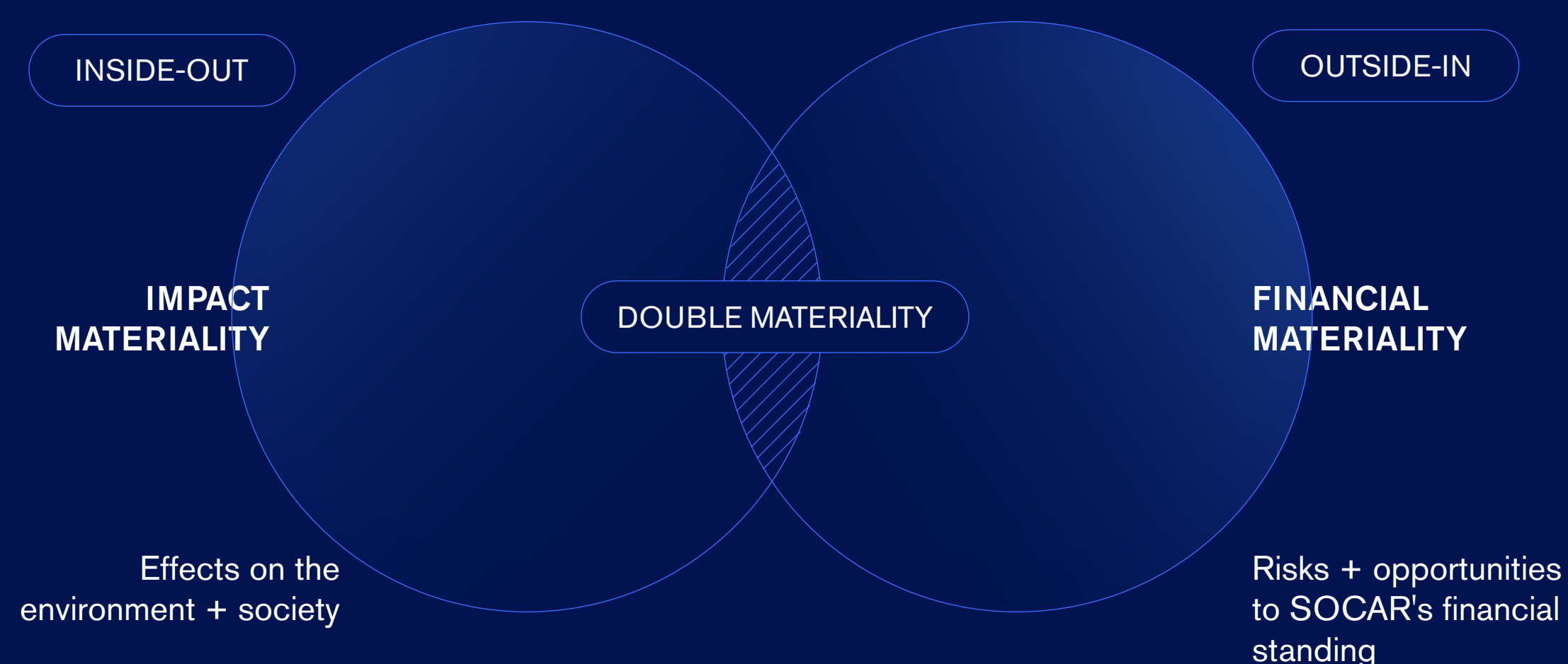
FINANCIAL MATERIALITY

Focuses on how sustainability-related issues influence SOCAR's financial performance, resilience, and access to capital.

PERFORMANCE · RESILIENCE · CAPITAL

TWO PERSPECTIVES · ONE ASSESSMENT

A TOPIC IS MATERIAL IF SIGNIFICANT FROM EITHER PERSPECTIVE – OR BOTH



EFRAE GUIDANCE · 2025 CYCLE

HOW THE ASSESSMENT WAS CONDUCTED

- SCOPING & CONTEXT**
Defined the assessment perimeter across SOCAR's vertically integrated operations and EU footprint, framed by CSRD and ESRS requirements.
- IRO LONG LIST**
Developed 120 Impacts, Risks and Opportunities (IROs) through a cross-functional assessment process, informed by EFRAE topical standards and industry benchmarks.
- STAKEHOLDER ENGAGEMENT**
Engaged internal and external stakeholders to capture lived perspectives on impact, risk, and opportunity – emphasising methodological clarity and data quality.
- IMPACT & FINANCIAL SCORING**
Scored each topic on both perspectives – scale, scope and remediability for impact materiality; likelihood and magnitude horizon for financial materiality.

The process followed a structured sequence. It began with a detailed review of regulatory requirements, peer practices and internal documentation to define the scope and identify relevant sustainability subtopics. In line with the ESRS framework, SOCAR initially screened 37 sustainability subtopics and identified 23 as relevant for further analysis. Building on this foundation, SOCAR identified and assessed Impacts, Risks, and Opportunities (IROs) through cross-functional expert engagement, resulting in the development of 120

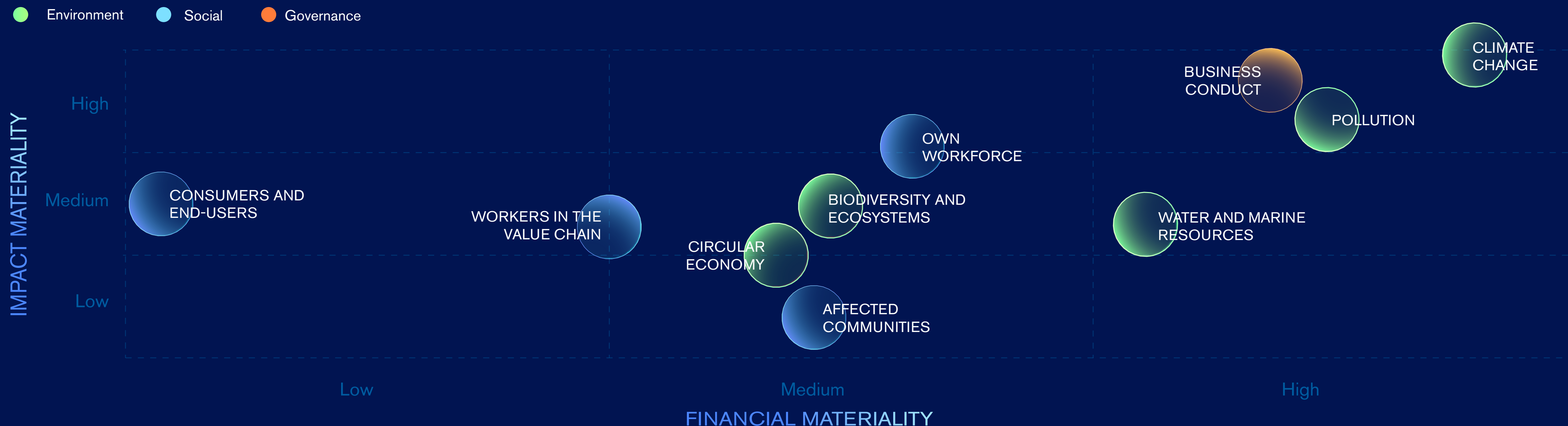
IROs across environmental, social, and governance dimensions. Stakeholder engagement formed a central pillar of the assessment. Internal and external stakeholders were engaged through dedicated workshops and surveys, enabling the incorporation of diverse perspectives from affected stakeholders and users of sustainability disclosures. More than 1,100 stakeholders participated in the engagement process. The resulting dataset was subject to data validation and quality assurance procedures, and

750 valid survey responses were used in the final analysis to ensure reliability and robustness. The final evaluation combined qualitative expert input with quantitative stakeholder feedback, assessing each topic across impact and financial dimensions based on scale, likelihood, and potential consequences. The evaluation approach was aligned with EFRAG guidance, incorporating defined thresholds for both impact and financial materiality. These thresholds were calibrated against the overall distribution of stakeholder responses to ensure that

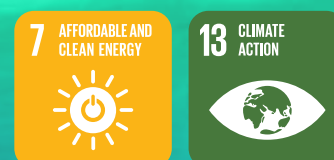
the final scoring reflects both the relative significance of topics and the collective weighting of participant assessments. The outcomes were consolidated into a double materiality matrix, reviewed jointly by sustainability and risk management functions, and approved at the Executive Board level. The assessment will be repeated every two years to ensure continued relevance and responsiveness to evolving conditions.

■ ESG and Risk Management functions — ensuring alignment between sustainability priorities, enterprise risk processes and strategic decision-making, with lessons learned feeding forward into the next cycle.

Figure 1. Double materiality matrix



CLIMATE CHANGE



Central to SOCAR's operations due to the importance of greenhouse gas emissions and energy transition topics. Managing emissions and operational supports long-term competitiveness and access to capital.

POLLUTION



Air, water and soil pollution are directly linked to industrial activities. Effective control reduces environmental harm, regulatory risks and remediation costs.

CIRCULAR ECONOMY



Efficient resource use, waste reduction and recycling contribute to reduced environmental footprint and cost savings.

WORKERS IN VALUE CHAIN



Labor conditions across suppliers and contractors influence overall social impact and reputational risk. Ensuring fair practices strengthens supply chain resilience.

BUSINESS CONDUCT



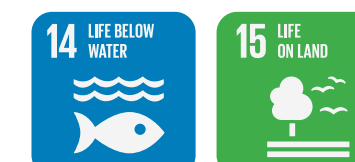
Strong governance, anti-corruption and ethical practices are essential for maintaining trust, ensuring compliance and enabling international partnerships and market access.

OWN WORKFORCE



Employee health, safety and working conditions are critical for operational continuity and productivity, especially in high-risk industrial environments.

BIODIVERSITY AND ECOSYSTEMS



Operations may affect natural habitats and ecosystems. Protecting biodiversity supports environmental sustainability and regulatory compliance.

AFFECTED COMMUNITIES



Local communities may be impacted by operations. Engagement and responsible practices are essential for maintaining social license to operate.

CONSUMERS AND END-USERS



Product quality, safety and transparency influence customer trust and market positioning, especially in evolving energy markets.

CLIMATE CHANGE

As a result of the assessment, Climate change, Pollution and Business Conduct were identified as material sustainability topics for SOCAR. These topics form the basis of SOCAR's sustainability priorities and disclosure approach. The identified material topics guide the prioritization of actions, inform risk management processes and support the integration of sustainability considerations into core business decisions. This helps SOCAR strengthen the ability to respond to regulatory developments, stakeholder expectations and the evolving dynamics of the global energy sector, while ensuring transparency and accountability in its sustainability performance.

Climate Change emerged as a material topic from both impact and financial perspectives. From an impact perspective, SOCAR's operations across upstream, refining, petrochemical and trading activities generate significant greenhouse gas emissions, with direct relevance to national and global climate outcomes. From a financial perspective, climate-related transition risks — including evolving carbon pricing, tightening regulatory requirements and shifting investor and buyer preferences — represent meaningful exposures to the Company's cost base, capital access, and long-term asset value.

Within this topic, methane management is identified as a particularly significant area. Methane emissions

are a defining decarbonization performance indicator for oil and gas producers in international capital markets and among offtake counterparties. As financing conditions and commercial relationships increasingly differentiate producers based on methane intensity, effective methane management represents both a risk mitigation measure and a tangible competitive and financial opportunity. SOCAR's participation in voluntary methane emission reduction initiatives, including OGMP 2.0, together with its existing methane abatement framework and methane reduction targets, enhances transparency, improves emissions performance and strengthens the Company's positioning as a transition-ready energy supplier. Corporate-level CO₂ emissions KPIs and upstream methane intensity metrics serve as the primary indicators for monitoring progress against methane reduction objectives and the broader climate strategy.

At the same time, methane measurement and reporting remain an evolving area across the industry due to the continuous advancement of measurement technologies, detection methods and quantification approaches. As international methodologies and reporting practices continue to mature, SOCAR remains committed to strengthening its monitoring capabilities and further improving the accuracy, consistency and transparency of methane emissions reporting.

POLLUTION

Through the double materiality assessment, pollution was identified as a material topic, given the scale and nature of SOCAR's industrial operations and the associated impacts, risks and opportunities. Air emissions, wastewater discharges and land contamination represent both direct environmental impacts and ongoing financial exposures through compliance costs, remediation obligations and the risk of regulatory enforcement. Existing controls — including continuous air emissions monitoring, land rehabilitation activities, and oil spill management plans — demonstrate active management of these risks, while also reflecting the sustained regulatory and operational demands they impose. Air emissions and oil spill incidents are closely monitored as key indicators of the effectiveness of pollution prevention and control measures. During the reporting year, oil spill reporting methodology, data collection processes and transparency of reporting were further strengthened improving identification, quantification, and disclosure of spill incidents across operations. Pollution-related reduction targets are currently under development and are expected to be confirmed for inclusion in future reporting cycles.

BUSINESS CONDUCT

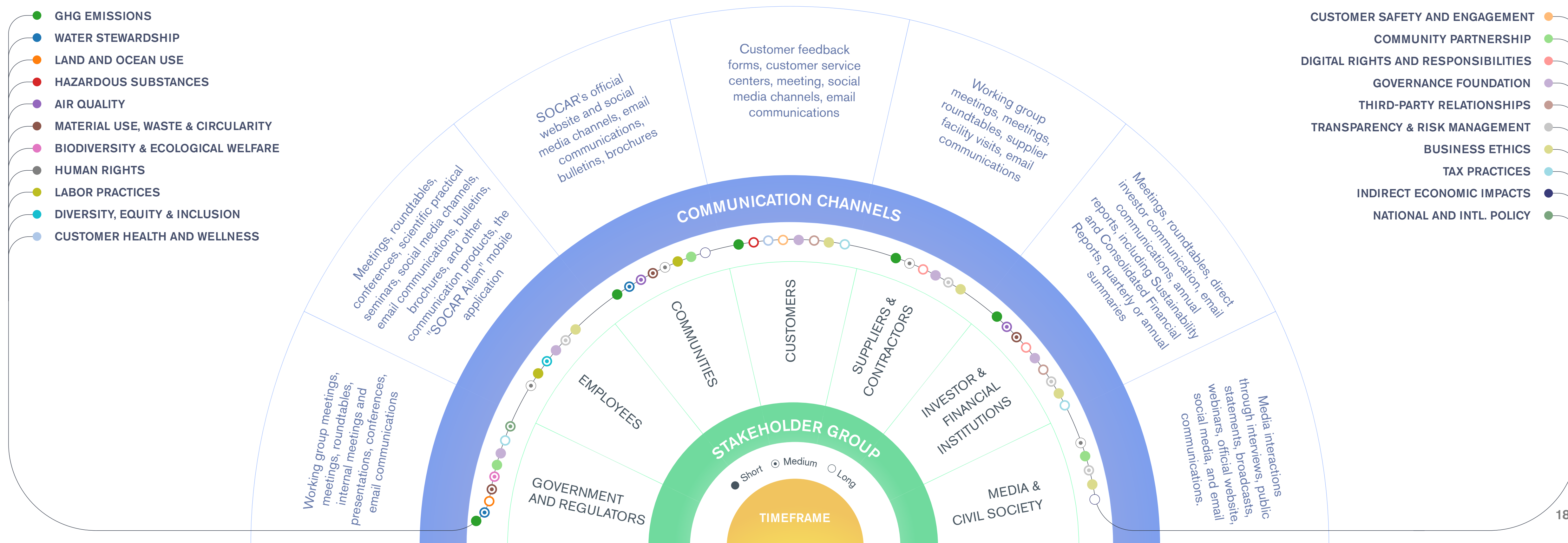
Business conduct, with corruption and bribery as a subtopic, emerged as a material topic across both impact and financial dimensions. From an impact perspective, governance-related risks may affect the integrity of SOCAR's operations and stakeholder trust. From a financial perspective, risks — including regulatory breaches, legal liabilities and reputational damage — may result in fines, penalties, and increased compliance costs, while also contributing to tighter financing conditions through heightened lender due diligence and credit risk assessment. These risks may further constrain the Company's ability to execute strategic transactions by introducing approval delays and increasing scrutiny from partners in commercially sensitive engagements. As SOCAR continues to expand its commercial presence in European markets, growing investor and regulatory expectations around governance practices further elevate these risks and may undermine developing trade relationships and future commercial opportunities. To mitigate these risks, SOCAR has strengthened its anti-corruption framework, with compliance executives assigned KPIs linked to preparation for ISO 37001 and ISO 37301 certification, thereby reinforcing accountability and supporting effective risk management. Confirmed corruption cases are monitored as a key indicator of the effectiveness of the Company's anti-corruption controls.

STAKEHOLDER ENGAGEMENT

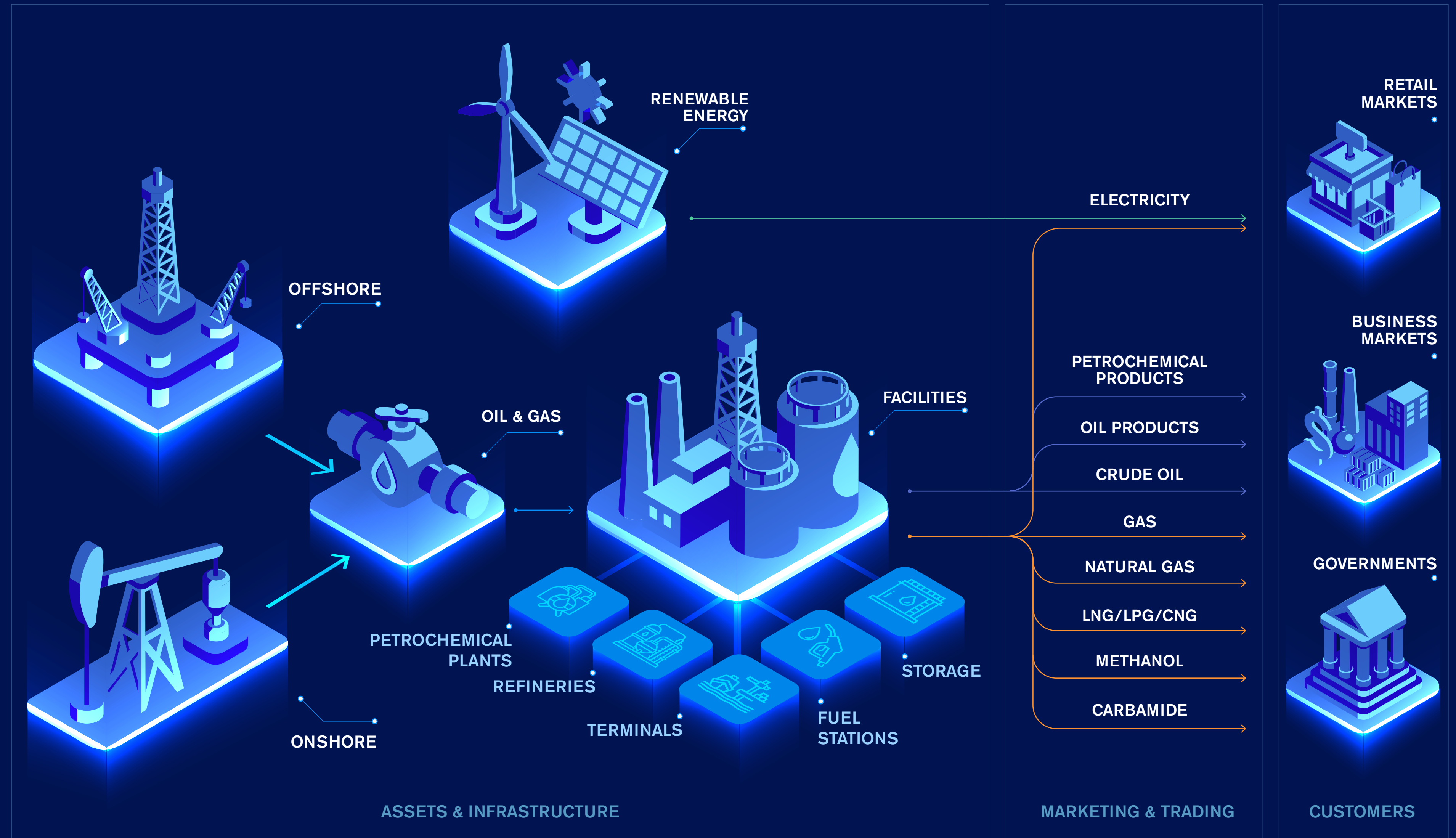
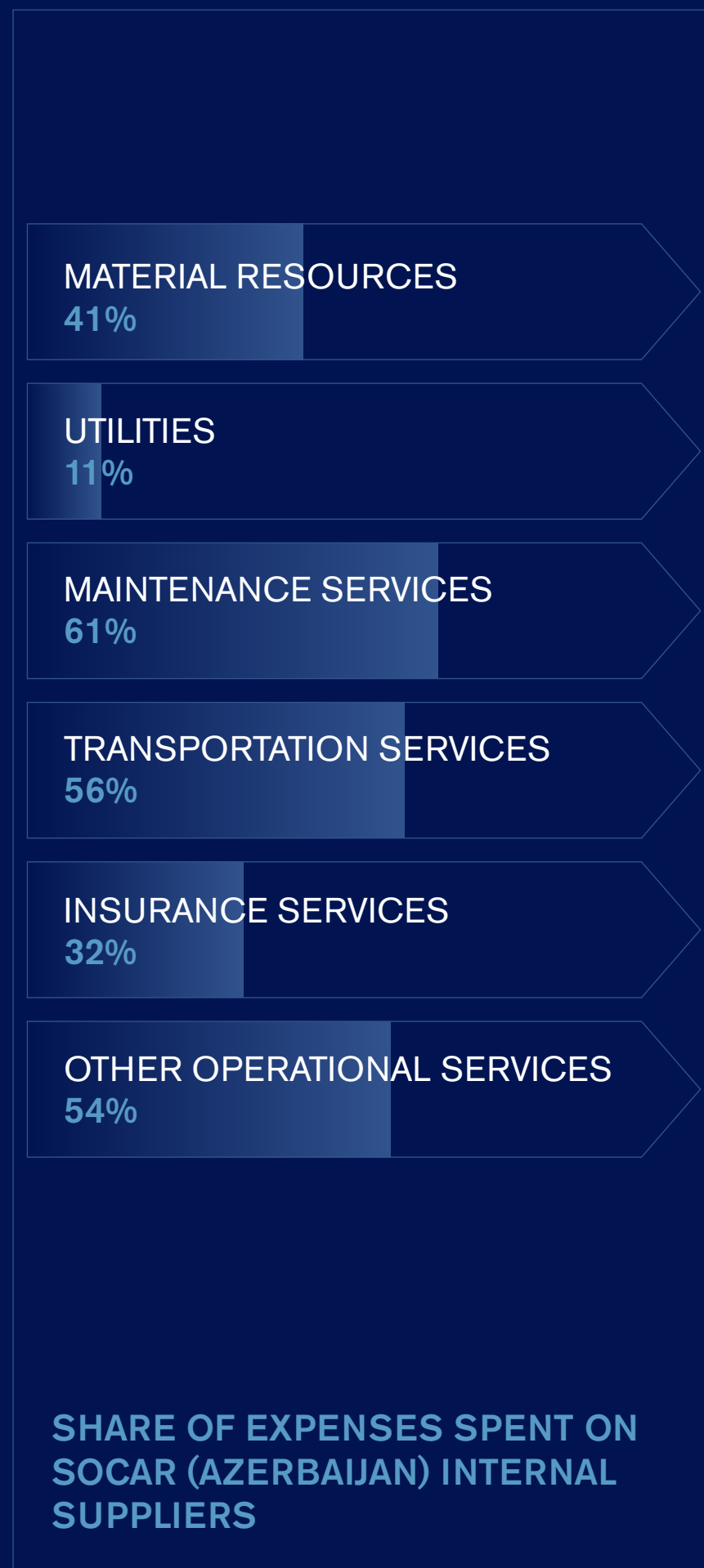
SOCAR engages a broad range of stakeholders, including government authorities, investors, customers, suppliers, employees, local communities, and financial institutions - to inform its corporate strategy, sustainability approach, and long-term priorities. Stakeholders are prioritized based on their influence and strategic importance to the Company's operations. Engagement is carried out through surveys,

interviews, workshops, and multi-stakeholder platforms, ensuring continuous dialogue. All interactions are conducted in accordance with SOCAR's Code of Ethics, promoting transparency, fairness, legal compliance, and respect for human rights. This approach strengthens trust, supports accountability, and integrates stakeholder perspectives into operational and investment decisions.

Quarterly Strategic Reviews (QSRs) complement these engagement mechanisms by providing a Group-wide forum for monitoring the implementation of strategic initiatives across business and functional segments. Facilitated by the Strategic Initiatives Monitoring Division, QSRs support consistent oversight, accountability, and the timely resolution of cross-functional challenges.



OUR OPERATIONS AND VALUE CHAIN



UPSTREAM

Figure 2. SOCAR's share in Production Sharing and Risk Service Agreements on onshore fields in 2025, %

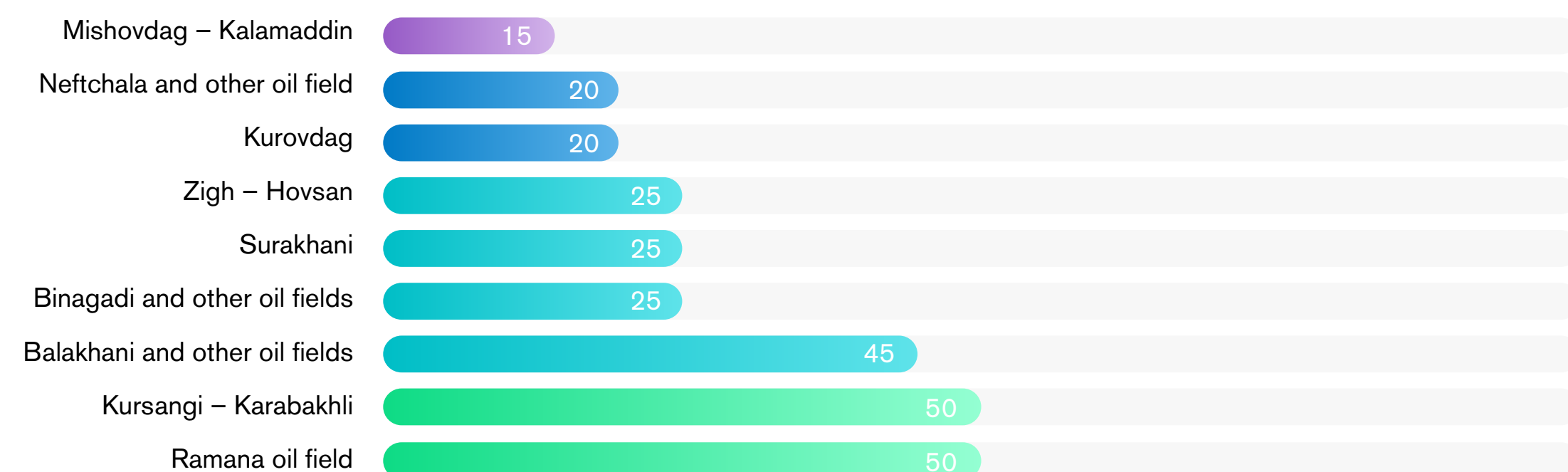
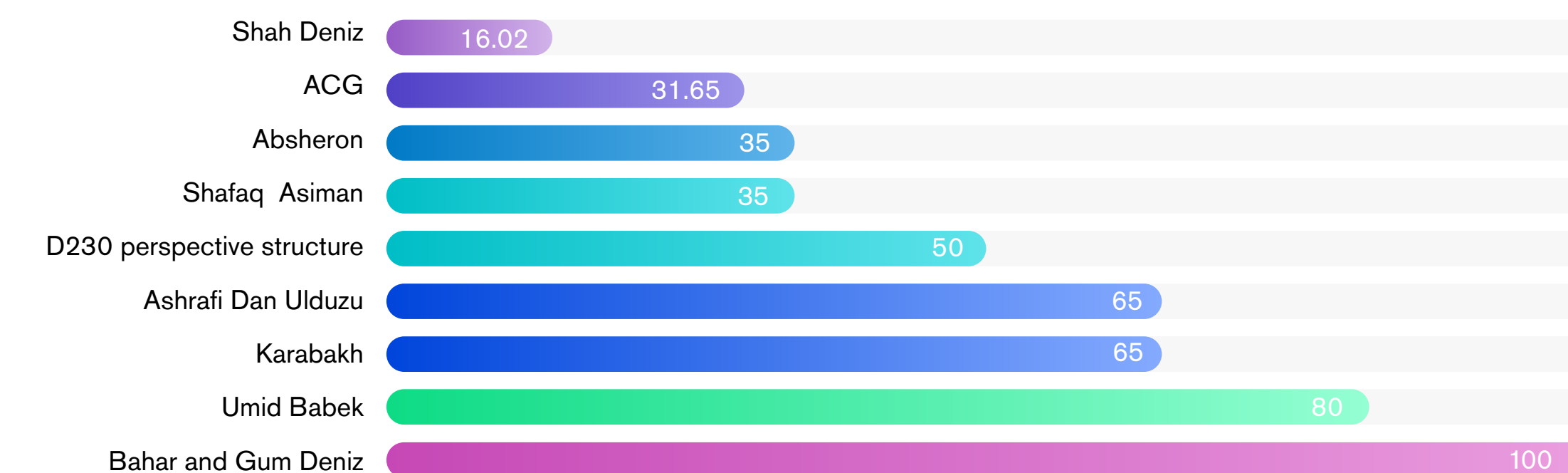


Figure 3.¹ SOCAR's share in Production Sharing and Risk Service Agreements in fields located in the Azerbaijani sector of the Caspian Sea in 2025, %



1. Certain figures have been updated to correct errors identified in previously reported data.

Figure 4. Oil production in Azerbaijan in 2025, thousand tonnes

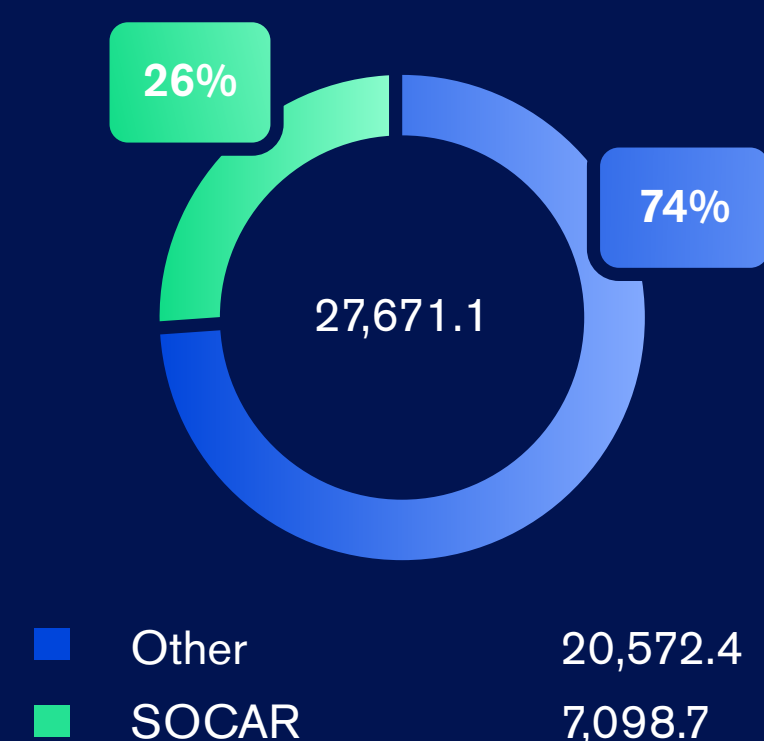
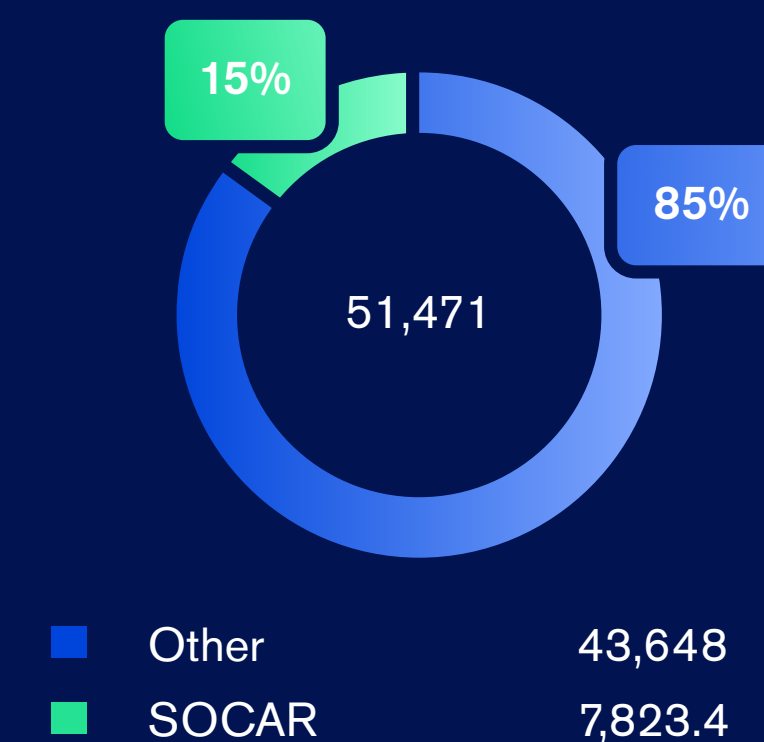


Figure 5. Gas production in Azerbaijan in 2025, million m³



* SOCAR's proven oil and gas resources in 2025 are based on the research and assessment report by DeGolyer & MacNaughton.

Figure 6. SOCAR's proven oil and gas resources in Azerbaijan in 2025

Oil
Reserves
(10³mt) *Proven in total

86,927

Condensate
Reserves
(10³mt) *Proven in total

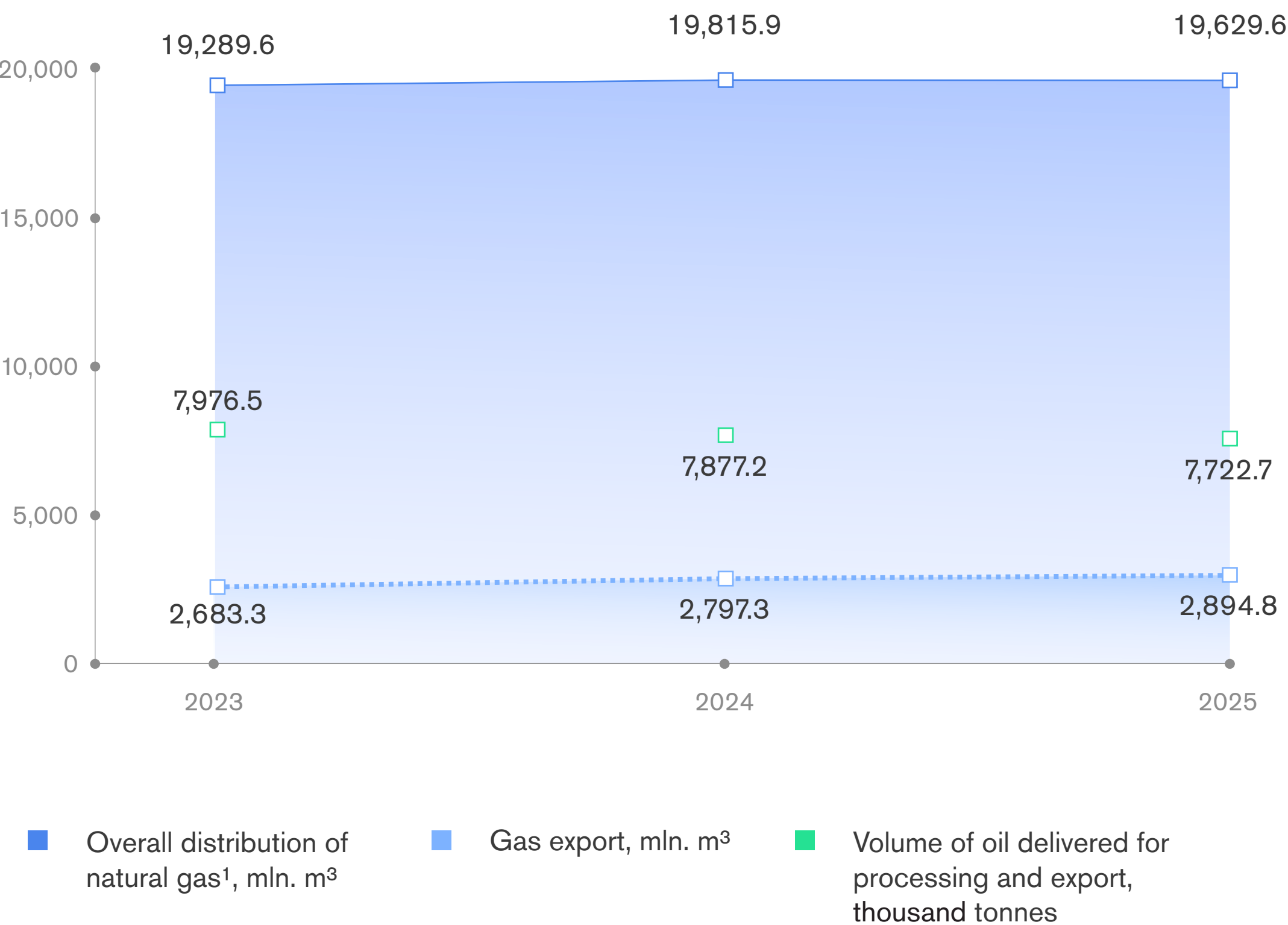
12,526

Gas
Reserves
(10⁶m³) *Proven in total

126,508

MIDSTREAM

Figure 7. Volume of delivered oil and gas by SOCAR (Azerbaijan), 2023–2025



1. Overall volume of gas transported through the "Gas Export" Department pipelines

DOWNSTREAM

Figure 8. Oil and Gas processing by SOCAR (Azerbaijan), 2023–2025



Table 1. Total production by SOCAR Group processing facilities in 2023-2025, thousand tonnes

Plant		2023	2024	2025
Azerbaijan	HAOR	6,165	5,343	5,927
	"Azerikimya" PU	582	448	516
	Methanol	494	516	408
	Carbamide	453	652	587
Türkiye	STAR	12,500	9,900	12,900
	Petkim	2,300	2,050	2,300

ECONOMIC IMPACT & PERFORMANCE

SOCAR makes a substantial contribution to national economic development through its ongoing role in taxation, job creation, procurement, and infrastructure investment. The scale and continuity of its operations have supported the growth of local entrepreneurship, particularly across the service, logistics, and construction sectors, fostering broader economic activity. At the same time, sustained capital investments have strengthened national energy security while contributing to industrial diversification, reinforcing the resilience and competitiveness of the economy. Collectively, these outcomes demonstrate SOCAR's strong alignment with national economic priorities and its commitment to sustainable development. In 2025, SOCAR did not receive any financial assistance, subsidies, or incentives from national or local government authorities.

Figure 9. Key Statistics for 2023–2025

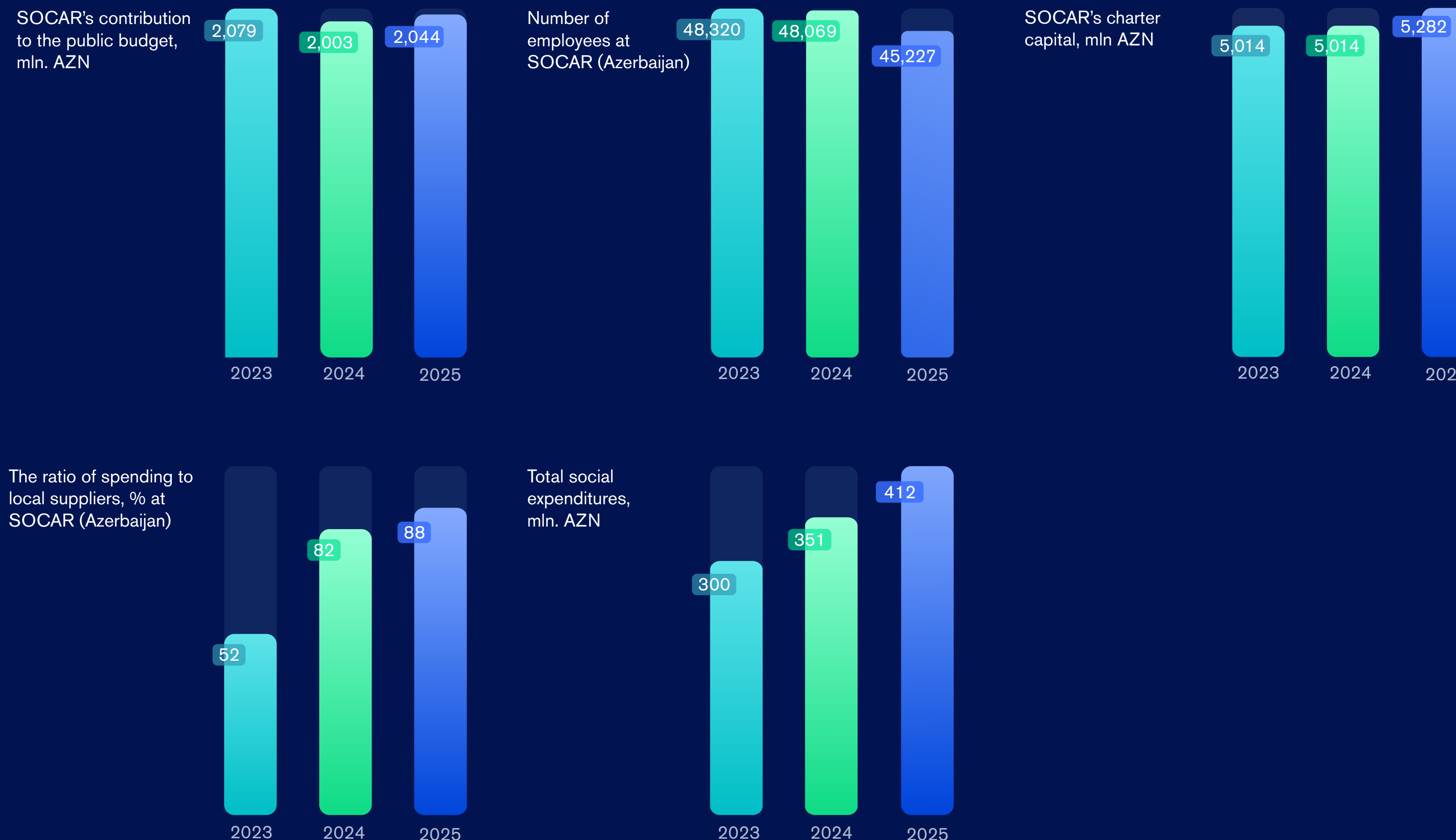


Table 2. SOCAR Group's economic indicators for 2023-2025, million AZN

	2023	2024	2025
Revenues	85,201	84,689	86,309
Prime cost of sales	(76,639)	(77,296)	(73,702)
Distribution costs	(2,206)	(2,045)	(2,508)
General and administrative expenses	(1,939)	(2,252)	(3,289)
Other operating costs	(2,561)	(1,869)	(2,457)
Financial expenses	(1,833)	(2,074)	(2,682)
Other revenues/(expenses)	2,050	3,774	1,278
Profit/(loss) for the year	2,073	2,927	2,949
Other comprehensive loss for the year (taxes excluded)	(103)	(879)	175
Comprehensive revenue/(loss) for the year	1,970	2,048	3,124
Income tax expense	(606)	(912)	(760)

CAPEX¹

↘ 40%

2,784
million. AZN

NET CASH FLOW²

(1,552)
million. AZN

NET PROFIT

2,949
million. AZN

EBITDA MARGIN

PRIOR YEAR 10.2%

12.7%

^{1.} CAPEX represents additions to Property, Plant and Equipment (PPE) recognized on an accrual basis.

^{2.} The decrease in net cash flow compared to the previous year was primarily driven by investment activities and the repayment of borrowings.

MAJOR MERGERS AND ACQUISITIONS IN SOCAR'S 2025 PORTFOLIO

↔ Acquisition

Acquisition of Italiana Petroli S.p.A.


Geography
Italy


Asset Type
Integrated Downstream (Refining, Retail, Logistics, Wholesale)


Asset Description
Leading Italian downstream operator with integrated refining assets, largest retail fuel network, logistics infrastructure, wholesale and specialty fuel operations

↗ Scale Indicators


10
mtpa refining capacity


~4,600
fuel stations


~40%
retail market share


Strategic jet fuel supply infrastructure for Rome airport


Strategic Rationale
Strengthen SOCAR's downstream footprint in Europe and establish integrated access to refining, logistics and fuel distribution markets in a key Mediterranean economy


Energy Security Impact
Enhances fuel supply reliability in Italy through integrated refining and logistics infrastructure; improves aviation fuel security via strategic airport supply chain


Diversification Impact
Expands geographic exposure to Europe; increases revenue diversification across retail, wholesale and specialty fuels


Portfolio Effect
Significant expansion of SOCAR's integrated downstream asset base and European market presence

↔ Acquisition

Tamar Gas Field Acquisition


Geography
Eastern Mediterranean


Asset Type
Upstream Natural Gas


Asset Description
Producing offshore natural gas field with established subsea production infrastructure and long-term reserves base

↗ Scale Indicators


286
BCM 2P reserves


6
producing subsea wells


250
mln ft³ capacity of each well


2013
production since


Strategic Rationale
Increase SOCAR's exposure to long-life natural gas assets and strengthen participation in regional upstream gas supply systems


Energy Security Impact
Improves regional gas supply diversification and strengthens long-term gas availability in the Eastern Mediterranean


Diversification Impact
Increases natural gas share in portfolio and expands geographic exposure to offshore gas production assets


Portfolio Effect
Strengthens upstream gas component and enhances balance between oil and gas exposure

↔ Acquisition

Acquisition of İÇAN CCGT Power Plant


Geography
Türkiye


Asset Type
Power Generation (Gas-to-Power)


Asset Description
Large-scale combined cycle gas turbine power plant supplying baseload electricity to the Turkish power system

↗ Scale Indicators


870
MW installed capacity


~4,100
GWh annual generation


>20%
Ankara electricity demand


~0.65
BCM annual gas consumption


Strategic Rationale
Expand SOCAR's integrated gas-to-power platform and capture value across gas supply, power generation and trading markets


Energy Security Impact
Enhances electricity supply reliability in Türkiye and improves system flexibility between gas and power markets


Diversification Impact
Expands exposure to electricity generation and strengthens integration across gas and power value chains


Portfolio Effect
Advances vertical integration and strengthens SOCAR's gas-to-power business model

↔ Divestment

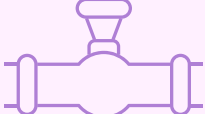
Divestment of Kayserigas and Bursagas


Geography
Türkiye


Asset Type
Gas Distribution


Asset Description
Regional gas distribution companies operating regulated downstream networks in Türkiye

↗ Scale Indicators


Regional distribution infrastructure assets (non-core within SOCAR Türkiye portfolio)


Strategic Rationale
Optimize portfolio structure and reallocate capital toward higher-return refining, petrochemical, and integrated energy investments


Energy Security Impact
Supports sector consolidation and operational efficiency within Türkiye's gas distribution market


Diversification Impact
Increases strategic focus on integrated refining and petrochemical value chains


Portfolio Effect
Reduces exposure to non-core regulated distribution assets and improves capital allocation efficiency

JOURNEY TO NET ZERO

SOCAR's journey to net zero emissions represents one of the key pillars of its long-term energy strategy, alongside maintaining energy security and developing low-carbon energy solutions. The Company's climate responsibility approach reflects SOCAR's positioning as a forward-looking energy company within the evolving global energy transition landscape. SOCAR believes that its net zero ambition, together with the development of renewable and low-carbon energy solutions, supports broader global efforts towards the goals of the Paris Agreement while ensuring a balanced and gradual energy transition aligned with national energy security priorities.

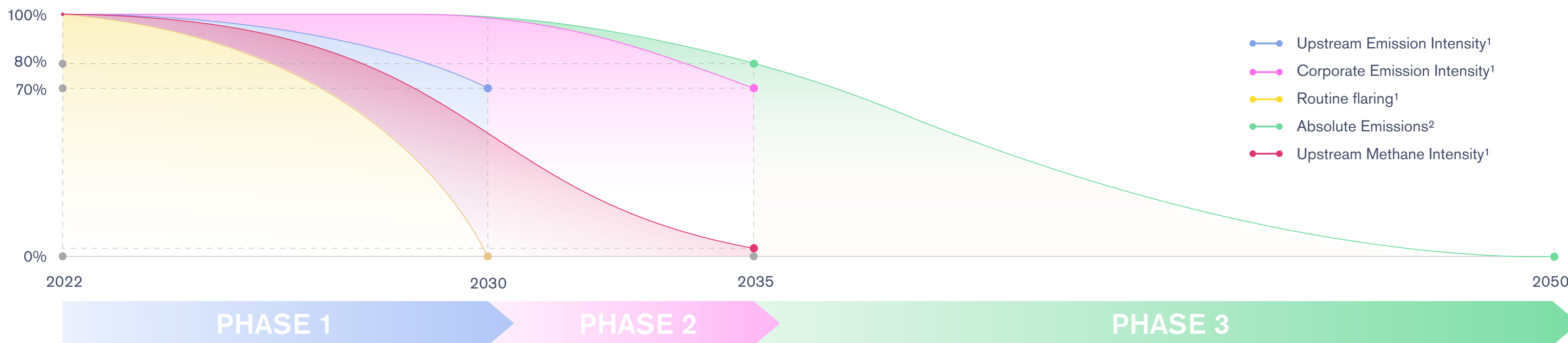
CLIMATE TARGETS

SOCAR's decarbonization targets, announced at COP28, define a clear pathway across short, medium and long-term horizons and are structured around key emission sources and metrics. By 2030, SOCAR targets zero routine flaring across all operated assets and a 30% reduction in upstream emissions intensity, on an equity basis relative to 2022 levels. By 2035, the Company targets a 30% reduction in corporate emissions intensity and a 20% reduction in absolute greenhouse gas emissions, also on an equity basis compared to the 2022 baseline. SOCAR also targets near-zero methane intensity in upstream operations by 2035, while maintaining a long-term ambition to achieve net-zero emissions by 2050.

To deliver on its targets, SOCAR has developed a long-term decarbonization roadmap covering the full value chain. In upstream operations, the roadmap focuses on methane management through LDAR and venting reduction technologies implementation, energy efficiency and electrification of compressors and heaters. In midstream operations, priorities include enhancement of pipeline integrity and reduction of transmission losses, while downstream measures focus on flare gas recovery systems, electrification of boilers, optimization of fuel consumption and deployment of carbon management technologies. Residual emissions are expected to be addressed through offset and carbon removal mechanisms within the Company's longer-term net-zero framework.

The 2022 baseline was selected based on data completeness, defined organizational boundaries, and alignment with the Company's emissions management and reporting approach. In 2023, SOCAR initiated a comprehensive emissions inventory development process in cooperation with an international consulting company, improving data availability and consistency across operations. This work enabled the identification of asset-level emissions profiles and key emission sources, allowing for the mapping of emission hotspots and the development of targeted reduction measures. Emission measurement confidence is a primary focus of SOCAR to lay the foundation of its decarbonization program.

Figure 10. Timeline of SOCAR's Net-Zero Targets



1. The scope of this target is limited to domestic operations (including upstream, midstream and downstream) in Azerbaijan.

2. The scope of this target includes SOCAR's operations in Azerbaijan, Türkiye and Georgia.

CONTRIBUTION TO NATIONAL CLIMATE COMMITMENTS

SOCAR's climate targets support Azerbaijan's updated Nationally Determined Contributions (NDC 3.0) under the Paris Agreement. Under the revised framework, Azerbaijan has strengthened its climate ambition by advancing its emission reduction timeline, targeting a 40% reduction in greenhouse gas emissions by 2035 compared to 1990 levels, a target previously set for 2050. Azerbaijan's greenhouse gas emissions remain below 1990 baseline levels; however, further reductions are required to achieve the national targets under NDC 3.0. The national decarbonization pathway is supported by sector-specific measures across key emitting sectors, including energy production, oil and gas operations, transport and industrial activities. These measures focus on improving energy efficiency, reducing methane emissions, expanding renewable energy capacity, and modernizing infrastructure.

Within the framework of Azerbaijan's national climate and energy targets, SOCAR plays a central role as a key operator within the national energy system. The Company supports the implementation of national climate priorities by aligning its operational practices with evolving regulatory and strategic directions. SOCAR's climate targets and decarbonization initiatives contribute directly to Azerbaijan's Nationally Determined Contributions (NDCs) and support the broader transition of the country's energy system toward a lower-carbon pathway.

INTERNATIONAL PARTNERSHIPS AND COMMITMENTS

SOCAR actively participates in international oil and gas decarbonization and emissions abatement initiatives, supporting the implementation of its climate targets through collaboration, knowledge exchange and adoption of advanced technologies. The Company is engaged in initiatives such as Oil&Gas Methane Partnership (OGMP 2.0), OGDC (Oil&Gas Decarbonization Charter), Oil and Gas Climate Initiative (OGCI), AGMR (Advancing Global Methane Reduction) and IOGP (International Association of Oil & Gas Producers), which focus on methane emissions reduction, flaring elimination, and improved transparency in emissions reporting.

In 2025, SOCAR further expanded its engagement across these initiatives through active contribution to joint activities, technical discussions and reporting processes. This included submission of emissions data under OGMP 2.0, participation in OGDC working sessions and collaboration with international partners on methane monitoring technologies, including satellite-based detection systems. SOCAR also contributed to regional cooperation initiatives such as the Caspian Methane Emissions Abatement Accelerator, supporting joint efforts to reduce emissions across the region. Through these engagements, the company strengthens its alignment with international best practices, supports the implementation of global climate initiatives, and enhances its capacity to deliver on decarbonization targets in a consistent and transparent manner.



CONTRIBUTION TO NATIONAL CLIMATE COMMITMENTS

Azerbaijan NDC 3.0

40%

GHG reduction by 2035

 Alignment with Paris Agreement Goals

Progress towards SOCAR's climate targets supports Azerbaijan's efforts to achieve the NDC 3.0 goal of reducing emissions by 40% by 2035 from 1990 levels.



Upstream Emission Intensity

AZERBAIJAN

tCO_{2e} / toe product



▼ ▲ against baseline

Corporate Emission Intensity

AZERBAIJAN

tCO_{2e} / toe product



▼ ▲ against baseline

Upstream Methane Intensity¹

AZERBAIJAN

tCH₄ / tCH₄ of gas produced



▼ ▲ against baseline

Absolute Emissions

AZERBAIJAN + TÜRKİYE + GEORGIA

Mt CO_{2e}



▼ ▲ against baseline

CLIMATE ENGAGEMENTS

01

OGMP 2.0
Oil & Gas Methane Partnership

02

OGDC
Oil & Gas Decarbonization Charter

03

OGCI
Oil & Gas Climate Initiative

04

AGMR
Advancing Global Methane Reduction

05

IOGP
Int'l Assoc. of Oil & Gas Producers

06

Caspian Methane Emissions Abatement Accelerator
Regional emission reduction cooperation

1. The upstream methane intensity target announced at COP29 is based on an equity-share organisational boundary.

LOW-CARBON BUSINESS DEVELOPMENT

The growing role of renewable energy is increasingly reshaping global energy systems, reflecting structural shifts in electricity generation, investment patterns, and long-term energy supply dynamics. According to the International Energy Agency's Electricity 2025 outlook, renewable energy is expected to become the dominant source of growth in global electricity generation over the coming years, with solar and wind playing a central role in meeting rising demand under energy transition pathways. Azerbaijan's national energy strategy similarly envisages a significant increase in renewable energy deployment, supported by the large-scale development of solar

and wind projects over the coming decade. Based on ambitions outlined by the Ministry of Energy of the Republic of Azerbaijan, the share of renewables in installed electricity capacity is projected to reach 33.7% by 2027, 38% by 2030, and 42.5% by 2035, alongside plans to deliver 2 GW of solar and wind capacity by 2027 and 6 GW by 2032.

Within this evolving landscape, SOCAR considers the expansion of renewable and low-carbon energy as a defining trend shaping future energy markets, influencing investment priorities and long-term portfolio development. Low-carbon energy development represents a key pillar of SOCAR's energy transition approach, focused on establishing new business lines in renewable and lower-carbon energy systems. SOCAR is advancing this portfolio through SOCAR Green LLC, progressively transitioning projects from structuring and financing stages toward implementation and execution.

The current SOCAR Green portfolio comprises approximately 1.7 GW of utility-scale renewable energy projects, several of which have progressed to advanced development and construction stages. Currently, three projects are being developed with Masdar—Banka Solar (315 MW), Bilasuvar Solar (445 MW), and Absheron—Garadagh Wind (200 MW)—with SOCAR Green holding a 25% equity stake. As of 2025, the projects have entered the implementation and construction phase, with construction activities progressing for the Bilasuvar Solar and Banka Solar projects, while the Absheron—Garadagh Wind project remains in advanced development and financing stages. Initial commissioning of the solar projects is expected from 2026, with commercial operations planned to commence progressively from 2027 onward, while the wind power project is expected to become operational from 2028.

The Shafag Solar PV project (240 MW) is being developed in the Jabrayil district of Azerbaijan. SOCAR Green holds a 39.99% equity stake in the project. The project reached Final Investment Decision (FID) in 2025. The plant is expected to generate more than 500 GWh annually, with commissioning planned for 2027, supporting the electrification of the Sangachal Terminal.

The portfolio is further complemented by two 160 MW utility-scale solar PV projects being developed with Energy China and PowerChina Resources. These projects are currently in the development phase and are actively progressing toward the signing of project and financing agreements.



In parallel, during the reporting period, cooperation initiatives progressed with the Azerbaijan State Water Resources Agency (ASWRA) to assess energy efficiency and renewable energy integration opportunities for water infrastructure and pumping systems. Additional activities included feasibility assessments related to the solarization of SOCAR operational facilities, gas stations, and industrial assets, alongside the evaluation of commercial and industrial solar PV opportunities with private sector partners.

Low-carbon and circular economy projects form an additional component of the SOCAR Green portfolio. These initiatives include the assessment

of a biogas facility for the processing of agricultural and livestock waste streams to produce biogas, renewable electricity, and organic fertilizer, while contributing to methane emissions reduction and generation of carbon credits. In parallel, SOCAR Green is developing a biochar initiative focused on converting agricultural processing waste into biochar and durable carbon credits. SOCAR Green is also evaluating the potential development of geothermal energy projects for heating and electricity generation purposes. These projects remain at feasibility and validation stages and are intended to support the development of lower carbon and circular value chains in Azerbaijan.

At portfolio level, SOCAR Green's 2025–2030 investment plan includes a pipeline of six solar and two wind projects, with a total planned capacity of approximately 1.7 GW (85% solar and 15% wind). The total investment required is estimated at approximately USD 1.5 billion for the projects, of which around USD 590 million is expected to be financed through equity, including approximately USD 203 million to be contributed by SOCAR Green. These projects represent the most advanced and prioritized developments within the portfolio.

Investment activity is expected to remain concentrated over the 2025–2027 period, during which net cash flow is projected to remain negative

due to ongoing capital deployment. As projects progressively enter operation from 2027 onward, cash inflows are expected to increase, with the portfolio reaching positive net cash flow by 2028. Financial performance is expected to improve further as SOCAR Green expands its project portfolio with increased participation share in joint ventures and assumes additional operational responsibilities, including O&M services within joint projects.

INNOVATION AND DIGITAL TRANSFORMATION

INNOVATION

In 2025, SOCAR strengthened innovation governance by introducing a company-wide innovation management framework and launching an Internal Innovation Program. The initiative generated 220 employee ideas, with 36 advancing to expert evaluation. To support implementation, SOCAR established an Innovation Working Group, appointed 31 Innovation Coordinators, and created a pool of 77 experts. To further develop innovation capabilities, SOCAR initiated the SOCAR Innovation Lab within SABA. HUB and agreed to establish SOCAR Innovation LLC to coordinate incubation, acceleration, venture partnerships, and commercialization activities. A Pain & Gain analysis across 16 business units helped identify improvement opportunities and shape a balanced innovation portfolio aligned with long-term strategic priorities. Innovation efforts supported both sustainability and operational performance. Key initiatives included research into carbon capture, wastewater treatment, and carbon utilization technologies, alongside the deployment of robotic inspections, UAV monitoring, predictive maintenance, and 3D facility modeling to improve safety, efficiency, and asset management. SOCAR also expanded its external innovation ecosystem by engaging more than 150 startups, advancing selected collaborations, and supporting talent development through SOCAR Hackathon 2025, focused on artificial intelligence and data engineering. At the Group level, SOCAR Türkiye's R&D

and Innovation Center delivered 36 projects in sustainable technologies, circular economy solutions, digital transformation, and process optimization, supported by USD 4.2 million in R&D expenditure. The organization also became the first industrial company globally to achieve ISO EN 56001 Innovation Management System Certification.

DIGITAL TRANSFORMATION

SOCAR expanded its digital portfolio across data platforms, Enterprise Resource Planning (ERP) modernization, IT service management, financial consolidation, QHSE systems, employee services, Robotic Process Automation (RPA) and Application Programming Interface (API) integrations, supporting its broader digital transformation strategy. These initiatives contribute to operational efficiency through process automation, strengthen data-driven decision-making and governance, modernize core enterprise systems, enhance sustainability and compliance capabilities, and improve employee access to corporate services. Several solutions have already delivered improvements in automation, process visibility and operational efficiency, while strategic platforms remain under development.

The SOCAR Carbamide Plant provides the strongest quantified impact case, demonstrating measurable improvements in production, energy efficiency, safety, emissions, quality and productivity. To strengthen management reporting, a standardized benefits-realization framework should link each initiative to baseline values, target KPIs, achieved results and annualized impact.

SOCAR's 2025 digital transformation portfolio is structured across five strategic domains. While benefit measurement maturity varies by project,

the initiatives have already delivered improvements in process efficiency, governance, compliance, automation and employee experience.



Data, ESG & Reporting

Strengthened data governance and ESG reporting through digitized data collection, faster reporting cycles and improved decision-making transparency.



ERP & Core Systems

Modernized core business systems - by standardizing processes, reducing legacy dependencies and automating HR administration.



Automation & Integration

Enhanced operational efficiency through process automation, system integration, automated reconciliations and reduced manual effort.



QHSE & Compliance

Improved compliance management with centralized QHSE workflows, faster incident reporting and stronger risk and document control.



Employee & Service Experience

Enhanced employee experience through self-service capabilities, faster issue resolution and more efficient service delivery.

DIGITAL TRANSFORMATION CASE - SOCAR CARBAMIDE PLANT

Plant-level digital transformation program aimed at improving operational efficiency, asset reliability,

safety performance, emissions management and workforce capabilities. The program was implemented through close collaboration between the Caspian Innovation Center team and 72 employees directly involved in the project. The program integrates AI-driven production optimization, Digital Twin technology, predictive maintenance, smart field operations and a centralized virtual control tower to enable real-time decision-making, optimize resource use and strengthen operational resilience.



The program delivered measurable improvements in operational efficiency, asset reliability, safety and sustainability by integrating advanced digital technologies across production, maintenance and asset management. Real-time data visibility, AI-driven optimization and predictive maintenance enhanced decision-making, reduced operational risks and strengthened overall plant performance and resilience.

SUSTAINABLE MANAGEMENT APPROACH

The work initiated in 2024 laid the foundation for a structured and coherent integration of sustainability into SOCAR's governance and core business processes. As a result of this integration, 2025 marked the transition of ESG from conceptualization to systematic implementation. The priority topics to be implemented were identified through the double materiality assessment, which has been further embedded into both business planning cycles and day-to-day operational decision-making. In this frame, sustainability considerations are integrated into the project evaluation, risk assessment, and resource allocation. This approach is reflected in the Sustainable Development Policy, linking ESG priorities with long-term business objectives.

POLICIES, STANDARDS, AND COMMITMENTS

Sustainability oversight is maintained at senior management level, with Vice Presidents and business segment leaders involved in decision-making to ensure alignment across functions and operations. Governance is supported by asset-level sustainability committees and dedicated sustainability officers, enabling site-specific management and stronger implementation at operational level. This structure integrates environmental and social considerations into strategic planning and enterprise risk management, with a planned transition toward a more centralized governance model.

To support this integrated approach, SOCAR's sustainability framework is articulated through a comprehensive set of corporate policies and strategic documents, including:

- Environmental Policy
- Statement on Environmental Protection Goals
- Statement on Biodiversity Conservation
- 2021–2030 Low Carbon Development Strategy
- Quality Statement
- Human Rights Statement

In 2025, SOCAR strengthened the implementation of its ESG-related policies in line with evolving regulatory and market expectations, with a particular focus on enhancing climate-related disclosures, expanding environmental protection initiatives, and reinforcing human rights due diligence. International commitments were further embedded into internal processes and operations. As part of this approach, human rights considerations were integrated into SOCAR's Compliance Due Diligence procedure, which extends beyond direct counterparties to relevant entities across the value chain, including suppliers, subcontractors and business partners, prior to entering into business relationships. Human rights-related risk indicators, aligned with the principles and commitments set out in SOCAR's Human Rights Statement, are assessed alongside other compliance risk factors using multiple information sources and screening tools. The assessment covers a range of human rights related risk indicators, including, where relevant, allegations of forced labour, child labour, discrimination or harassment, unsafe working conditions, land acquisition and involuntary resettlement issues, adverse environmental impacts, and corruption-related concerns. The outcomes of these assessments support risk-based decision-making, including the application of mitigation measures and, where necessary, restrictions on engagement with

higher-risk counterparties. Counterparties are also subject to periodic due diligence refreshes, with the frequency and scope determined based on their assigned risk level, to ensure the ongoing monitoring of emerging human rights and compliance risks throughout the business relationship.

ORGANIZATIONAL STRUCTURE AND ESG INTEGRATION

At SOCAR, ESG is positioned within the Corporate Finance function to ensure that sustainability considerations are incorporated into investment planning, project evaluation, and business decision-making. This approach enables ESG-related risks, opportunities, and performance to be assessed alongside financial and operational considerations, while aligning project implementation with investor expectations and long-term business objectives. The integration of ESG and financial data, supported by the validation of key datasets, provides a consistent basis for impact assessment, decision-making, and external reporting.

To support continuous improvement, the ESG Division conducts regular assessments against applicable standards, industry practices, and rating agency methodologies to identify priority areas for enhancement. The outcomes of these assessments guide the refinement of ESG metrics and data architecture, including the adoption of revenue-based intensity indicators and the integration of financial and non-financial information within a unified reporting framework. These improvements are translated into targeted actions across environmental, social, and governance areas. In 2025, SOCAR implemented more than 80 initiatives, strengthening data quality, reporting consistency, and overall ESG performance.

INTERNAL CAPACITY AND IMPLEMENTATION

To ensure efficient implementation of ESG practices, targeted capacity-building programs are conducted across the organization. Dedicated training initiatives not only strengthen internal capabilities but also enhance cross-functional coordination, therefore ensuring that sustainability considerations are consistently applied across procurement, human resources, and core operational processes. Recognizing the importance of continuous improvement and evolving market expectations, the dedicated ESG Working Group's mandate is frequently undergoing renewal, including updates to its structure and remuneration. To ensure that sustainability is reflected in decision-making across all levels of the organization, ESG priorities are also translated into measurable performance indicators. The Company uses the corporate-level "CO₂ Emissions" KPI, approved by the Supervisory Board and integrated into the Company's performance system, to monitor emissions intensity across business processes. This supports the vision and commitments toward sustainability at the highest governing level. This approach effectively narrows the gap between policy commitments and their practical implementation at the operational level. Recognizing data management as a critical component of ESG in a complex organization like SOCAR, we have been collaborating with the Caspian Innovation Center (CIC) since 2025 to develop an ESG data platform. The platform will enable the tracking and verification of all ESG indicators, including those indirectly affecting ESG performance, with full implementation planned for 2026.

GOVERNING WITH INTEGRITY

GOVERNANCE STRUCTURE AND OVERSIGHT

SOCAR plays a critical role in ensuring the region's energy security and supporting its diversification. Recognizing the scale of this responsibility, the Company approaches its mandate with a strong sense of accountability. Beyond its role as an energy producer, SOCAR, as a state-owned company with the main stakeholders being the general public, is committed to setting a high standard in corporate and governance practices, leading by example and embedding responsible, transparent, and forward-looking principles across its operations.

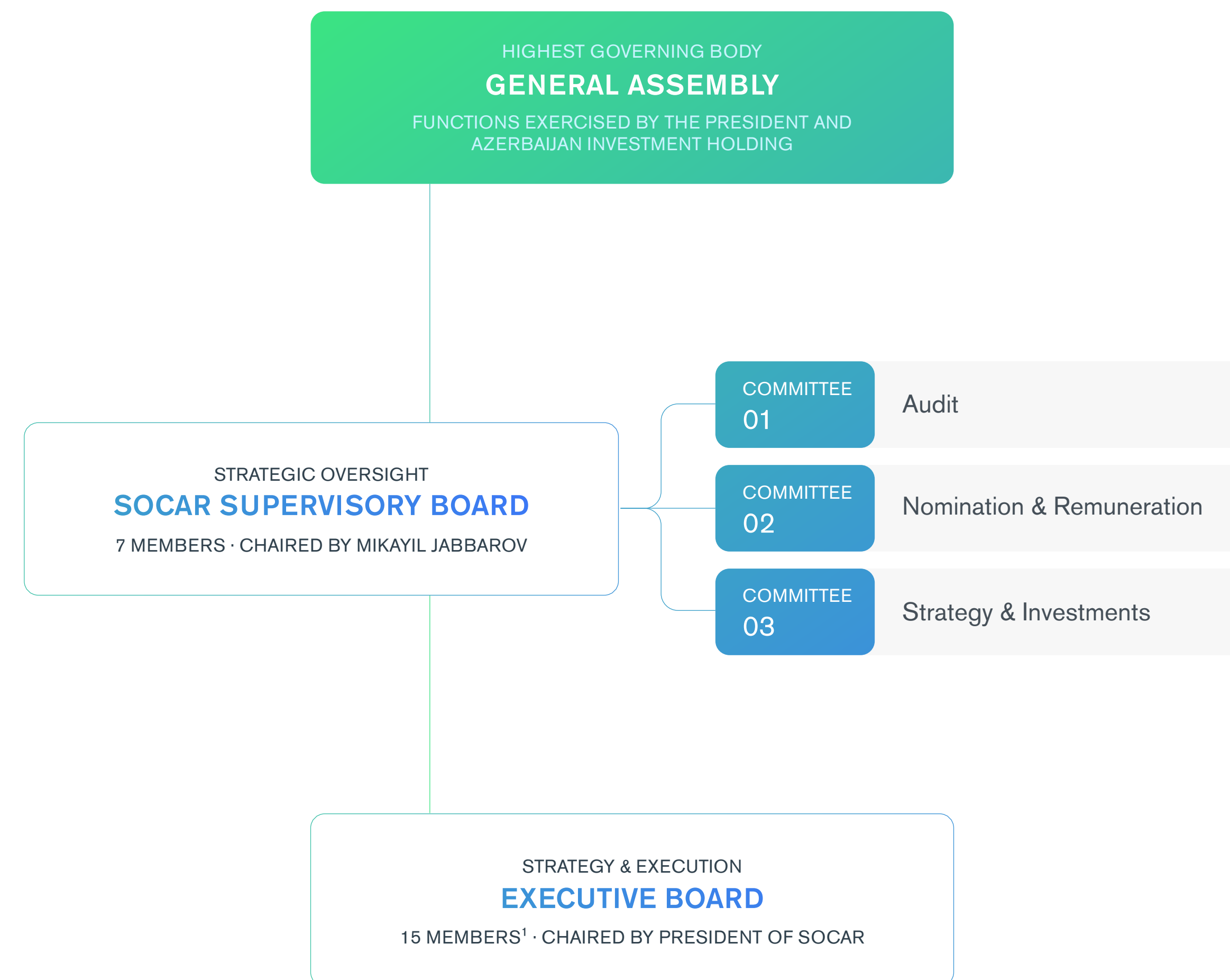
This commitment is reflected in SOCAR's corporate governance framework, which outlines how the Company maintains accountability, oversight, and decision-making processes. It establishes how the Company is directed and supports the implementation of strategy and sustainability priorities, including risk oversight and long-term planning. The framework reflects SOCAR's approach to business conduct, transparency, and alignment with relevant ESG standards. As a state-owned enterprise, SOCAR operates within a governance structure shaped by its national role in the energy sector.

The General Assembly represents the Company's highest governing body. Its mandate is defined by Decree No. 1258 of the President of the Republic of Azerbaijan, dated 23 January 2021, on

measures to advance the management of SOCAR. In accordance with this decree, decisions on the Company's reorganization and liquidation, as well as the appointment and dismissal of members of the Supervisory Board and Executive Board, fall under the authority of the President of the Republic of Azerbaijan.

All other matters within the remit of the General Assembly, except those explicitly reserved, are delegated to the Supervisory Board of Azerbaijan Investment Holding, subject to agreement with the President of the Republic of Azerbaijan. SOCAR's governance structure further comprises the Supervisory Board, which provides strategic guidance and oversight to enhance efficiency and align management practices with contemporary governance standards, and the Executive Board, chaired by the President of SOCAR, which is responsible for the management and execution of strategy. This governance model ensures a clear delineation of responsibilities, reinforces accountability, and supports the Company's approach to responsible governance and sustainable value creation.

GOVERNANCE STRUCTURE



1. In accordance with the Charter, the Executive Board consists of 15 members. During the reporting period, the Executive Board operated with 11 members.

SUPERVISORY BOARD

Nº	MEMBER	POSITION	G	EXP.	TENURE
1	Mikayil Jabbarov CHAIR	Minister of Economy of the Republic of Azerbaijan	M	31	5
2	Anar Akhundov	Deputy Minister of Economy of the Republic of Azerbaijan	M	32	3
3	Azer Bayramov ³	Deputy Minister of Finance of the Republic of Azerbaijan	M	36	5
4	Elnur Soltanov	Deputy Minister of Energy of the Republic of Azerbaijan	M	22	5
5	Emin Huseynov	Assistant to the First Vice-President of the Republic of Azerbaijan	M	28	5
6	Israfil Mammadov	CEO of State Oil Fund of Azerbaijan Republic	M	31	5
7	Ruslan Alikhanov	CEO of Azerbaijan Investment Holding	M	28	5

EXECUTIVE BOARD

Nº	MEMBER	POSITION	G	EXP.	TENURE
1	Rovshan Najaf PRESIDENT	President	M	25	4
2	Afgan Isayev	VP, Energy Transition, Environment and Decarbonization segment	M	29	3
3	Anar Mammadov	VP, Petrochemicals segment	M	31	3
4	Arzu Javadova	VP, Exploration of Natural Resources segment	F	41	3
5	Babak Huseynov	VP, Development and Production Operations segment	M	21	3
6	Elshad Nasirov	VP, Integrated Gas segment	M	45	20
7	Fuad Musayev	VP, Operation Support, Health and Safety segment	M	28	3
8	Ismayil Zargarli	VP, Legal and Compliance segment	M	29	3
9	Kanan Najafov	VP, Strategy and Digitalization segment	M	30	5
10	Zaur Gurbanov	VP, Finance segment	M	21	5
11	Ziba Mustafayeva	VP, Human Capital and Inclusion segment	F	26	3

BOARD MEETING ATTENDANCE RATES

ENTITY	BOARD MEMBERS	MEETINGS	ATTENDANCE RATE ¹
SOCAR	7	14	99%
SOCAR ENERGY TÜRKİYE	7	1	71%
SOCAR ENERGY GEORGIA	5	2	80%
SOCAR ENERGY HOLDINGS AG ²	7	2	100%
SOCAR TRADING	7	5	100%
SOCAR ENERGY UKRAINE	5	-	—

1. The attendance rate was determined by dividing the total number of attendees by the aggregated number of seats expected to be filled.
2. SOCAR Energy Switzerland and SOCAR Energy Austria operate under SOCAR Energy Holdings AG
3. Following the reporting period in April 2026 the composition of the Supervisory Board was updated in accordance with Presidential Decree No. 2446 dated 23 January 2021, replacing Azer Bayramov with Anar Karimov as Deputy Minister of Finance of the Republic of Azerbaijan.

MAIN COMPONENTS OF THE GOVERNANCE FRAMEWORK OF SOCAR

AZERBAIJAN INVESTMENT HOLDING

Azerbaijan Investment Holding is a public legal entity established to enhance the governance, transparency, and operational efficiency of state-owned enterprises. Its mandate includes the oversight of state-owned companies, as well as entities with majority state ownership that have been transferred under its management framework.

The Holding is also responsible for strengthening the financial sustainability and competitiveness of these organizations by aligning their operations with international governance and performance standards. Through its centralized oversight model, Azerbaijan Investment Holding plays a key role in ensuring that its portfolio companies operate in accordance with national strategic priorities and contribute to the creation of long-term value.

SUPERVISORY BOARD

The Supervisory Board comprises seven members appointed and dismissed by the President of the Republic of Azerbaijan for three-year terms, ensuring both continuity in strategic oversight and periodic renewal of governance perspectives. The Board's composition remained unchanged in 2025. Its members collectively bring extensive professional expertise across energy, finance, banking, and investment sectors, enabling balanced, well-informed decision-making aligned with the Company's long-term objectives and national governance requirements.

The Supervisory Board plays a central role in SOCAR's corporate governance system, defining strategic priorities and overseeing their implementation through a structured framework for evaluating the performance of the Executive Board. In this capacity, it oversees major organizational and investment decisions — including changes to corporate structure, approval of significant investment and financing transactions, and the appointment or replacement of subsidiary leadership — to ensure that these decisions remain aligned with the Group's strategic direction, governance standards, and operational needs.

To strengthen transparency, accountability, and effective risk oversight, the Supervisory Board has overseen the establishment and functioning of core control functions, including risk management, internal audit, and compliance. These functions form an integrated governance system that supports

operational discipline and reinforces clarity in decision-making. In addition, the Board approves key financial and operational policies, thereby supporting financial stability, business continuity, and stakeholder confidence, while ensuring alignment with international expectations for responsible and sustainable business conduct.

In accordance with the SOCAR Charter, the Supervisory Board is supported by three specialized committees drawn from its members: the Audit Committee, the Nomination and Remuneration Committee, and the Strategy and Investments Committee. These committees conduct detailed reviews and provide recommendations within their respective areas, thereby enhancing the efficiency and depth of the Board's oversight function. Overall, this governance structure reflects SOCAR's commitment to integrity, effective supervision, and long-term sustainability. There were no changes to its composition in 2025.

EXECUTIVE BOARD

The Executive Board of SOCAR is responsible for implementing the Company's strategy and policies approved by the Supervisory Board, overseeing their execution across all business areas, and managing the Company's day-to-day operations. In accordance with the Company Charter, it is chaired by the President of SOCAR and includes two First Vice Presidents and twelve Vice Presidents. By Decree No. 3376 of the President of the Republic of Azerbaijan, dated 21 July 2022, Rovshan Najaf was appointed President of SOCAR, ensuring continuity in the Company's executive leadership.

As of the reporting year, the Executive Board consists of 11 members, with a gender composition of 18% women and 82% men. Board appointments are made in accordance with national legislation and guided by the Company's operational needs and leadership requirements. The Board's composition remained unchanged during the reporting period, reflecting governance stability and continuity.

Executive compensation is governed through SOCAR's "Performance Management Process," which assesses performance across four perspectives: financial, operational, safety and sustainability, and organization and culture. This framework integrates ESG-related considerations into executive evaluation and remuneration, ensuring that leadership incentives support effective governance, long-term resilience, and sustainable value creation.

COMMITTEES

The Supervisory Board committees provide a focused structure for addressing the Company's most critical governance areas. By separating oversight into audit, remuneration, and strategy, they allow for more thorough review, clearer accountability, and better-informed decision-making. This division of responsibilities helps ensure that risks are properly assessed, performance is evaluated objectively, and strategic initiatives are aligned with long-term priorities, contributing to a more consistent and effective management framework.

AUDIT COMMITTEE

The Audit Committee supports the Supervisory Board in overseeing the integrity of SOCAR's financial and economic activities, the effectiveness of audit oversight, and the reliability of internal control and risk management systems. Its main functions include supervising internal and external audit processes, reviewing the accuracy and completeness of financial reporting, monitoring compliance with legal and internal governance requirements, examining risk registers and risk tolerance indicators, and recommending corrective actions, investigations and key control measures to the Supervisory Board.



Ruslan Alikhanov



Emin Huseynov



Israfil Mammadov

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee acts as an advisory body to the Supervisory Board on governance continuity, performance assessment and people-related policy matters. Its principal objective is to help ensure effective succession planning for the Supervisory Board and executive management, objective evaluation of the performance of the board, management and staff, and the development of sound remuneration, incentive, social support, training and professional development frameworks.



Anar Akhundov



Emin Huseynov



Elnur Soltanov

STRATEGY AND INVESTMENTS COMMITTEE

The Strategy and Investments Committee serves as an advisory body to the Supervisory Board on matters relating to SOCAR's long-term development, strategic priorities and investment agenda. Its core objective is to support the Supervisory Board by reviewing strategic goals, improving investment attractiveness, strengthening financial and business planning, identifying priority areas of activity and major investment projects, and monitoring financial and operational performance, including matters relating to dividends and other payments.



Mikayil Jabbarov



Anar Akhundov



Ruslan Alikhanov



Elnur Soltanov



Azer Bayramov



RISK MANAGEMENT COMMITTEE

The Risk Management Committee (RMC) is an oversight body that ensures risks are managed and risk management process is conducted in accordance with risk management framework. The RMC consisting of 5 members operates under the Executive Board and is chaired by SOCAR's President. Other RMC members are high-level executives all representing second line. As prescribed by its charter document, the RMC should hold quarterly meetings. However, unplanned meetings also could be organized to discuss and decide upon matters requiring urgent attention. The RMC is entitled to review high-level risk documents such as Risk Management Policy, risk tolerance levels and results of annual risk assessments as a first-level reviewer. Second-level review and approval of these documents fall within the authority the Audit Committee and the Supervisory Board accordingly. On a quarterly basis the RMC reviews status of high and critical level risks, and the effectiveness of implemented risk management measures. It continuously monitors the compliance of assumed risks with SOCAR's Risk Management Policy and Strategy. Timely organization and administration of the RMC meeting is the responsibility of Head Office Risk Management Department (RMD).

HUMAN RESOURCES MANAGEMENT COMMITTEE

Manages key personnel decisions, including scholarship program matters such as adjusting specialization quotas and approving candidates. It reviews changes to grading and reward systems, evaluates requests for staff increases and structural adjustments, and considers workforce optimization initiatives. The Committee also approves roles eligible for increased salary coefficients due to hazardous conditions, reviews employee experience initiatives based on internal surveys, approves working time standards, evaluates assignments to the Head Office, submits recommendations to the SOCAR President, and supports improvements in HR decision-making.

PROCUREMENT COMMITTEE

The committee approves procurement strategies, participant lists, tender results, non-competitive purchases, and contract value increases, while coordinating processes across structural units. Ensures compliance with regulatory requirements, resolves procurement-related disputes, and approves or delegates approval of vendor lists. The Committee may suspend procedures prior to contract finalization, adopt relevant methodologies and guidelines, define authorization limits, approve framework agreements, and cancel procurement results that significantly deviate from estimates, initiating new processes when necessary.

ETHICAL BUSINESS CONDUCT

SOCAR's Code of Business Ethics and Conduct is the central document defining the principles, norms, and behavioural standards expected of employees and stakeholders.

SOCAR bases its ethical business conduct on the principles of legal compliance, integrity, and corporate responsibility. These principles underpin

the Company's governance practices, ensure respect for the rule of law, and foster elevated standards of professional behavior throughout its activities.

In response to the evolving regulatory environment, SOCAR's Supervisory Board approved and initiated the implementation of several new documents — the Gifts, Entertainment, Incentives, Hospitality & Hosting Policy and Procedure, the Procedure on Helpline and Safeguards against Retaliation, the Compliance Due Diligence Procedure, and the

Sanctions Compliance Procedure. Through these newly adopted policies, SOCAR reaffirmed its commitment to high ethical standards and mitigated threats and risks that may undermine its values or reputation.

Unlike the previous version, the new Code introduces additional responsibilities for senior management beyond the general duties applicable to all employees. It also establishes new provisions covering insider information, anti-money laundering, counter-terrorist financing, anti-tax evasion,

international trade restrictions, and human rights, among others.

The main document governing SOCAR's ethical conduct and compliance system is the Code of Business Ethics and Conduct, along with several internal policies, procedures, statements (expectations) and standards on specific topics arising from its provisions.

CENTRAL DOCUMENT 2025 · Updated Format Code of Business Ethics & Conduct enhanced for easier use	POLICY FRAMEWORK 12 Policies, standards & statements	COMPLIANCE PILLARS 4 Code of Conduct · Anti-corruption · Corporate hospitality · Due diligence	WORKFORCE COVERAGE 100% Code of Conduct training & certification programme
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CODE OF CONDUCT Core document defining the principles and behavioural standards expected of employees, partners and contractors. A Code of Business Ethics and Conduct B Expectations from business partners — suppliers, work and service contractors C Human Rights Statement	ANTI-CORRUPTION & FINANCIAL CRIME Prevention of bribery, financial crime, sanctions breaches and conflicts of interest across the value chain. A Anti-Bribery & Corruption, Anti-Money Laundering and Crime Financing, and Anti-Tax Evasion Policy B Conflict of Interests Policy C Global Sanctions Policy and Sanctions Compliance Procedure	CORPORATE HOSPITALITY & ENGAGEMENTS Governance of gifts, hospitality, corporate cards and SOCAR's contributions to social investments and sponsorship. A Gifts, Entertainment, Incentives, Hospitality & Hosting Policy and Procedure B Standard on Representation & Hospitality Expenses and Use of Corporate Cards C Social Investments, Charitable Contributions and Sponsorship Policy	DUE DILIGENCE & REPORTING Screening of counterparties and executive candidates, and the channels for reporting suspected violations. A Compliance Due Diligence Procedure B Standard on Due Diligence of Candidates for Executive Positions C Procedure on Helpline and Safeguards against Retaliation
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COMPLIANCE

As part of the ongoing process to enhance internal compliance regulations within SOCAR, in 2025, draft versions of the Compliance Monitoring Procedure and Competition Compliance Procedure have been developed for submission to SOCAR's President for review and approval. Furthermore, a new Ethics and Compliance Helpline has been operational since 2025, enabling the submission and investigation of anonymous whistleblowing reports on breaches of SOCAR's Code of Business Ethics and Conduct, related compliance policies, and other ethics and compliance violations. The links to the Helpline, together with SOCAR's Statement on its internal Procedure on Helpline and safeguards against retaliation, were allocated on the main page of SOCAR's website in order to facilitate reporting opportunities for SOCAR's employees, business partners, and other stakeholders. Besides, the process of application for SOCAR's certification under ISO 37001 "Anti-bribery management system" has started and is planned to be finalized in 2026. By meeting this internationally recognized compliance benchmark, SOCAR will strengthen the trust of its stakeholders in SOCAR's compliance management system.

THREE MAIN SIGNIFICANT INSTANCES OF NON-COMPLIANCE

Environmental impact during operational activities

Non-compliance cases related to environmental damage caused during infrastructure and field operations, including vegetation disturbance and land use impacts.

Regulatory breaches in resource and infrastructure management

Instances involving deviation from permitted operational limits, including subsoil use and relocation or installation of utility infrastructure, resulting in regulatory findings and penalties.

Emergency preparedness and environmental risk management

Implementation and continuous improvement of environmental emergency preparedness measures, including incident prevention, response planning, monitoring, training, emergency exercises, root cause analysis, and actions to strengthen operational resilience and minimize environmental impacts.

All identified cases were followed by corrective actions and resolved through payment of penalties.

ANTI-BRIBERY, CORRUPTION, ANTI-MONEY LAUNDERING

In accordance with the anti-corruption principles and requirements established by the legislation of the Republic of Azerbaijan, business ethics standards, international legal and regulatory acts, the laws of foreign countries, and best international practices, SOCAR has adopted a "zero tolerance" approach to all forms of corruption. In line with this commitment, the Company updated its Policy on Anti-Bribery and Corruption, Anti-Money Laundering and Crime Financing, and Anti-Tax Evasion in 2024, replacing the version that had been in force since 2012.

As part of the implementation of this policy, SOCAR has established a comprehensive internal regulatory framework aimed at combating corruption and enhancing transparency, in full alignment with national legislation, international principles, and applicable legal requirements. In addition to this policy, the newly adopted Code of Business Ethics and Conduct and SOCAR's Expectations from its business partners, including suppliers, work and service contractors, clearly define expectations for all its counterparties. Both Azerbaijani and English versions of the Code, Expectations, and SOCAR's Statement on its anti-bribery and anti-corruption system have been made publicly available on the company's official corporate website.

During the reporting period, no instances of corruption were identified within the structural units of the Company. SOCAR is committed to increasing the effectiveness of its internal control mechanisms, compliance procedures, and to make continuous efforts to uphold the principles of integrity and transparency across all levels of the organization.

Core Principles of Anti-Corruption Activities

Zero tolerance for corrupt practices

Absence of hierarchical barriers

Inevitability of punishment

ALIGNMENT WITH
AZERBAIJAN'S
2022–2026 NATIONAL ANTI-
CORRUPTION ACTION PLAN

As one of the main figures in the energy and economic sector of the region, we understand our influence on governmental practices. Thus, SOCAR's Anti-Bribery and Corruption framework is closely aligned with the National Anti-Corruption Action Plan of Azerbaijan, which coordinates anti-corruption efforts across government agencies, state-owned and state-controlled entities and civil society to boost transparency, service quality, and public oversight. Through strong governance, risk management practices, targeted training, robust reporting, and thorough third-party due diligence, the Company contributes to strengthening integrity in the private sector, increasing transparency in procurement, ensuring compliance with international standards, and fostering a culture of zero tolerance toward corruption.

ANTI-CORRUPTION TRAINING Employees trained 5,898 Online & offline training	CORRUPTION INCIDENTS Confirmed cases 0 Zero tolerance upheld	STAKEHOLDER ENGAGEMENT via meeting 18 NGOs involved	ANTI-CORRUPTION AWARENESS Throughout 2022–2025 Public disclosure Through events and cooperations
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ACTIVITIES UNDER THE NATIONAL ACTION PLAN · SUB-POINTS

ACTIVITY	IMPLEMENTATION DETAIL	OUTCOME
01 Risk Management ANTI-CORRUPTION RISK REPORTING	▪ Annual risk map prepared, including corruption and related risks. An independent consultant was engaged to identify risks for potential ISO 37001 certification. ▪ Listed corruption risks were assessed based on likelihood and impact. ▪ Risk indicators developed for events potentially leading to corruption or related illegal acts (fraud, abuse of authority, tax evasion, etc.). ▪ Periodic monitoring of listed risks throughout the year, focusing on operations with corruption risk. No corruption incidents occurred during the monitoring period. ▪ A new monitoring procedure for managing corruption and other compliance-related risks has been developed with support from an independent consultant.	0 incidents

ACTIVITY	IMPLEMENTATION DETAIL	OUTCOME
02 Transparency RECRUITMENT TRANSPARENCY & PUBLIC OVERSIGHT	- SOCAR representatives took part in 15 job fairs and career exhibitions — including one held in the liberated territories — providing information about career opportunities through dedicated stands with posters, brochures, and other informational materials. - During the reporting period, citizens received information on recruitment procedures through 235 in-person receptions, responses to 2,497 written inquiries, and 1,046 hotline calls related to employment. - Civil society organisations — including the Azerbaijan National NGO Forum, Azerbaijan Journalists Network, Priority Social and Economic Research Center, and ForCitizens' Social Welfare — were given the opportunity to observe recruitment competitions.	15 events
03 Stakeholders ANTI-CORRUPTION PARTNERSHIP INITIATIVES	- A meeting titled "Strengthening Cooperation with Civil Society Institutions" was held with the participation of NGOs. - Participants were informed about SOCAR's internal control mechanisms, including whistleblowing channels and employee awareness initiatives related to reporting violations.	18 NGOs engaged
04 Training ANTI-CORRUPTION CULTURE DEVELOPMENT	5,898 employees participated in anti-corruption training at SOCAR in 2025. - Trainings covered the legal framework of anti-corruption activities, as well as risk assessment and management. - Sessions were delivered through online and in-person meetings supported by specially produced awareness videos.	5,898 trained
05 Disclosure ANTI-CORRUPTION PUBLIC AWARENESS CAMPAIGNS	- Information on training related to SOCAR's new compliance system, aimed at timely detection of corruption, illegal acts, and ethical violations, was widely communicated through the company's official website and local media. - The official website publishes key documents — including the Statement on Helpline and Safeguards against Retaliation Procedure, Statement on Anti-Bribery and Anti-Corruption System, and SOCAR's expectations from business partners (suppliers and contractors). - An awareness poster on preventing corruption and fraud in recruitment was developed and shared across major social media platforms.	Public disclosure



REGULATION OF PERSONAL AND CORPORATE CONFLICTS OF INTEREST

As part of our regular policy updates, we continuously review and strengthen our internal frameworks, including the Conflict of Interests Policy. In this regard, a dedicated working groups (commission, committee, etc.) have been established at SOCAR's Head Office and SOCAR Group Entities.

In line with the provisions of the policy, ad-hoc and semi-annual declaration forms for employees, as well as disclosure forms for candidates applying to positions, have been developed and distributed to the relevant parties for completion. Furthermore, the development and launch of a new internal Ethics and Compliance web-based Register, covering registration and approval processes related to conflicts of interest, gifts, entertainment, incentives, hospitality, and hosting, as well as annual compliance certifications and training, is in progress and is expected to be completed next year.

APPROACH TO ETHICAL RISK MANAGEMENT AND REPORTING

The Company conducts regular evaluations of ethical and compliance risks to maintain high standards of integrity and transparency. These evaluations are supported by compliance audits and risk assessments, guided by defined ethical oversight procedures. A key instrument in this process is the "Standard on the Methodology for Assessing the Anti-Corruption System", which shall be replaced by the Compliance Monitoring Procedure in 2026.

These internal documents outline key directions and evaluation methods, including control measures, audit planning, reporting, decision-making, and corrective actions.

SOCAR ensures ethical accountability through structured compliance programs and accessible whistleblowing mechanisms. All employees are required to confirm by their own signature their familiarity with the Code of Business Ethics and Conduct. In addition, they complete annual certifications affirming their compliance with the Code's principles.

PROTECTION OF CONFIDENTIAL INFORMATION AND PERSONAL DATA

SOCAR places a strong emphasis on the protection of confidential information and personal data as an integral part of its business ethics framework. The Company consistently safeguards sensitive information in line with applicable laws and international best practices. This approach is formalized through its Policy on the Protection of Confidential Information and Personal Data, which is applied across SOCAR and its Group companies to ensure compliance with legal and regulatory requirements, as well as widely recognized standards in all jurisdictions where it operates.

CORPORATE ETHICS, COMPLIANCE,
AND ANTI-CORRUPTION TRAINING AND
AWARENESS

SOCAR implements structured training programs to promote corporate ethics, compliance, and anti-corruption awareness across all levels of the organization. All employees, including newly hired personnel, are introduced to the Company's Anti-Bribery and Corruption, Anti-Money Laundering and Crime Financing, and Anti-Tax Evasion Policy, Conflict of Interests Policy, and the Code of Business Ethics and Conduct. Training sessions, conducted both in-person and remotely, explain code and policies, procedures, and employee responsibilities.

In 2025, SOCAR delivered targeted sessions aligned with the “National Action Plan for Strengthening the Fight Against Corruption for 2022–2026.” These trainings followed the “The Behavior Model compliant with SOCAR's new Code of Business Ethics and Conduct and other new policies on anti-corruption” curriculum and engaged 5,898 employees via online, offline trainings and educational video materials. The effectiveness of the sessions was evaluated, and recommendations were issued for further program enhancements. Besides anti-corruption training, SOCAR continuously delivers business ethics training sessions, through which employees receive and regularly refresh their knowledge of the Company's Code of Conduct and Business Ethics. These trainings are conducted monthly in both online and offline formats.

A new work plan and expanded training efforts are scheduled for 2026, including sessions on the updated Code of Business Ethics, newly adopted compliance policies, and procedures.

In 2025, SOCAR did not register any breaches of the Codes of Conduct.

COMPLIANCE CONTROLS, DUE DILIGENCE,
AND REPORTING MECHANISMS

To strengthen the overall effectiveness of its compliance framework, the Company applies a combination of preventive and control mechanisms designed to ensure transparency, accountability, and integrity across its operations. In this context, the Company also relies on internal control and financial transparency mechanisms to prevent misconduct. In particular, off-the-books accounts, falsified documentation, and other forms of financial misrepresentation are strictly prohibited. All transactions must be properly authorized, recorded accurately, and supported by appropriate documentation. Financial and non-financial records are retained in line with applicable legal and regulatory requirements, and transactions involving higher-risk payments or intermediaries are subject to additional review.

Beyond internal operations, SOCAR also addresses risks arising from its external relationships, recognizing that corruption and financial crime risks may also arise through external relationships. For this reason, a risk-based due diligence process is applied and conducted in relation to business

partners and third parties, including suppliers, contractors, agents, and joint-venture partners. Screening procedures consider issues such as potential corruption exposure, beneficial ownership, conflicts of interest, sanctions, and AML risks, as well as compliance with competition and tax regulations. Where appropriate, contracts include standard compliance clauses and provide the right to terminate cooperation in the event of violations.

To complement these preventive measures with early detection mechanisms, employees and external stakeholders may report concerns through various channels, including management reporting lines, directly to the Compliance Department, or via the Ethics and Compliance Helpline, which provides the option to submit information anonymously. SOCAR does not tolerate retaliation against individuals who raise concerns in good faith. Reports are handled confidentially where possible and are reviewed through impartial internal processes, with corrective actions implemented where necessary.

Figure 11. Received grievances by category

Total number of OHS grievances received	10
Total number of Labor Practices grievances received	945
Total number of Environmental grievances received	23
Total number of Compliance grievances received	60

No corruption-related grievances were received in 2025.

TAX INTEGRITY

SOCAR recognizes that its tax practices are not only a matter of compliance but a reflection of its broader responsibility to society. As a state-owned enterprise, the Company understands the direct link between its fiscal contributions and the sustainable development of the Republic of Azerbaijan, including the funding of public infrastructure, social services, and long-term economic resilience. In this context, responsible tax conduct is embedded as a core element of SOCAR's sustainability approach, demonstrating accountability, reinforcing public trust, and contributing to shared national value.

SOCAR is committed to conducting its tax affairs with integrity, transparency, and in alignment with the requirements of the Tax Code of the Republic of Azerbaijan, relevant international tax legislation, and internationally recognized frameworks, including the OECD (Organisation for Economic Co-operation and Development) principles. This commitment is further supported by adherence to the Company's Charter and internal frameworks, ensuring consistency and discipline across all operations. At the same time, SOCAR safeguards its business interests by maintaining the confidentiality of commercially sensitive information.

The Company is committed to compliance with tax laws in all jurisdictions where it operates, ensuring that tax liabilities are fulfilled fully, accurately, and on time. SOCAR refrains from aggressive tax planning, artificial arrangements, and other harmful

tax practices that could undermine the integrity of the tax system. Instead, the Company seeks to ensure that its tax contributions fairly reflect the economic value generated in each jurisdiction, reinforcing the principle that taxation should align with real economic activity.

The Company maintains comprehensive and auditable records and submits regular, accurate reports to tax authorities. Engagement with regulatory bodies is guided by principles of openness, mutual trust, and constructive dialogue, allowing for timely clarification of tax matters and reducing compliance risks. SOCAR places particular importance on addressing tax-related issues promptly and transparently, ensuring that interpretations of tax legislation are discussed openly with relevant authorities.

SOCAR Operating Model envisions functional management of group business processes including tax. The organizational structure of SOCAR Head Office includes Corporate Tax Department, which acts as a center of expertise for the application of tax legislation at the Group. The structure of the Department includes specialized units responsible for tax regimes and international taxation. This centralized approach enables consistency, oversight, and the effective dissemination of tax policies across all legal entities within the Group.

SOCAR continuously strengthens its tax management systems through structured processes and digital solutions. Tax-related data across the Group is consolidated at Head Office, enabling

comprehensive annual analysis and control of tax obligations. Regular reporting is provided to senior management, ensuring informed decision-making and strong oversight.

In line with its responsibilities as a multinational enterprise, SOCAR monitors compliance with international initiatives such as the OECD BEPS (Base Erosion and Profit Shifting) framework in all countries where it operates. The Company establishes centralized systems to ensure adherence to these requirements, ensuring that its practices remain aligned with evolving global standards.

Tax processes are also integrated in other corporate processes, including reorganizations, investments, and structural changes such as mergers, acquisitions, and divestments. In these cases, tax considerations are integrated both before and after such transactions, ensuring compliance, risk mitigation, and alignment with the Company's overall strategic objectives.

Ultimately, SOCAR views responsible taxation as a key enabler of sustainable development and public value creation. By maintaining a stable, transparent, and compliant tax approach, the Company contributes to the resilience of public finances and supports national development priorities. Continuous improvement of internal policies, alignment with international best practices, and a strong ethical foundation ensure that SOCAR's tax strategy remains forward-looking, responsible, and fully integrated into its sustainability commitments.

Figure 12. Corporate income tax paid by SOCAR in each country¹ of operation 2025, million AZN

Azerbaijan	180
Switzerland ² 1 CHF = 2.05 AZN 2025 yearly average	69
Türkiye 1 TRY = 0.04 AZN 2025 yearly average	16
Other countries ³ 1 USD = 1.70 AZN 2025 yearly average	9

1. Corporate income tax paid in Georgia was zero, as the country applies the Estonian model, whereby tax is levied only on profit distributions. No dividends were declared or paid in 2025, accordingly, no tax liability arose for the period. Corporate income tax paid on a cash basis in Austria was zero, as no taxable income was generated during the reporting period. Accordingly, no corporate income tax liability arose.

2. The tax figure for Switzerland includes taxes paid by SOCAR Trading SA and SOCAR Energy Switzerland within the Swiss tax jurisdiction.

3. Other countries include taxes paid by SOCAR Trading in Luxembourg, Malta, Singapore, the UAE, the UK, and the USA. jurisdictions, as well as tax figure of SOCAR Ukraine.

RISK FRAMEWORK AND OVERSIGHT

SOCAR has established an enterprise-wide risk management framework based on the integrated application of ISO 31000 and COSO principles, tailored to its operational context and business processes. This framework supports a consistent, structured and proactive approach to risk management and

contributes to the achievement of SOCAR's strategic objectives and long-term resilience. At the governance level, the Supervisory Board approves risk management policies, while the Executive Board approves the procedures and methodological documents governing risk management and oversees their implementation

across the Group. The Risk Management Committee (RMC) operates under the Executive Board and is chaired by SOCAR's President. The Head Office Risk Management Department (RMD) regularly reports to the RMC on key risks, mitigation action plans and implementation progress.



Within this framework, SOCAR applies the three lines of defense model. The first line of defense of operational functions across the Group entities and structural units, including the relevant segment leaders and designated risk owners. Risk owners are responsible for identifying, assessing, managing and monitoring risks within their areas of responsibility, maintaining effective internal controls, and implementing agreed mitigation action plans.

The second line of defense consists of the Head Office RMD, designated risk functions across SOCAR Group entities, and other relevant control functions, including Environmental, Compliance, IT (including Information Security) and Health and Safety. The RMD coordinates risk management activities across the Group, sets a unified methodology and internal reporting standards, and supports the consistent application of risk management processes. Designated risk functions across subsidiaries are functionally linked to the RMD, while the other second-line functions contribute within their respective areas of responsibility. In this capacity, the RMD works together with the relevant second line functions to support risk owners in maintaining effective internal controls and, depending on the type and nature of the risks, conducts joint assessments with them. This integrated second line structure enhances SOCAR's ability to forecast, manage and respond to potential risks.

Figure 13. Functions Responsible for the Second Line of Defense in the Risk Management Process.



The third line of defense function maintained within the Internal Control Department. Independent oversight is provided by the Audit Committee, which operates under the Supervisory Board. The Audit Committee oversees the reliability and effectiveness of SOCAR's internal control and risk management systems, monitors the implementation of corporate governance documents and directives, oversees the independence of external and internal audit, and supervises the process for ensuring compliance with the legislation of the Republic of Azerbaijan. Together, these governance arrangements strengthen accountability across the Group and provide assurance over the effectiveness of risk management processes, internal controls, and the implementation of mitigation measures.

RISK MANAGEMENT FRAMEWORK AND METHODOLOGY

SOCAR's risk management framework covers the full risk management cycle, including risk identification, assessment, analysis, monitoring, reporting, and control. It is designed to enable a consistent and systematic approach to managing risks across structural units and group entities and to support timely decision-making at both operational and strategic levels.

Economic, operational, environmental, and social risks are assessed as part of the annual enterprise-wide risk assessment process and, where necessary, through separate targeted assessments. In addition to general risk management policies and procedures, SOCAR has supplementary procedures governing the management of environmental risks. These documents define the respective responsibilities of management and relevant structural units and support the consistent application of risk management practices throughout the organization.

Within the second line of defense, dedicated risk management methodologies have been developed for specific functions, including Health and Safety, IT and Compliance. The risk methodologies for the IT function and Health and Safety function have been prepared and approved, while the compliance risk methodology has been developed and is currently in the approval process. Depending on the nature of the risk, joint assessments are also carried out with the relevant second line functions where necessary. This supports a more specialized and integrated approach to risk management across the Group. SOCAR has also established a structured Incident

Management System, which plays a critical role within the company's risk management processes. This mechanism is designed to collect, analyze, and communicate information regarding realized risks to relevant stakeholders in a timely and accurate manner while preventing similar incidents in the future. As data on realized risks is collected, it becomes a valuable resource for future risk analyses and strategic planning. Lessons learned from incidents are systematically integrated into risk management practices, contributing to continuous improvement across operations and reinforcing the overall safety and management culture within the organization.

During the reporting period, SOCAR reviewed and enhanced its risk management methodology. In parallel, the Risk Management Policy was updated and submitted to the Supervisory Board for approval. SOCAR also continued to strengthen its Group-wide risk management system by expanding the scope of the process across structural units and subsidiaries and by implementing systematic measures to support the application of a unified methodology.

As part of its digitalization agenda, SOCAR initiated steps toward the introduction of a dedicated platform intended to support risk management through a single software solution covering all stages of the process. This is expected to enhance consistency, transparency and efficiency in risk identification, assessment, monitoring and reporting across the Group.

RISK IDENTIFICATION AND ASSESSMENT

Risks are identified and assessed through SOCAR's enterprise-wide risk management process, which covers all business activities and processes across the Group and draws on both internal and external sources, including historical risk events, audit findings, business plans, regulatory guidance, and developments observed in similar projects and peer companies. Applying a structured probability-and-impact methodology, SOCAR evaluates the probability, consequences, root causes, interdependencies, and mitigation measures associated with each risk, while also assigning clear ownership and considering both initial risk and residual risk exposure.

As part of the risk assessment process, SOCAR identified a range of risks that could have material implications for its business in the medium-to-long term. These include risks associated with the accelerating global energy transition, stricter low-carbon regulatory requirements, geopolitical tensions affecting export, supply and partnership environments, structural uncertainties in global supply chains for critical equipment and technologies, and increasing technological adaptation needs linked to digitalization, automation and artificial intelligence. Climate-related physical risks, including extreme weather events and pressure on water resources, were also identified as significant due to their potential impact on operational resilience and infrastructure resilience. In addition, SOCAR identified important operational risks such as lower-than-expected production

from wells, delays in repair, construction and reconstruction projects, accidents and unplanned shutdowns at processing facilities. These risks were assessed in terms of both probability and impact, and mitigation plans were developed to reduce either their probability of occurrence or their potential consequences.

Risk assessment is conducted using a structured 6x6 risk matrix, under which each identified risk is evaluated based on probability and impact using a six-point scale from 1, representing the lowest score, to 6, representing the highest score. The assessment process also takes into account the underlying causes of the risk and its potential consequences. Risk assessment is performed in two stages, covering both initial risk and residual risk, each calculated using the formula $\text{Risk} = \text{Probability Score} \times \text{Impact Score}$. Based on the resulting score, risks are classified by level and corresponding escalation threshold: low risks do not require escalation and are managed through maintaining existing controls; medium risks require more detailed analysis and consideration of further actions and are escalated to the enterprise management level; high risks require the development of review and improvement measures and are escalated to the higher management levels, and critical risks require immediate action and are escalated to the RMC. This methodology supports a consistent, transparent, and escalation-based approach to risk evaluation across SOCAR.

EMERGING RISKS

Extreme Weather Events & Climate Change Risk: Increasing frequency and intensity of extreme weather events may disrupt offshore and onshore operations, affecting production continuity and infrastructure reliability. In addition to broader climate-related changes, repeated dust storms originating from Turkmenistan's Karakum Desert crossed the Caspian Sea in 2025, reaching the Absheron Peninsula and as far as Makhachkala. The most intense activity was observed between August and October, indicating a recurring seasonal pattern that warrants closer monitoring. These events are not only isolated weather disturbances, but a growing environmental signal that can impair air quality, create health and safety concerns, reduce visibility, disrupt logistics and field operations, and contribute to regional warming. Together with changing climate patterns, they introduce long-term uncertainty in environmental conditions, complicating asset design, maintenance and investment planning. These developments may require adjustments to operational models and infrastructure standards in order to maintain resilience. As this risk arises from evolving climate and environmental dynamics, it is categorized as environmental in nature. Based on the results of the assessment, this risk was assigned a probability score of 3 and an impact score of 6, resulting in a total risk score of 18, and was therefore classified as a critical risk.

Mitigation plans: SOCAR aims to establish a comprehensive Business Continuity Management (BCM) framework to ensure rapid response and

recovery from disruptions caused by extreme weather and climate-related events. This includes establishing dedicated crisis management teams, defining clear escalation protocols, and maintaining continuity of critical operations under adverse conditions. In parallel, climate considerations will be integrated into infrastructure design, monitoring systems, and long-term investment planning to enhance resilience.

Technology-Driven Infrastructure Risk: The increasing adoption of advanced technologies, particularly artificial intelligence and highly interconnected control systems, is creating tightly integrated and complex operational environments within SOCAR's physical infrastructure. This technological convergence introduces significant system interdependencies, where disruptions, malfunctions, or limitations in digital components can directly affect physical operations. As automation and real-time, data-driven decision-making continue to expand, system complexity and reduced transparency may limit human oversight and responsiveness. Consequently, these dynamics can lead to cascading operational failures and increased challenges in maintaining safe, stable, and reliable control over critical infrastructure. As the risk is primarily driven by technological transformation and digital system dependency, it is technology-related in nature. Based on the assessment results, this risk was assigned an impact score of 6 and a probability score of 3, resulting in a total risk score of 18 and classification as a critical risk.

Mitigation plans: SOCAR plans to enhance and

expand its BCM framework to address disruptions arising from technology-driven interdependencies, ensuring a coordinated and effective response to incidents impacting both digital systems and physical operations. Resilience will be reinforced through robust system design, continuous performance monitoring, and the integration of fail-safe features and manual override mechanisms within critical infrastructure. Furthermore, scenario-based exercises and stress testing will be conducted to strengthen preparedness for complex, cascading failures within highly interconnected and technology-dependent operational environments.

COMPANY-SPECIFIC RISKS

Critical Infrastructure aging risk: As assets age, the interaction between legacy systems and modern technologies (e.g., digital monitoring, automation) creates new and less predictable failure modes. This may lead to reduced operational resilience and higher likelihood of systemic disruptions rather than isolated incidents in SOCAR's operations. Unpredictable failure modes carry severe Health, Safety, and Environmental (HSE) implications, including loss of containment or structural collapse, which can result in significant regulatory fines and reputational damage. The risk is amplified by the challenge of prioritizing investments between maintaining aging assets and funding future-oriented energy transition initiatives. Based on the assessment results, this risk was categorized as strategic, assigned an impact score of 6 and a probability score of 5, resulting in a total risk score of 30 and classification as a critical risk.

Mitigation plans: Aging infrastructure will be addressed through targeted repair of corroded tank components, cleaning of bottom sediments, construction of new tanks, and comprehensive rehabilitation of hydraulic structures. Comprehensive diagnostics will be conducted to identify assets that have exceeded their service life, followed by the replacement or upgrade of outdated and malfunctioning pipelines and equipment. Structural integrity will be strengthened by restoring damaged components, replacing vertical support pipes, and applying enhanced corrosion protection measures. In addition, increasing the capacity and resources of corrosion protection teams will support ongoing maintenance and extend asset lifespan.

Declining sea levels: The continued decline in the level of the Caspian Sea represents a systemic strategic risk to offshore accessibility and the integrity of critical infrastructure of SOCAR. Lower water levels constrain maritime navigation, thereby complicating essential logistics operations such as cargo transportation, equipment delivery, and personnel transfer, while increasing associated costs and operational risks. In addition, reduced water depth adversely affects the structural stability and operational efficiency of existing offshore platforms and trestles and heightens the vulnerability of subsea pipelines to seabed erosion and degradation of protective layers. These evolving environmental conditions also introduce significant uncertainty into the development of new fields and long-term capital planning. Sustained mitigation of these constraints is expected to require increased operational expenditure, including ongoing dredging

activities, more frequent bathymetric surveys, and potential modifications to the maritime fleet to ensure compatibility with reduced draft conditions. Based on the assessment results, this risk was categorized as strategic, assigned an impact score of 6 and a probability score of 4, resulting in a total risk score of 24 and classification as a critical risk.

Mitigation plans: Dredging activities should be carried out in ports, canals, and key shipping routes to maintain navigability under changing conditions. Infrastructure at platforms and trestles needs to be adapted, including extending access points and upgrading structural components. The protection of subsea pipelines should be strengthened through enhanced corrosion prevention measures and improved physical safeguards. In addition, a comprehensive monitoring system supported by risk-based planning should be implemented to enable proactive management of emerging threats.

Accidents and Unplanned Shutdowns at Processing Facilities: The occurrence of accidents and unplanned shutdowns at processing facilities, including fires, equipment failures, and mechanical breakdowns can lead to partial or complete production interruptions, resulting in significant operational, financial, and reputational repercussions. Given the scale and complexity of its operations, SOCAR assessed the likelihood of these incidents in 2025 as "almost certain," underscoring the inherent exposure within its processing environment. The potential consequences are substantial, encompassing risks to human safety, environmental damage, prolonged operational downtime, and material financial losses. Based on the assessment

results, this risk was categorized as operational, assigned an impact score of 6 and a probability score of 6, resulting in a total risk score of 36 and classification as a critical risk.

Mitigation plans: To address these challenges, SOCAR implements a rigorous preventive maintenance framework, including scheduled major overhauls of technological equipment and the timely resolution of maintenance issues identified across production sites. This proactive maintenance strategy is designed to minimize the probability of equipment failure and enhance operational continuity. Furthermore, SOCAR maintains a stringent risk appetite, with zero tolerance for any breaches of process safety standards or actions that may endanger human health, disrupt operations, or harm the environment. This disciplined approach ensures that risks associated with accidents and unplanned shutdowns are managed with the highest level of control, vigilance, and accountability.

Complications and Accidents During the Drilling Process: Drilling operations entail a distinct set of operational risks, notably well control challenges and equipment failures, which may result in accidents and significant operational delays. In 2025, the likelihood of such incidents was assessed as very high, reflecting the inherently high-risk nature of drilling activities. The potential impacts are severe, including threats to personnel safety, environmental contamination, asset damage or loss, and substantial financial consequences. Based on the assessment results, this risk was categorized as operational, assigned an impact score of 5 and a probability score of 5, resulting in a total risk score of 25 and classification as a critical risk.

Mitigation plans: To mitigate these risks, SOCAR applies a comprehensive framework of stringent operational controls. These measures include conducting additional wellbore enlargement where required, continuously monitoring drilling fluid parameters, optimizing drilling fluid density in line with formation characteristics, and strictly adhering to approved cementing programs. Furthermore, the Company closely monitors circulating pressure during cementing operations, ensures wellbore stability through appropriate mud weight and chemical additives, and mitigates differential pressure effects arising from geological variations. SOCAR maintains a zero-risk appetite for any non-compliance with process safety and occupational health requirements in drilling operations. Full adherence to national regulations, international best practices, and internal safety standards is mandatory to safeguard personnel and protect the environment.

RISK CULTURE AND CAPACITY BUILDING

In 2025, SOCAR took an important step toward strengthening its risk culture by organizing formal training sessions aligned with the internationally recognized ISO 31000 Risk Management Standard. These programs were designed not only to explain the core principles of risk management, but also to support their practical understanding and application by participants. Following the training, a qualification examination was held to assess participants' understanding and their ability to apply these principles effectively in their respective roles.

Recognizing the important role of leadership in building an enterprise-wide risk-aware environment,

SOCAR also developed and delivered a dedicated training program for senior management, including vice presidents, heads of entities, and department leaders. This executive-level training emphasized the importance of integrating risk management into both strategic and operational decision-making. In addition, SOCAR conducts quarterly assessments of strategic challenges within the framework of its Corporate Strategy. This process supports the integration of risk criteria into the development of new products and services and ensures that new projects are evaluated against relevant risk considerations as part of the decision-making process.

To further support risk-informed decision-making, SOCAR applies stress testing and sensitivity analysis as integral components of its financial risk management framework. These analyses assess the potential impact of market risks—including foreign exchange risk, commodity price risk, and interest rate risk—on the Group's financial performance, enabling proactive risk mitigation and strengthening financial resilience.

SOCAR integrates risk management into its financial incentive framework. From 2025 SOCAR started to implement a competency model for its mid and high-level managers. Risk management is one of these key competencies that is evaluated as part of the annual performance evaluation of these employees. Apart from the competency evaluation of managers, different individual risk-based indicators are also embedded into the annual key performance indicators of all employees.

Through these initiatives, SOCAR aims to embed a strong and proactive risk culture throughout the organization, ensuring that risk awareness extends beyond compliance requirements and becomes an integral part of everyday business processes. The company considers well-informed and engaged employees at all levels, from frontline staff to senior leadership, essential for the early identification of emerging risks, their effective management, and the support of resilient and sustainable growth.

MONITORING AND CONTINUOUS IMPROVEMENT

SOCAR conducts an annual review of its overall risk profile and updates its risk management approach where necessary. In addition, the Company monitors the implementation of mitigation measures on a quarterly basis to assess their effectiveness in addressing operational risks, including those related to accidents, shutdowns, and drilling-related complications. This ongoing monitoring supports the timely identification of emerging risks and the continuous refinement of risk controls.

As part of its commitment to continuous improvement, SOCAR also undergoes regular external audits conducted by accredited independent firms. These audits cover a broad range of areas, including ISO certifications, regulatory compliance, operational integrity, and financial reporting. The independent assurance provided through this process supports the further strengthening of SOCAR's operational resilience and overall risk management framework.

PRIORITIES FOR FURTHER DEVELOPMENT

Looking ahead, SOCAR has identified several priorities for the further development of its risk management framework. A key focus area is the full implementation of a unified software solution covering all stages of the risk management process. In line with the three lines of defense model, SOCAR also plans to further develop and implement risk management policies and procedures based on a common methodological framework across second-line functions.

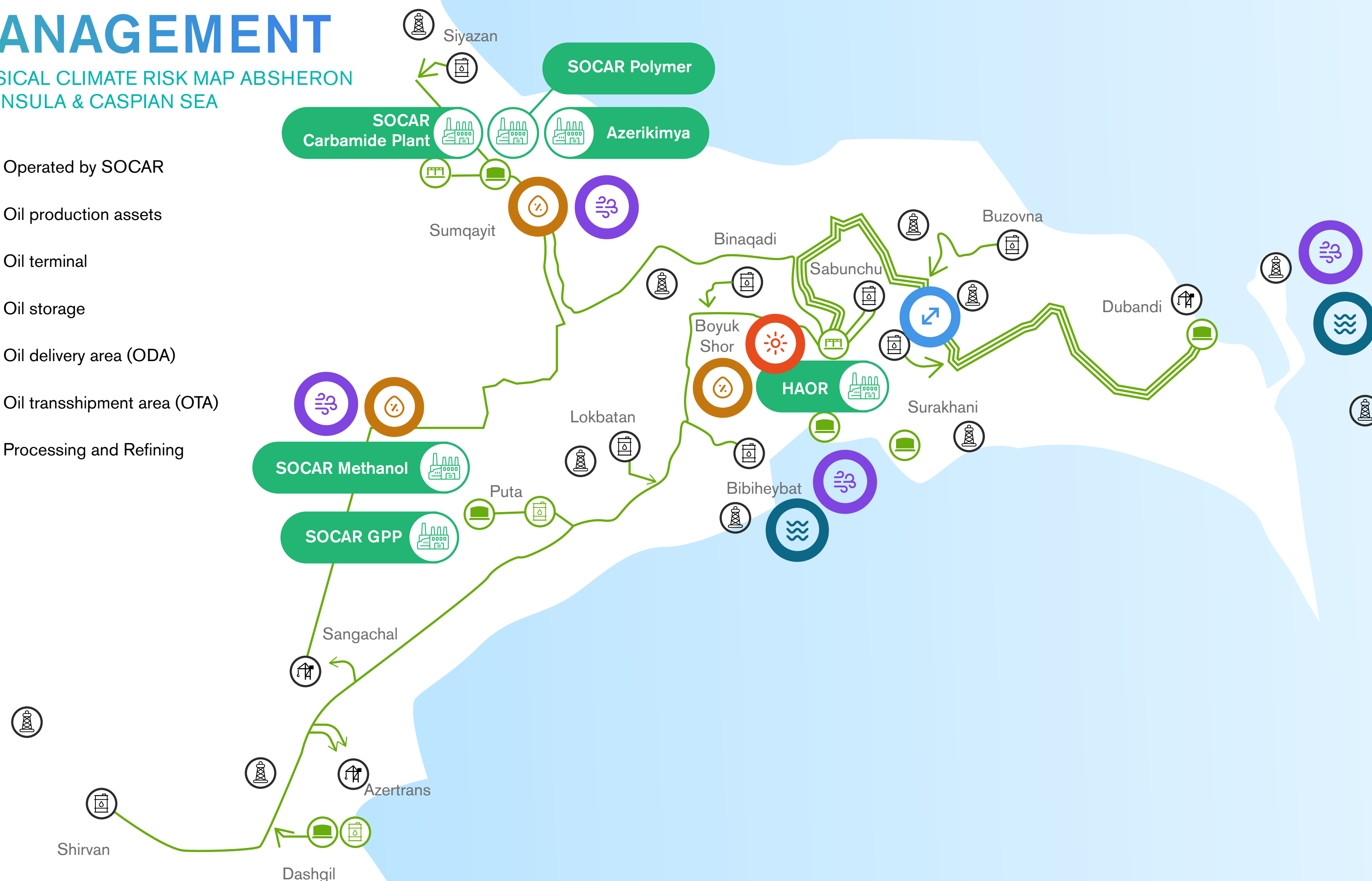
In parallel, SOCAR intends to establish frameworks and procedures for third-party risk management to ensure a more systematic approach to risks arising from relationships with external parties. Another priority is to further strengthen risk awareness and promote a more mature risk culture across structural entities, including through the rollout of digital training for employees.

Another important initiative is the external and independent quality assessment of the overall risk management framework. In 2022, SOCAR implemented diagnostics and benchmarking to assess the overall risk management framework in terms of maturity. As a result, a roadmap of activities was developed and are being implemented throughout these years. The next external quality assessment is planned to assess the quality of performed projects and the change in maturity of the framework.

CLIMATE RISK MANAGEMENT

PHYSICAL CLIMATE RISK MAP ABSHERON PENINSULA & CASPIAN SEA

-  Operated by SOCAR
-  Oil production assets
-  Oil terminal
-  Oil storage
-  Oil delivery area (ODA)
-  Oil transshipment area (OTA)
-  Processing and Refining



IDENTIFIED PHYSICAL CLIMATE RISKS

Five priority hazards across SOCAR's operations

Upstream concentration · ~95% of crude output from offshore assets · TCFD-aligned

- 01 FLOODING** ACUTE
Midstream assets are faced with medium levels of Flood risk, to which above ground pipelines in uneven terrain are most vulnerable.
- 02 SEA-LEVEL DECLINE** CHRONIC
Chronic Caspian decline of 8-14 m by end-century; corrosion, maintenance & platform accessibility impact.
- 03 EXTREME HEAT** CHRONIC
Rising temperature variability impacting refining efficiency, equipment cooling and worker safety.
- 04 WATER SCARCITY** CHRONIC
Drought affecting water-dependent refining processes — process stability & operational efficiency at risk.
- 05 STRONG WINDS & STORMS** ACUTE
Projected wind speeds up to ~230 km/h offshore — risk of structural damage & operational disruption.

FRAMEWORK
TCFD-ALIGNED
Group-wide climate program

SCENARIOS
3 SSPs
1-2.6 · 2-4.5 · 5-8.5

HORIZONS
2030 - 2050
Medium & long-term

CLIMATE RISK MANAGEMENT AND PHYSICAL RISK ASSESSMENT

SOCAR's approach to climate risk management reflects the increasing importance of both transition and physical risks for long-term operational resilience. A Group-wide climate risk program has been developed with external support and aligned with internationally recognized frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD), to ensure structured identification and assessment of climate-related risks. The program considers a broad set of risk drivers, including current and emerging regulations, market risks, and physical climate risks, covering both acute and chronic hazards. These risks are assessed through internal engagement and benchmarking and are progressively integrated into strategic planning and decision-making processes.

Given the capital-intensive and geographically fixed nature of SOCAR's assets, physical climate risks are considered a primary risk factor for operational resilience and asset integrity. In line with established risk frameworks, physical risks arise from the interaction of hazard, exposure, and vulnerability and may materialize through acute events such as floods and storms or chronic changes such as temperature increase, drought, and sea-level variability. This exposure is further amplified by the concentration of production in a limited number of assets, where offshore operations account for approximately 95% of total crude oil output, increasing sensitivity to climate-related disruptions and long-term environmental changes.

PHYSICAL CLIMATE RISK ASSESSMENT AND METHODOLOGY

SOCAR conducted its first structured physical climate risk assessment across assets under operational control, covering upstream, midstream, and downstream operations. The assessment combines asset-level operational data with external climate datasets to evaluate the impact of climate hazards and support integration into internal risk management processes. A key component of the assessment is forward-looking scenario analysis based on IPCC Shared Socioeconomic Pathways (SSP1-2.6, SSP2-4.5, and SSP5-8.5), applied across 2030 and 2050 time horizons to capture the evolution of risks under different climate futures.

The methodology applies a structured approach combining hazard exposure and asset vulnerability to identify and prioritize risks. Hazard exposure is assessed using scenario-based projections across acute and chronic risks, including floods, extreme winds, precipitation, temperature variability, drought, and sea-level decline, while vulnerability is evaluated based on asset design, location, and operational conditions. These inputs are consolidated into a risk scoring framework to support the identification of assets exposed to higher levels of operational disruption and to guide the prioritization of mitigation and adaptation measures.

ASSET-LEVEL EXPOSURE AND RISK IMPLICATIONS

Physical climate risk exposure across SOCAR's operations reflects both asset concentration and operational characteristics, with differentiated impacts across upstream, midstream, and downstream segments. In the upstream segment, exposure is driven by the concentration of production in a limited number of offshore assets, with four major production assets accounting for more than 95% of total crude oil output. For these assets, a key chronic exposure is the projected decline in the Caspian Sea level under multiple climate scenarios, with projections indicating a potential decrease of 8–14 metres by the end of the century. This may lead to increased corrosion of offshore infrastructure, higher maintenance requirements, and reduced accessibility of offshore platforms over time. In addition, acute hazards such as extreme winds remain significant in offshore areas, with projected wind speeds reaching approximately 230 km/h, increasing the risk of structural damage and temporary operational disruptions.

In the midstream segment, key physical climate risks are associated with infrastructure interdependencies, where pipelines and transport systems may be affected by flooding, land instability, and extreme weather events, potentially disrupting transportation and storage continuity. In the downstream segment, drought represents the most material chronic physical climate risk due to the high dependence of refining processes on water availability, with the potential to affect cooling capacity, process

stability, and operational continuity under changing climate conditions. Heat and extreme wind events also represent key physical hazards across several downstream assets, with potential impacts on cooling requirements, electricity demand, and critical infrastructure.

These risks are expected to materialize over medium- to long-term time horizons, broadly aligned with the 2030–2050 period considered in the scenario analysis. Chronic risks, such as sea-level decline and drought, are expected to result in progressive increases in maintenance requirements and gradual efficiency losses, while acute risks may lead to short-term but potentially significant operational disruptions depending on event severity. In response, SOCAR is implementing adaptation measures, including enhanced maintenance programs, infrastructure reinforcement, process optimization, and water management solutions to support operational resilience under evolving climate conditions.

RESPONSIBLE SUPPLY CHAIN

REGULATORY DOCUMENTS 50 in development 1 framework · 1 policy · 13 procedures · 35 flowcharts	E-TENDER MIGRATION 100 % Completed April 2024 · paper-based fully eliminated	SAP PR-PO INTEGRATED 13 Business Units During 2025 · more planned through 2026	ENTITIES ON E-TENDER All +6 All BUs · 2 wholly owned · 4 JVs
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GOVERNANCE & OPERATING MODEL

SOCAR manages its supply chain activities through a procurement governance framework aligned with local legislation, international standards, and internal regulatory and technical requirements. Procurement oversight is maintained through dedicated governance and operational functions, including the Procurement Committee, the Procurement Category Management Department, the Procurement Operational Support Department, and the Procurement Development & Excellence Department. This structure supports accountability, transparency, operational integrity, and standardized procurement practices across SOCAR entities.

As part of the procurement transformation agenda, SOCAR initiated the development of a unified set of internal Procurement Regulatory Documents in 2025. These documents are intended to establish a transparent and standardized procurement operating model by clearly defining procurement roles, responsibilities, governance principles, and operational processes across the organization.

1

PROCUREMENT FRAMEWORK

1

PROCUREMENT POLICY

13

PROCEDURES

35

SUPPORTING FLOWCHARTS

These documents establish a **transparent and standardized** procurement operating model. The final package is expected to be submitted for approval in **2026**.

DIGITAL PROCUREMENT TRANSFORMATION

Digitalization remains a key component of SOCAR's supply chain transformation strategy. To improve transparency, efficiency, and control, SOCAR has expanded the use of digital procurement tools, including the e-Tender platform, SAP-based procurement modules, analytical reporting systems, and Power BI dashboards.

In April 2024, SOCAR completed a two-year digital procurement transformation program that standardized sourcing processes across all Business Units and two wholly owned subsidiaries.

The program continues to evolve, with additional enhancements implemented during 2025 and further improvements planned through 2026.

By transitioning to digital procurement workflows, SOCAR has enhanced the efficiency, consistency, and transparency of its procurement processes while contributing to its sustainability objectives through reduced paper consumption and streamlined administrative activities.

The program was implemented to achieve four primary objectives:

- Strengthen procurement transparency across SOCAR;
- Improve supplier access to bidding opportunities;
- Establish centralized procurement analytics capabilities;
- Improve procurement efficiency through standardized systems and processes.

To strengthen governance and accountability, the platform includes dedicated audit-access

roles that allow senior management to monitor procurement activities in real time. Supplier engagement mechanisms were also enhanced through the introduction of a post-submission supplier satisfaction survey in November 2025. The survey includes both quantitative evaluation and open feedback functionality to support continuous improvement of the platform and procurement processes. In parallel, SOCAR continued expanding SAP procurement integration activities. During 2025, the SAP PR-PO process was successfully integrated across thirteen Business Units, with additional integration planned through 2026.

Real-time audit-access roles were introduced to enhance senior management oversight.

A supplier satisfaction survey was introduced in November 2025 to capture post-submission feedback.

The SAP PR-PO process was integrated in 2025, improving procurement workflows.

Additional SAP integrations are planned for 2026 to further enhance system capabilities.

PROCUREMENT ANALYTICS AND AI INTEGRATION

To strengthen data-driven decision-making, SOCAR established a dedicated Procurement Analytics team in September 2025. The team is responsible for developing standardized and automated reporting systems to support procurement governance, operational monitoring, KPI tracking, forecasting, and executive decision-making. Key analytical outputs include dashboards and reports covering:

- Inventory management;
- Purchase requisitions;
- Sourcing activities;
- Logistics operations;
- Contract management;
- Procurement cycle performance.

A Service Level Agreement (SLA) monitoring dashboard was also introduced as part of a broader initiative to measure procurement cycle timelines and operational efficiency across procurement stages. Formal SLA implementation becomes effective in May 2026.

SOCAR also initiated the integration of artificial intelligence into procurement operations. AI-powered support functionalities were introduced within the e-Tender platform to assist users with sourcing processes and platform navigation. In addition, SOCAR developed and began testing an AI-based chatbot solution designed to help employees navigate procurement policies, procedures, and regulatory documentation. The solution is expected to be launched following the approval of SOCAR's

Procurement Regulatory Documents and aims to strengthen compliance awareness, knowledge-sharing, process consistency, and operational efficiency.

MATERIALS MANAGEMENT TRANSFORMATION AND LOGISTICS OPTIMIZATION

In 2025, SOCAR launched a Master Data Cleansing initiative to improve data quality, standardization, governance, and operational efficiency across supply chain, inventory, and materials management activities. A dedicated cross-functional working group was established in September 2025 to coordinate implementation activities and stakeholder engagement. Following the tender process, a vendor was selected, and the project officially commenced in April 2026. The initiative includes the review and cleansing of existing master data systems, the redesign of governance approaches, and the alignment of operational practices across SOCAR entities. Dedicated Data Stewards, Technical Experts, and Warehouse Support representatives were assigned across operational sites to support validation activities and implementation coordination. SOCAR initiated broader transformation activities focused on modernizing warehouse management, inventory management, and master data governance processes. Existing methodologies were redesigned in line with international cataloguing and governance practices to establish more centralized and standardized controls for:

- Material classification;
- Data quality management;
- Duplicate prevention;

- Lifecycle management;
- Governance controls.

The initiative also supports the development of a more integrated materials management model by strengthening coordination between procurement, warehousing, inventory management, analytics, logistics, and master data governance functions.

Future transformation initiatives include the planned implementation of SAP Master Data Governance (MDG) and SAP Integrated Business Planning (IBP) solutions to strengthen workflow automation, inventory planning, forecasting, and analytical decision-making capabilities. Collectively, these initiatives support SOCAR's broader digital transformation agenda and long-term SAP S/4HANA readiness.

To strengthen contract governance and operational oversight, SOCAR established the Contract Management Division in 2025. The Division was created to centralize contract administration activities across SOCAR entities, improve contract monitoring, standardize contractual templates, and support future digitalization initiatives. Following the establishment of the Division, a unified contract register for centralized tenders was introduced. In cooperation with the Legal Department, standardized contract templates were also developed to improve consistency of contractual terms and strengthen governance practices across procurement activities. SOCAR additionally initiated market assessments for Contract Lifecycle Management (CLM) solutions intended to support:

- Centralized contract storage;
- Automated approval workflows;
- Digital contract tracking;
- AI-supported contract analysis;
- Reporting dashboards.

The pilot implementation of the CLM solution is planned for 2026.

At the same time, SOCAR strengthened logistics governance and delivery management capabilities through the establishment of a dedicated Head Office Logistics team within the Procurement Operations Support Department. To improve operational visibility and delivery control, standardized weekly logistics reporting and Power BI dashboards were introduced across relevant SOCAR entities. These tools support monitoring of:

- Delivery performance;
- Delay risks;
- Incoterms distribution;
- Transportation activities;
- Procurement logistics KPIs.

Additional improvements included optimization of transportation planning, establishment of strategic forwarding agreements, enhancement of delivery-related contractual provisions, and expansion of digital logistics management tools.

SUPPLIER GOVERNANCE & SOURCING

SOCAR places strong emphasis on supplier alignment with its ethical standards, governance principles, and sustainability objectives.

Supplier relationships are governed through the Procurement Policy, Anti-Corruption Policy, and the Due Diligence Standard on Third Parties. To strengthen transparency and supplier governance, SOCAR implemented a centralized supplier pre-qualification (PQ) process through the e-Tender platform.

If the supplier cannot proceed beyond the PQ stage because it does not meet the required criteria, a report outlining the assessment results and comments against the applicable requirements is provided to the supplier.

The process applies standardised qualification criteria to all suppliers and enables approved vendors to participate in procurement opportunities across SOCAR entities through a single, unified Approved Vendor List.

A unified Approved Vendor List — one set of criteria, one assessment, every entity in the Group.

ASSESSMENT CRITERIA

Supplier evaluation includes — but is not limited to — six core dimensions covering financial health, legal standing, operational maturity, and ESG performance.

- Financial stability solvency, liquidity, creditworthiness
- Legal compliance regulatory record, sanctions screening
- Operational experience track record, references, capacity
- Quality standards ISO 9001 and product / service quality
- Occupational H&S safety performance and incident record
- Environmental compliance ISO 14001 and applicable legislation

In 2025, SOCAR conducted 959 supplier PQ assessments incorporating environmental and social evaluation criteria.

The assessment process followed a structured approach that includes desk-based reviews of supplier-submitted documentation and disclosures, which are used to screen compliance and identify potential risks. Where relevant, suppliers are assessed using criteria tailored to the nature of the industry and the specific type of goods or services provided, reflecting differentiated risk exposure across procurement categories and operational contexts.

COMPLIANCE & IMPROVEMENT

Suppliers are required to confirm compliance with international labor standards — including the prohibition of child labor — and to demonstrate alignment with environmental management requirements such as ISO 14001 certification and compliance with applicable environmental legislation.

To further strengthen sustainable procurement, SOCAR initiated implementation activities aligned with ISO 20400 Sustainable Procurement guidance in 2025. An external gap assessment was conducted, and a corresponding action plan was developed to support further ESG integration across procurement processes.

SOCAR continues strengthening supply-chain capabilities through employee development, supplier engagement, and process optimisation. In 2025, 31 procurement and supply-chain training sessions were conducted, covering logistics, category management, and procurement operations. Overall, 61 online and offline e-Tender training sessions were delivered to strengthen digital competencies across Business Units.

2025 Pre-qualification — score distribution

APPROVED SUPPLIER COHORT - N = 207

207

High-risk suppliers may additionally undergo site inspections to verify operational practices and compliance performance.

SCORE BAND		SUPPLIERS	SHARE
76–100 pts EXCELLENT		69	33%
51–75 pts STRONG		85	41%
26–50 pts ADEQUATE		52	25%
0–25 pts MARGINAL		1	0.5%
TOTAL		207	100%



14001
OPERATIONAL
STANDARD



20400
INITIATED
2025

SUPPORT FOR LOCAL SUPPLIERS

As one of Azerbaijan’s largest corporate purchasers, SOCAR plays an important role in supporting national economic development through its procurement activities. The Company prioritizes the engagement of local suppliers for the provision of goods, materials, and services required across its operations, thereby contributing to the growth of domestic industries, strengthening the national supply base, and creating employment opportunities throughout the country. The promotion of local content is embedded within SOCAR’s procurement

framework and is considered throughout sourcing and supplier selection processes. By integrating local suppliers into its value chain, SOCAR not only enhances the reliability and resilience of its supply network but also increases the economic value retained within Azerbaijan. Through its commitment to local procurement, the Company contributes to broader socio-economic development by supporting business growth, fostering industrial capacity, and generating economic opportunities in the regions where it operates. This approach aligns with

SOCAR’s sustainability objectives and supports the achievement of national economic development priorities.

In 2025, the total value of supply-related expenditure across SOCAR’s subsidiaries amounted to approximately AZN 6,376 million, representing an increase of 17% compared to the previous year. Of this amount, AZN 2,757 million was spent on the procurement of goods and materials, while AZN 3,618 million was allocated to services. Expenditures increased across both categories compared

to 2024, reflecting the scale and growth of the Company’s operational activities.

SOCAR continued to place a strong emphasis on local sourcing as part of its procurement strategy. In 2025, 88% of total supply chain expenditures were allocated to local suppliers, demonstrating the Company’s ongoing commitment to supporting local businesses and creating value within the national economy. This represents an increase of 6% points compared to the previous year.

Figure 14. The ratio of spending to local suppliers by SOCAR Group in 2023–2025 (%)

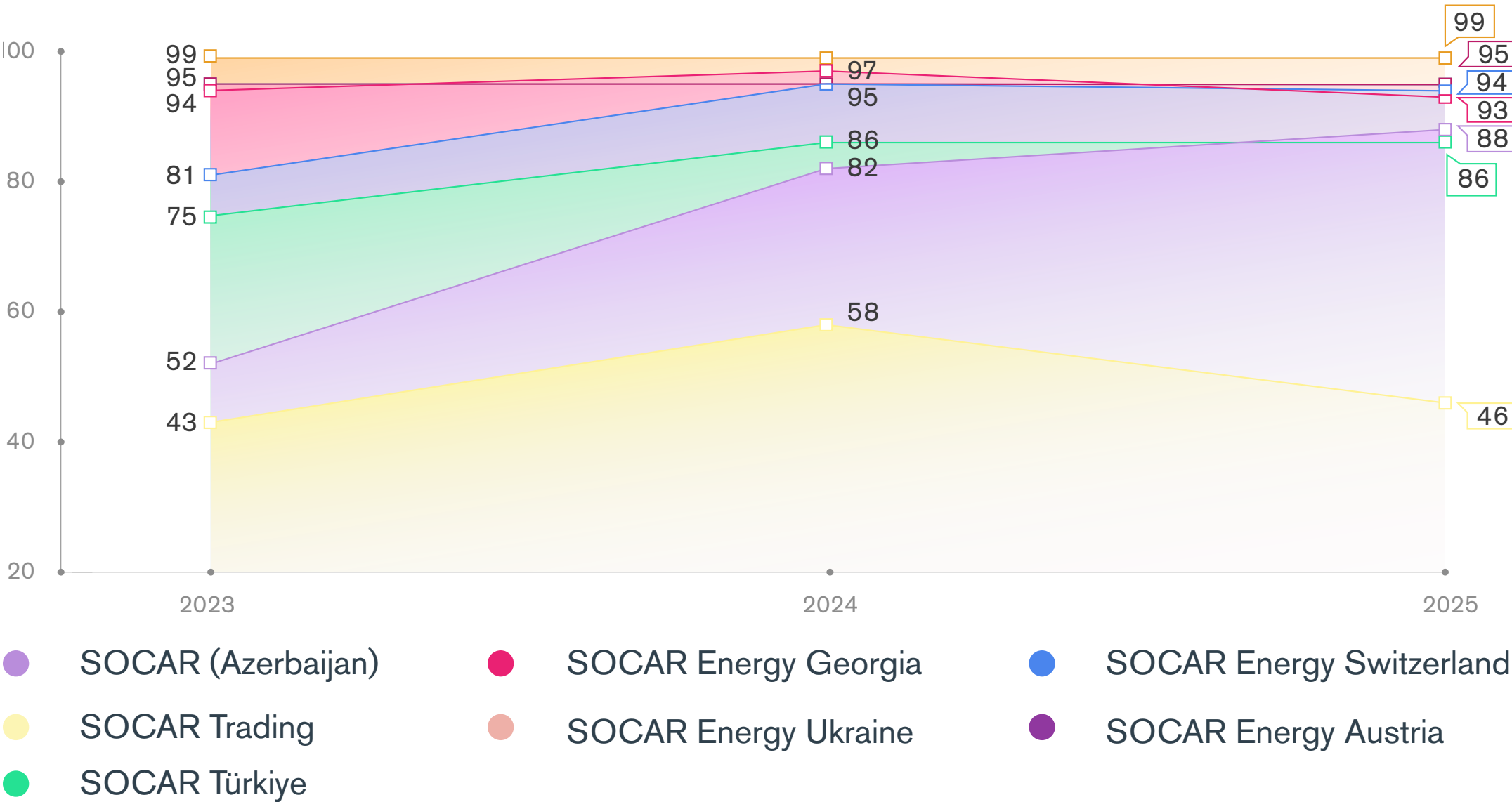


Figure 15. Key directions of purchase of goods and materials in SOCAR (Azerbaijan) 2025, thousand AZN

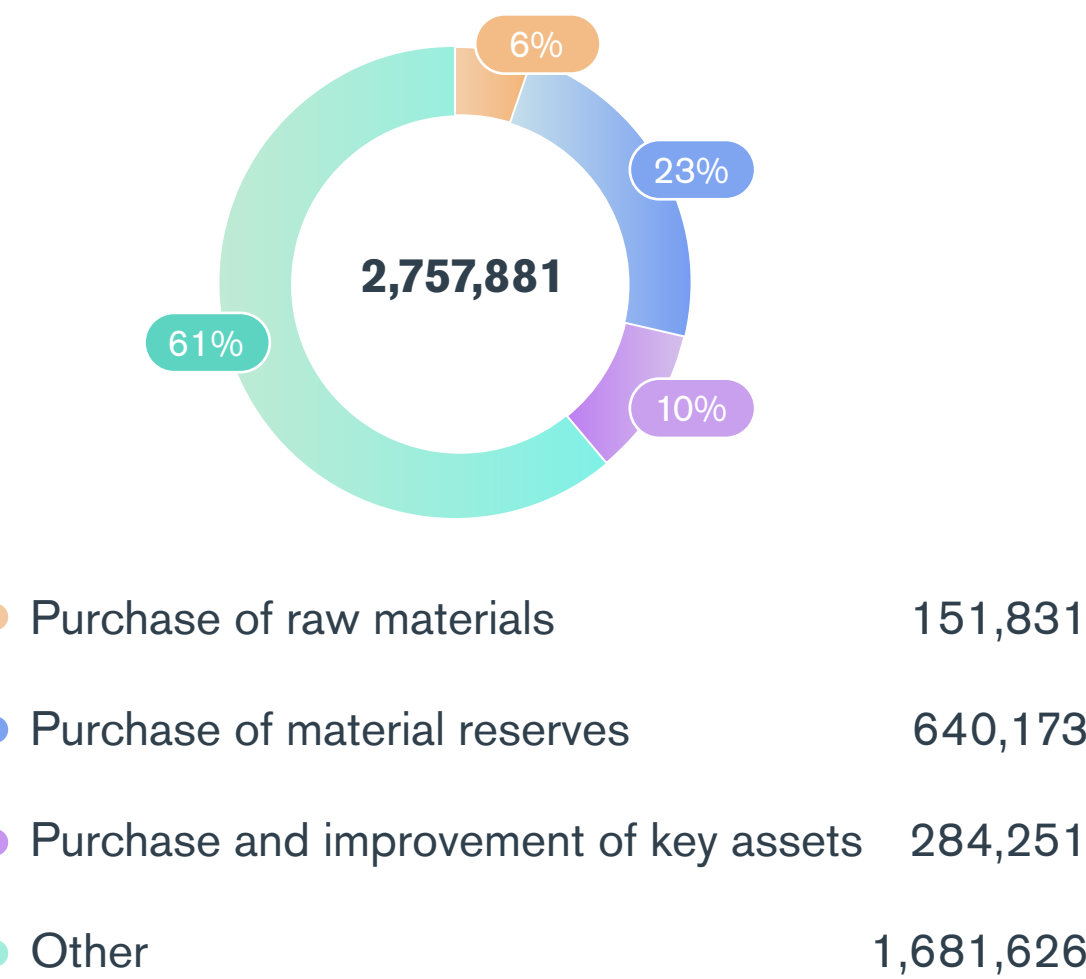
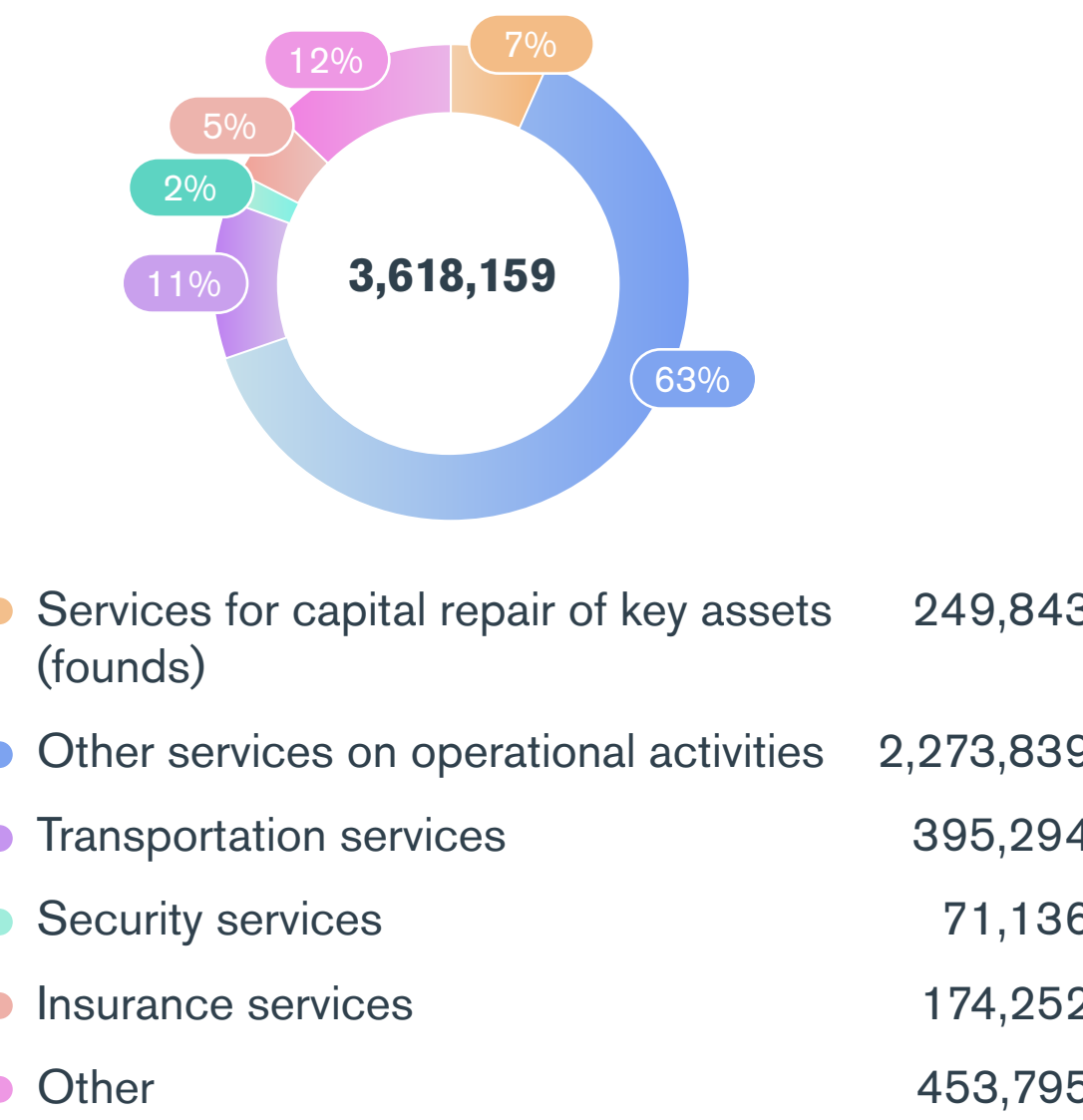


Figure 16. Key directions of procurement of services in SOCAR (Azerbaijan) in 2025, thousand AZN



QUALITY ASSURANCE AND LABORATORY MANAGEMENT

SOCAR continued to uphold stringent marketing and quality assurance practices across its business and industrial operations in 2025, ensuring full traceability and compliance with international standards. From sampling through to reporting, robust traceability systems and alignment with globally recognized frameworks were maintained for key products such as gasoline and diesel, in accordance with ASTM (American Society for Testing and Materials) standards.

To meet ISO/IEC 17025 requirements, SOCAR sustained high levels of personnel competency and ensured the availability and reliability of laboratory equipment, while its laboratories conducted comprehensive testing and quality control activities across crude oil, petroleum products, petrochemicals, and environmental samples in line with upstream, midstream, and downstream operations. Product releases remained compliant with EN 590 for diesel and EN 228 for gasoline, while preparations for alignment with international standards for Jet A1 fuel production progressed, with full implementation targeted from 2026.

In 2025, the SOCAR HAOR Laboratory, Oil and Gas Research Design Institute Analytical Research Laboratory and SOCAR Polymer Laboratory were accredited, further strengthening compliance with ISO/IEC 17025 requirements. SOCAR HAOR Laboratory continued its active participation in international round robin tests for liquid and gas hydrocarbons, as well as water testing, to validate product quality. The Laboratory Information Management System (LIMS) remained fully operational, minimizing human error and enabling the delivery of fully digitalized customer reports. Accreditation by product type ensures reliable test results and alignment with global benchmarks. Euro 5 Diesel (EN 590) accreditation by TURKAK was maintained. Since 2024, SOCAR Polymer Product Quality Laboratory has participated in Proficiency Testing (PT) schemes, conducting four PTs for PP and ten PTs for HDPE plants, including film samples. All reported results were within the assigned acceptance criteria, with no instances of unsatisfactory performance. In 2025, SOCAR Polymer Product Quality Laboratory was successfully accredited by TURKAK in accordance with ISO/IEC 17025, confirming compliance with international requirements for competence, impartiality, and consistent operation of testing and calibration laboratories. The scope of accreditation includes key testing parameters such as Melt Flow Rate (MFR), Relative Density, Charpy Impact Strength, Yellowness Index, Tensile Properties, and Flexural Modulus.

Since 2017, a total of 407 controlled documents, including procedures, equipment data sheets, and

associated records, have been developed and implemented, forming a robust quality management framework that ensures standardization, traceability, and operational consistency within the SOCAR Polymer Product Quality Laboratory. LIMS remained fully operational, ensuring controlled data handling, minimizing human error, and enabling fully digitalized customer reporting in line with ISO/IEC 17025 requirements. LIMS remained fully operational, minimizing human error and enabling the delivery of fully digitalized customer reports in line with ISO/IEC 17025.

SOCAR laboratories strictly upheld impartiality and confidentiality as core operational principles, while maintaining an effective quality management system supported by customer feedback mechanisms, risk-based thinking, nonconformity control, internal and external audits, and proper retention and traceability of samples.

As part of ongoing efforts to enhance marketing practices and quality assurance, SOCAR further strengthened procurement transparency and supplier engagement in 2025. In 2025, the number of pre-qualification processes conducted through the e-tender platform more than doubled compared to the previous year, surpassing 1,100 and significantly expanding the supplier pool. Suppliers continued to be evaluated against clearly defined criteria and guidance, including the Organization and Management of Pre-Qualification manual and related instructions for participating vendors.

To ensure procedural consistency and strengthen quality practices, the 7 Quality Tools manual remains

in use, supporting standardized methodologies across departments and alignment with recognized industry frameworks. The laboratory actively implements key tools, including check sheets, control charts (Shewhart charts), and histograms, to support continuous quality improvement.

In 2025, within the framework of quality assurance, a total of 620 inspections were conducted across 21 enterprises related to the acceptance of goods, materials, and equipment. These quality control measures continued to ensure compliance with procurement specifications and contributed to risk mitigation across operations, supported by targeted employee awareness initiatives.

SOCAR maintained its focus on certification and alignment with international best practices. In 2025, 11 laboratories within the group were accredited in accordance with the AZS ISO/IEC 17025:2020 standard. These accreditations demonstrate the organization's technical competence and its commitment to globally recognized testing and calibration standards.

Overall, through continuous improvements in methodological tools, quality culture, and supplier management, SOCAR further enhanced operational efficiency and transparency in 2025. These efforts reinforce the company's long-term commitment to sustainability principles and the integration of ESG factors across its operations.

CYBERSECURITY

CYBERSECURITY GOVERNANCE

Cybersecurity at SOCAR is managed within the enterprise risk and governance framework, reflecting its importance in protecting critical systems, safeguarding sensitive data, and ensuring secure and reliable business operations across the organization. Within this context, information security risks are incorporated into broader risk management and compliance processes and are overseen at the C-level through the Risk Committee. Although there is no dedicated board-level information security committee, responsibility for cyber-related risks is clearly assigned within the existing governance structure, with the Risk Committee providing oversight and subject-matter experts contributing to informed decision-making. Building on this governance structure, executive accountability for information security is assigned to the Chief Digitalization Officer (CDO), who oversees both IT and cybersecurity functions across the Group, ensuring alignment between strategic priorities and operational implementation.

At the operational level, governance is implemented through the Information Security Management System (ISMS), which is maintained at the Caspian

Innovation Center in line with ISO/IEC 27001. The ISMS Committee, chaired by the Chief Information Security Officer (CISO), is responsible for the planning, coordination, and oversight of information security activities. To ensure continuous alignment with organizational priorities, the Committee meets at least twice per year to review system performance, audit outcomes, identified risks, and remediation measures. These governance arrangements are supported by internal policies that define information security requirements, including the protection of confidentiality, integrity, and availability of information assets. In this regard, responsibilities for secure data handling are clearly assigned to employees, data owners, and process owners. At the same time, data privacy and digital rights are addressed in accordance with applicable regulatory requirements, reinforcing the overall control environment.

OPERATIONS AND CONTROLS

In line with the information governance framework, SOCAR maintains a set of operational controls to manage cybersecurity risks across its IT environment. In 2025, these controls were further strengthened, with a focus on improving incident response, enhancing monitoring capabilities, and increasing operational efficiency.

As part of these improvements, a Security Orchestration, Automation, and Response (SOAR) solution was implemented to support centralized monitoring and standardized incident handling. By aggregating data from multiple sources, the system enables automated response actions, which in turn reduce response times and improve coordination across security operations.

In addition to strengthening monitoring and response capabilities, SOCAR has established formal procedures for the identification, reporting, and management of cybersecurity incidents. Employees are able to report incidents, vulnerabilities, or suspicious activities through defined internal channels, supporting the early detection of potential threats. Reported cases are reviewed by information security teams, assessed based on their severity, and managed in accordance with established incident response procedures. Where necessary, incidents are escalated through defined governance mechanisms, while confidentiality is maintained throughout the process.

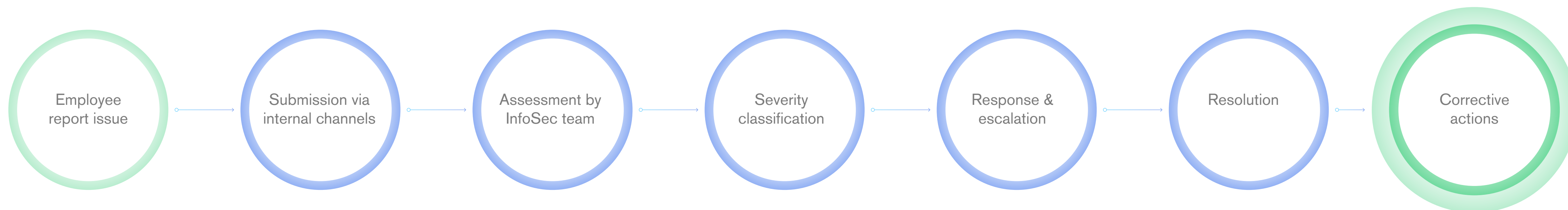
During the reporting period, a limited number of cybersecurity incidents were recorded, none of which resulted in a material impact on operations, financial performance, or stakeholders. Where applicable, corrective actions were implemented

to address root causes and prevent recurrence, contributing to the continuous improvement of SOCAR's cybersecurity control environment.

Complementing these operational capabilities, business continuity and disaster recovery measures are maintained to help ensure the availability and resilience of critical information systems during cyber incidents or other disruptions. These measures are subject to periodic review and updates to maintain their continued effectiveness.

To further support risk management, regular vulnerability assessments are conducted across IT systems to identify and evaluate potential weaknesses. The results of these assessments are addressed through risk-based remediation processes, ensuring that mitigation efforts are aligned with the level of identified risk.

In addition, SOCAR conducts both internal and independent external audits of its IT infrastructure and Information Security Management System (ISMS). These audits are performed in alignment with ISO/IEC 27001 while also taking into account applicable national legislation and relevant regulatory requirements. They serve to evaluate the effectiveness of existing controls and support compliance with applicable regulatory obligations.



AWARENESS AND TRAINING

Alongside technical and procedural controls, SOCAR places emphasis on awareness and training as a key component of its cybersecurity approach. Ongoing initiatives are aimed at reducing user-related risks and supporting secure behavior across the organization. These initiatives include regular phishing simulations, targeted training sessions, and internal communication campaigns. In 2025, five mandatory cybersecurity awareness trainings covering topics such as social engineering, device security, malware, and media security were assigned through the information security awareness platform across SOCAR companies. Depending on the training module, the number of assigned employees ranged from 11,462 to 13,171, supporting broad employee participation in information security awareness activities across the Group. As a result of these efforts, phishing simulation outcomes in 2025 indicated an increase in employee reporting of suspicious activities, accompanied by a reduction in high-risk behaviors. During 2025, multiple phishing simulation campaigns were conducted across SOCAR companies. In parallel, various awareness communications and informational materials addressing phishing, ransomware, social engineering, social media fraud, deepfake attacks, and clean desk / clean screen practices were shared with employees throughout the year to reinforce secure behavior and support ongoing awareness efforts. Where gaps are identified, additional training is assigned to relevant employees, while repeated non-compliance is addressed through internal

procedures. This approach ensures that awareness activities are both responsive and targeted. To ensure consistency, awareness activities are integrated into onboarding processes and supported through digital learning platforms. In addition, a company-wide awareness campaign conducted in October 2025 contributed to increased employee participation in security-related initiatives. Training content is also updated on a regular basis to reflect current risk areas, including developments in artificial intelligence and evolving cyber threat trends, ensuring continued relevance.

Overall, SOCAR's approach to cybersecurity is focused on maintaining system reliability while managing risk exposure in a structured manner. In line with this approach, key priorities include the further development of monitoring and response capabilities, increased use of automation, and improved management of third-party risks. At the same time, additional focus is placed on strengthening the protection of critical systems and data flows, as well as maintaining alignment with international standards and regulatory expectations. These efforts are supported by continued investment in awareness initiatives and internal control improvements, forming the basis of SOCAR's forward-looking cybersecurity activities.

RESPONSIBLE ADOPTION OF AI TECHNOLOGIES

Several SOCAR entities have established AI-related policies that define the principles, responsibilities, governance arrangements, and safeguards for the use of Artificial Intelligence (AI) and Generative AI within their respective organizations. These policies are designed to enable the responsible, secure, and ethical adoption of AI in line with legal, regulatory, and internal requirements.

To further strengthen and harmonize AI governance practices across the Group, SOCAR is establishing a centralized AI Governance Framework that will provide a consistent governance approach for the responsible adoption and oversight of AI technologies.

As part of this approach, SOCAR Türkiye has established an AI framework through its approved Acceptable Use Policy, which defines the principles, responsibilities, governance arrangements, and safeguards for the use of Artificial Intelligence and Generative AI across the organization. The policy was approved by Executive Board and it is designed to enable responsible, secure, and ethical AI adoption in line with legal, regulatory, and internal requirements.

The policy requires responsible use of AI consistent with organizational values and applicable laws and prohibits the generation or dissemination of discriminatory, misleading, or inappropriate content. It also aims to mitigate risks related to bias and unfair outcomes in AI-generated outputs.

The framework includes controls to protect data and systems. Employees must manage personal, confidential, and proprietary information carefully when using AI tools, applying measures such as data minimization, masking, and anonymization where appropriate. Any use of personal data is subject to relevant review and privacy risk assessments. Cybersecurity requirements include the use of approved applications, secure authentication, and established security controls to reduce risks of unauthorized access and data leakage.

The framework also defines governance and accountability requirements. AI is intended to support, not replace, human judgment, and key decisions remain subject to human review. Outputs must be validated before use or external communication. Responsibilities are assigned across Information Security, Legal, Compliance, and IT functions, with mechanisms to report misuse or policy breaches. AI use is limited to legitimate business purposes, ensuring compliance with privacy, security, legal, and ethical standards while managing risks such as misinformation, intellectual property issues, and regulatory exposure.

An aerial photograph of a large offshore oil platform in the middle of a deep blue sea. The platform consists of a long, narrow pier extending from the bottom left towards the center, with several smaller structures and walkways branching off. A large derrick is visible on one of the platforms. Two concentric circles, one green and one blue, are overlaid on the image, centered around the text.

MINIMIZING ENVIRONMENTAL IMPACT

ENVIRONMENTAL MANAGEMENT

A STRUCTURED APPROACH TO MINIMIZING ENVIRONMENTAL IMPACT ACROSS THE GROUP



100%

OF PRODUCTION ENTITIES

EMS certified against internationally recognized standards



ISO 14001

HEAD OFFICE CERTIFIED

Obtained in 2025



100%

PRODUCTION ENTITIES

Covered by internal environmental audits



2025

AUDIT METHODOLOGY

Approved by the President of SOCAR

Environmental management is implemented through a structured governance approach applied across SOCAR's operations.

This approach is guided by two foundational statements, both approved by the President of the Company:

STATEMENT · 01
ON ENVIRONMENTAL PROTECTION GOALS

STATEMENT · 02
ON BIODIVERSITY CONSERVATION

The statements define SOCAR's environmental priorities related to decarbonization, efficient use of energy and natural resources, application of cleaner technologies, and protection of ecosystems and natural habitats.

Oversight of environmental priorities and implementation of related measures is maintained at the executive management level, supporting integration of environmental considerations into strategic planning and operational activities across SOCAR's business segments.

The Energy Transition, Environment and Decarbonization (ETED) segment is responsible for implementation and oversight of SOCAR's environmental management system, including environmental monitoring, environmental risk management, compliance oversight, and coordination of environmental management activities across the Group.

During the reporting year, three environmental violation cases were recorded: environmental damage associated with infrastructure works (Azneft Production Union), resulting in a penalty of AZN 480,432 (USD 282,607); unauthorized excavation exceeding permitted volumes (Azneft Production Union), resulting in a penalty of AZN 123,480 (USD 72,635); and unauthorized removal of vegetation within the gas pipeline corridor (Gas Export Department), resulting in a penalty of AZN 10,800 (USD 6,353). Total penalties amounted to AZN 614,712 (USD 361,595) and were paid in accordance with applicable legal requirements.

SOCAR has established an Environmental Management System (EMS) to provide a structured approach to identification, assessment, monitoring, and management of environmental aspects and impacts across its operations.

EMS is aligned with internationally recognized ISO 14001:2015 standard and supports integration into operational planning, risk assessment, monitoring, performance evaluation, and corrective measures.

EMS is reinforced through internal oversight and external verification — internal audits, and third-party certification.

All of SOCAR's production entities are certified to:



9001

Quality management systems



14001

Environmental management systems¹



45001

Occupational H&S management

In 2025, the President of SOCAR approved the "SOCAR Environmental Audit Methodology" — a standardised approach for internal environmental audits across entities.

In accordance with the approved Audit Plan, internal environmental audits were conducted across 40 SOCAR Azerbaijan entities with the participation of ETED and Ekol Engineering Services, assessing the effectiveness of EMS across operations.

Audits evaluated compliance with:

-  ISO 14001:2015 requirements
-  SOCAR-wide conformity register
-  Unified environmental aspect register

Identified non-conformities were reported for further improvement by entities.

1. Environmental management systems were independently audited and certified by accredited third-party certification bodies, primarily Bureau Veritas and TÜV AUSTRIA.

ENVIRONMENTAL MANAGEMENT INCENTIVES

Environmental management is supported by the development and deployment of key performance indicators (KPIs), enabling systematic tracking of environmental performance and strengthening accountability across operations. SOCAR has introduced a corporate-level “CO₂ Emissions” KPI, set by Azerbaijan Investment Holding and designed to measure greenhouse gas intensity and enhance emissions management across operations.

The KPI was approved by the Supervisory Board and integrated into the Company's overall performance monitoring system. The KPI focuses on emissions directly associated with SOCAR's core operational activities. The numerator reflects total CO₂ emissions representing Scope 1 and Scope 2 emissions across upstream, midstream, and downstream operations, while the denominator reflects hydrocarbon production volumes expressed in barrels of oil equivalent, including upstream production in Azerbaijan and downstream production from Türkiye assets. For the reporting period, the KPI was projected at 42.19 kg CO₂e per barrel of oil equivalent (BOE), while the actual performance was recorded at 30.85 kg CO₂e per BOE.

As another example of integrating environmental considerations into employee incentive mechanisms, for the third consecutive year, SOCAR Trading has implemented a financial incentive initiative to encourage traders to adopt lower-carbon shipping solutions through our Cost Allocation Policy. This framework factors in the alignment of our chartered voyages' carbon intensity—measured using the Energy Efficiency Operational Indicator (EEOI)—with the Sea Cargo Charter decarbonization trajectory,

which is consistent with the IMO's (The International Maritime Organization) 2050 absolute emissions reduction target.

ENVIRONMENTAL MONITORING

Environmental monitoring is implemented within SOCAR's environmental management system to assess environmental conditions, identify operational gaps, and inform targeted improvement measures across its operations. Environmental monitoring is carried out within the framework of the Environmental Monitoring Program, covering oil and gas operational areas. Monitoring activities include environmental sampling, laboratory analysis, and site-level assessments to evaluate environmental conditions and identify potential impacts. The program is implemented through a dual approach, combining comprehensive ecological monitoring conducted by specialized entities with facility-level monitoring carried out by SOCAR's operational units.

In 2025, monitoring activities were conducted through 62 comprehensive ecological monitoring campaigns with the “EKOL” Engineering Services company and 383 enterprise-level monitoring activities, with a total of 3,587 environmental samples collected and analyzed. Monitoring activities are centrally coordinated, with results consolidated into a unified database. A mid-term Environmental Monitoring Plan for 2026–2028 has been approved to further strengthen the structured and forward-looking approach to monitoring activities.

Monitoring of upstream operations provided insights into site-specific environmental conditions and operational gaps across SOCAR's upstream assets. Key findings mainly related to long-term industrial

impacts on marine and terrestrial environments, waste management practices, produced water management systems, and infrastructure condition across production areas. Monitoring identified deficiencies in waste collection, storage, and segregation practices, localized wastewater management issues, and elevated concentrations of oil products and certain contaminants in selected seawater and sediment samples collected from offshore operational areas. Across several onshore production areas, monitoring also identified soil degradation, intensified erosion processes, reduced vegetation density, weakening of vegetation regeneration capacity, and changes in fauna composition associated with the transformation of natural landscapes into industrial environments. The findings support implementation of targeted corrective actions and environmental improvement measures across upstream assets.

Environmental monitoring across midstream operations identified findings primarily related to air emissions, noise levels, and water management infrastructure. Key observations included elevated concentrations of volatile organic compounds (VOCs) in selected operational areas, localized noise exceedances, and opportunities to improve circulating water supply and treatment systems. The findings support implementation of targeted infrastructure improvements, operational controls, and environmental management measures aimed at reducing environmental impacts and improving system reliability.

Environmental monitoring across downstream operations identified findings primarily related to waste management practices, wastewater

treatment systems, industrial waste handling, and localized operational pollution. Key observations included opportunities to improve waste segregation practices, wastewater treatment performance, and storage and handling of certain waste streams. At the Carbamide Plant, environmental monitoring capabilities were further strengthened through installation of methane detection and leak detection equipment to support identification and management of potential methane and ammonia leakages. The findings support implementation of corrective actions and continuous improvement measures across downstream assets.

Findings from monitoring activities are systematically integrated into environmental management processes. Identified gaps are being addressed through targeted improvement measures, including upgrades to monitoring systems, strengthening waste management practices, and enhancement of environmental infrastructure. These actions support mitigation of environmental risks and contribute to continuous improvement of environmental performance across SOCAR's operations.

GHG EMISSIONS MANAGEMENT

EMISSION MEASUREMENT TECHNOLOGIES AND METHODOLOGY

SOCAR quantifies greenhouse gas emissions in accordance with internationally recognized methodologies and standards, including the GHG Protocol, IPCC AR5 (2014) emission factors, and ISO 14064-1, while aligning reporting with national inventory approaches under the UNFCCC framework to support consistency between corporate disclosures and country-level reporting. The Company applies operational control approach to greenhouse gas emissions accounting, ensuring that reported emissions reflect its share in both operated and non-operated assets and remain aligned with operational exposure and climate targets across the value chain. Depending on asset type, operational conditions, and data availability, SOCAR determines emissions using a combination of direct measurement and factor-based calculation

methodologies, supporting a progressive transition toward more measurement-based emissions accounting, particularly for methane emissions.

To support emissions measurement and reporting processes, SOCAR has established a corporate-level MRV (Monitoring, Reporting and Verification) framework for systematic collection, validation, consolidation, and management of emissions data across assets. The framework supports integration of emissions data from different operational and monitoring sources into a centralized emissions management process and strengthens consistency and traceability of reported information across the value chain. The Company continues to expand monitoring coverage and improve emissions quantification methodologies as part of the ongoing development of its emissions management systems.

To improve emissions detection and quantification, SOCAR applies advanced monitoring technologies across operations, including satellite-based monitoring for methane plume detection, drone-assisted surveys for asset-level inspections, optical gas imaging (OGI) technologies for identification

of fugitive emission sources, and high-flow sampling techniques for methane quantification at identified leak points. These technologies are complemented by digital solutions such as the Methane AI platform, which aggregates data from multiple monitoring sources to support centralized analysis, emissions tracking, and identification of emission anomalies across operations. Together, these systems support more accurate, measurement-based, and increasingly real-time emissions monitoring practices.

These systems are complemented by Leak Detection and Repair program, which provide a structured approach to identifying, monitoring, and eliminating fugitive emissions across upstream operations. SOCAR's Leak Detection and Repair program is a key component of its methane management approach, focused on the systematic identification, measurement, and elimination of fugitive emissions across upstream and gas infrastructure. Implemented using advanced detection technologies and supported by internationally recognized methodologies, the program enables targeted repair of emission sources, improving operational efficiency

and supporting emissions reduction. The initiative has also demonstrated alignment with international carbon market mechanisms, including certified upstream emission reduction projects, reinforcing its role as both an environmental and financial value driver.

At the same time, challenges remain in achieving full data accuracy and comparability. Variability in measurement methodologies, legacy infrastructure constraints, and evolving international reporting standards continue to influence emissions quantification. In addition, improvements in monitoring technologies and expanded detection coverage may result in variations in reported emissions over time, reflecting both enhanced data quality and increased transparency.

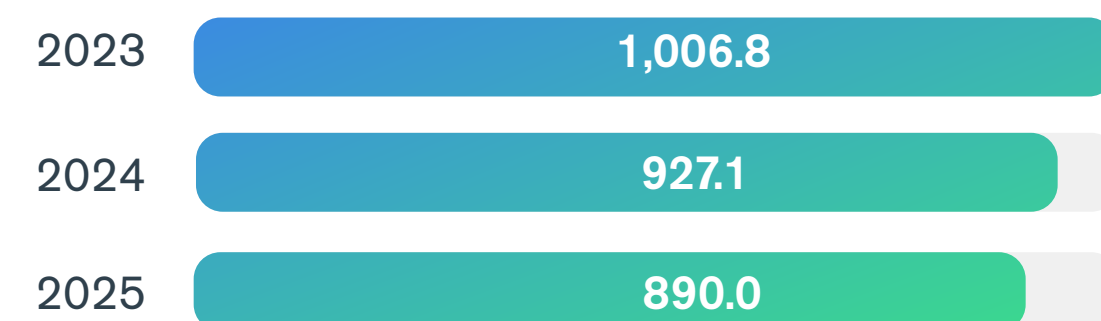
SOCAR continues to strengthen its measurement framework through the expansion of monitoring coverage, deployment of advanced technologies, and further development of digital capabilities, supporting more accurate, transparent, and consistent greenhouse gas emissions reporting across its operations.

ANNUAL GHG EMISSIONS

In 2025, SOCAR's total greenhouse gas (GHG) emissions amounted to 17,080 thousand tonnes of CO₂ equivalent, representing a decrease compared to 2024. The Group's emissions profile was dominated by operations in Azerbaijan, with upstream activities representing the largest contribution, reflecting the significance of methane emissions generated during oil and gas production. At the asset level, the largest emission contributors were Azneft Production Union, with 4,592 thousand tonnes of CO₂ equivalent, and STAR Refinery, with 2,987 thousand tonnes of CO₂ equivalent.

Total greenhouse gas emissions disclosed in this report reflect Scope 1 and Scope 2 emissions across SOCAR's operations. At the current stage, Scope 3 emissions are calculated and disclosed for SOCAR Trading, which accounts for approximately 60% of the Group's revenues and represents a significant share of the Group's value-chain emissions.

Figure 17. SOCAR Trading Scope 3 emissions, ktCO₂e



EMISSIONS DRIVERS AND YEAR-ON-YEAR CHANGE

SOCAR achieved significant emission reductions across several assets through operational improvements and targeted emission reduction measures; however, overall GHG emissions remained broadly stable compared to the previous year. Elimination of previously identified leakage sources across Azneft PU, Azerigas PU and the Gas Export Department resulted in a reduction of approximately 1.23 million tonnes CO₂e, equivalent to around 44 thousand tonnes of methane, primarily through implementation of the LDAR program. Emissions at Azneft Production Union are expected to further decrease following installation of six modern compressor units at Oil Rocks OGPD aimed at preventing release of associated gas into the atmosphere.

Compared to the previous year, emissions decreased by 21% at Azneft Production Union and by 33% at the Gas Export Department. Additional reductions were recorded at the Methanol Plant and Carbamide Plant, where emissions decreased by 54% and 38%, respectively, mainly due to lower natural gas combustion. These reductions were partially offset by higher emissions at certain downstream assets, including HAOR and STAR Refinery, where emissions increased by approximately 18%, mainly associated with increased operational activity and refining throughput during the reporting year.

GROUP TOTAL ¹	SCOPE 1	SCOPE 2	COVERAGE
17,080 ktCO ₂ e	12,840 ktCO ₂ e	4,240 ktCO ₂ e	3+1
Total 2025 emissions	~75% of total	Location-based · purchased electricity	AZ · TR · GE + Other entities ²

Figure 18. GHG emissions by geography in 2025, ktCO₂e

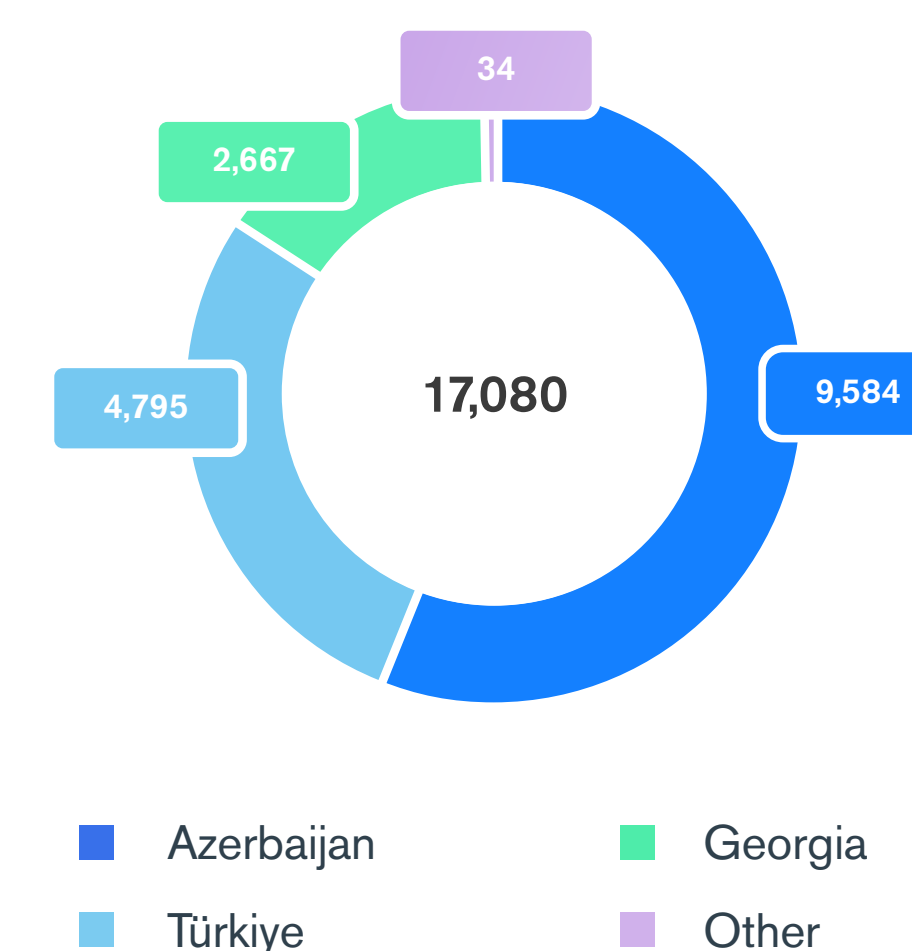
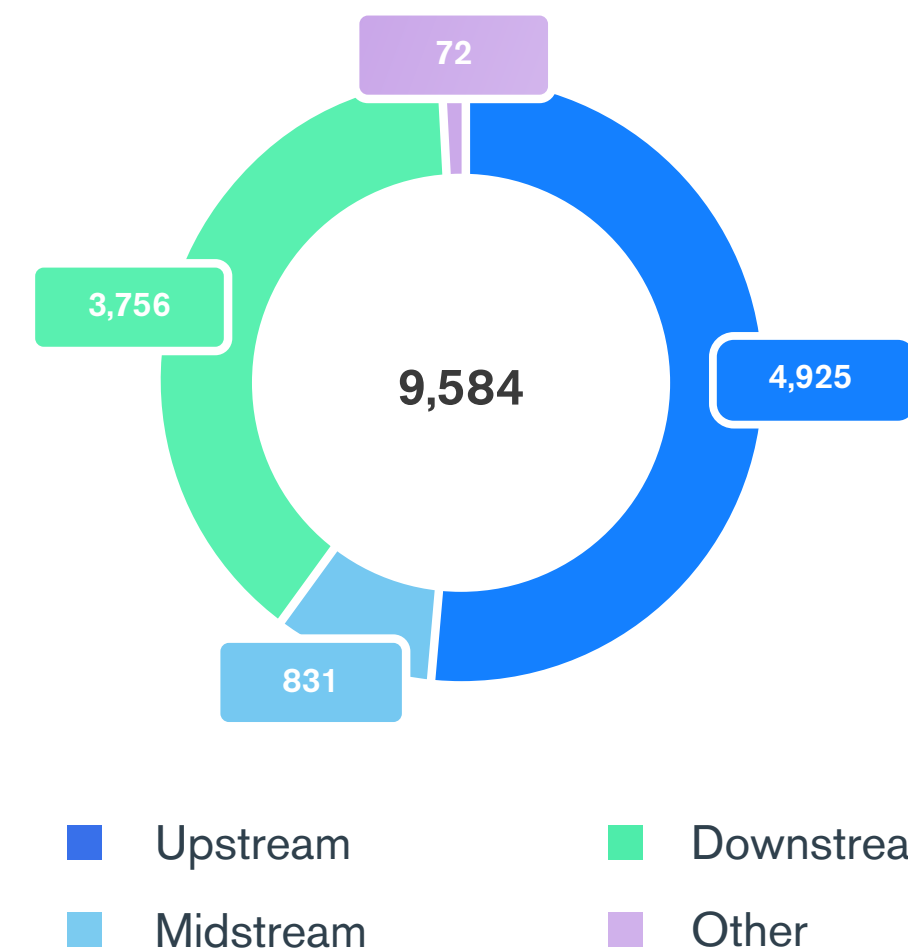


Figure 19. GHG Emissions by Segment in SOCAR (Azerbaijan) in 2025, ktCO₂e



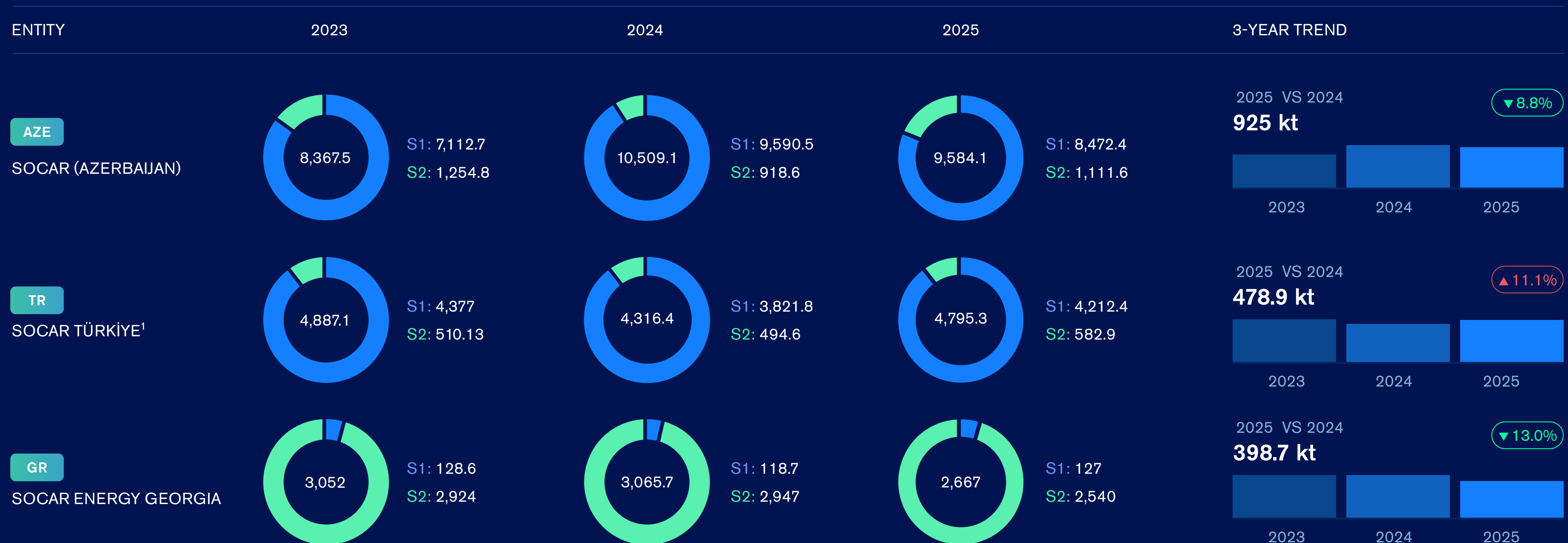
1. GHG emissions are calculated on an operational control basis for all entities within the reporting boundary of the Sustainability Report 2025.

2. Other entities include: SOCAR Energy Ukraine LLC; SOCAR Energy Holdings AG, including SOCAR Energy Austria GmbH and SOCAR Energy Switzerland GmbH; SOCAR Trading SA

SCOPE 1 & SCOPE 2

Figure 20. Scope 1 & 2 emissions trend at main emitting assets in 2023-2025, thousand tCO₂e

■ SCOPE 1 EMISSIONS ■ SCOPE 2 EMISSIONS



1. The scope of SOCAR Türkiye disclosures changed following the divestment of Bursagaz and Kayserigaz Natural Gas Distribution Companies; accordingly, 2025 data exclude these entities.

UPSTREAM METHANE INTENSITY

A TARGETED REDUCTION PATHWAY TOWARD NEAR-ZERO BY 2035

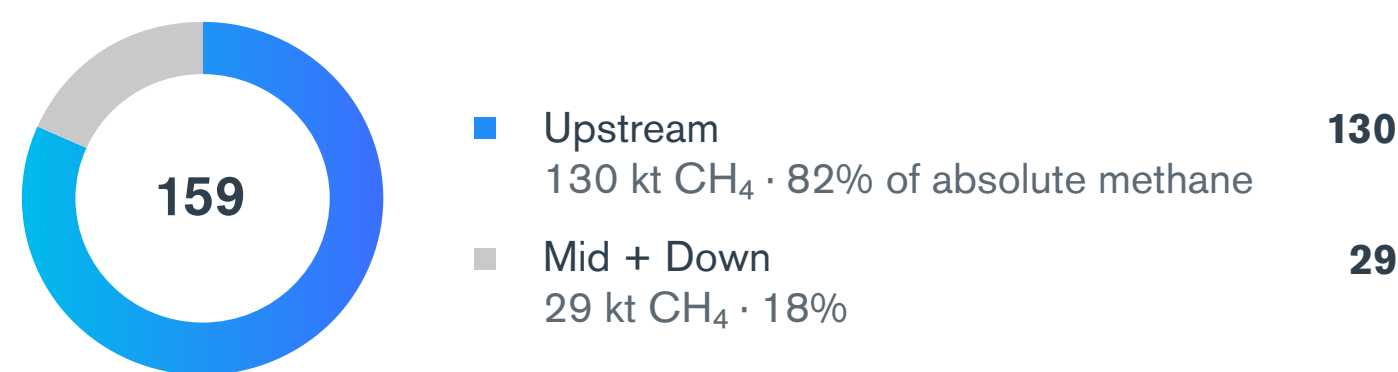
UPSTREAM CH₄
129.9 ktCH₄
82% of total CH₄ (159 kt)

AZNEFT PU
128.3 ktCH₄
>75% from venting

2025 UPSTREAM CH₄
INTENSITY
1.4%
Equity-share basis

2025 UPSTREAM CH₄
INTENSITY
2.5%
Operational control basis

METHANE EMISSION SOURCES



78%

of total Azneft PU (highest emitting asset) GHG emissions are associated with methane emissions, making methane abatement a key pillar of SOCAR's decarbonization roadmap.

SOURCES OF UPSTREAM METHANE

>75%

of the Azneft PU's methane emissions — recorded at 128.3 kt CH₄ — were related to gas venting.

Upstream methane emissions are primarily generated from venting and fugitive emission sources associated with aging infrastructure in mature upstream assets, including compressors, pipelines and equipment leaks.

2025 MITIGATION IMPACT

44ktCH₄

Emissions reduction delivered across Azneft PU, Azerigas PU and the Gas Export Department.

LEAK DETECTION & CLOSURE PROGRAMS

COMPRESSOR UPGRADES

PIPELINE REPAIR & REHABILITATION

TRAJECTORY TOWARD NEAR-ZERO BY 2035



Methane intensity is calculated as the ratio of total CH₄ emissions to the methane content of equity-share natural gas and associated gas production, based on an equity-share reporting approach.

APPROACH & PARTISANSHIPS

Methane emissions are a key focus area for SOCAR given their material contribution to upstream GHG emissions and high global warming potential. Reducing methane supports both near-term decarbonization targets and operational efficiency through minimization of product losses.

Methane emissions are quantified using direct measurements, drone and satellite monitoring, and AI-assisted quantification methodologies. As measurement technologies and reporting practices continue to evolve, reported methane emissions may fluctuate over time, reflecting improved data quality, enhanced detection coverage and greater reporting accuracy.

OGMP 2.0
OIL & GAS METHANE
PARTNERSHIP

OGCI
OIL & GAS CLIMATE INITIATIVE

ABATEMENT LEVERS

 **Leak Detection & Repair**
Targeted closure programs

 **Technological asset advances**
Reduce compulsory venting

 **Enhanced monitoring**
OGI · satellite · drone · AI

 **Gas handling optimization**
System integrity

SOCAR GROUP UPSTREAM EMISSIONS

Azneft PU + Operating Companies (OC)

OIL PRODUCTION	NAT. GAS + ASSOC. GAS	METHANE CH ₄ ¹	CO ₂ EMISSIONS	UPSTREAM METHANE INTENSITY ²
7.1 Mt	7.8 B m ³	128.7 kt	4.9 Mt CO ₂	2.5%

	Neft Dashlary	28-May	N.Narimanov	Operating Companies
Oil	1.2 Mt	3 Mt	0.4 Mt	1.5 Mt
Natural Gas	-	2.5 B m ³	0.97 B m ³	2.9 B m ³
Associated Gas	0.1 B m ³	1.1 B m ³	0.2 B m ³	-
CH ₄	78.4 kt	14.7 kt	16.3 kt	0.44 kt
CO ₂ e	2.4 Mt	0.91 Mt	0.62 Mt	0.31 Mt

1. Methane emissions (13.5 kt CH₄) and GHG emissions (0.45 Mt CO₂e) from the Gas Storage Operations Department of Azneft Production Union are included within the reported total emissions but are not presented as a separate line item.

2. Upstream Methane Intensity figure presented is calculated on operational control basis and reflects t CH₄ emissions and t CH₄ content of produced gas by operated upstream assets.

Oil	
Natural Gas	
Associated Gas	
CH ₄	
CO ₂ eqv.	

Absheronneft	
	
	0.69 Mt
	0.01 B m ³
	0.02 B m ³
	4.1 kt
	0.15 Mt

Bibiheybətneft	
	
	0.14 Mt
	-
	0.02 B m ³
	0.61 kt
	0.03 Mt

Ali Amirov	
	
	0.1 Mt
	0.01 B m ³
	0.002 B m ³
	0.51 kt
	0.03 Mt

Siazanneft	
	
	0.04 Mt
	-
	0.006 B m ³
	0.48 kt
	0.03 Mt

DECARBONIZATION PROGRAM

In 2025, SOCAR developed a Group-wide Decarbonization Roadmap, defining the Company's approach to emissions reduction across its operations. The roadmap incorporates the estimated impact of planned initiatives across business units and reflects a structured approach to managing greenhouse gas emissions. SOCAR's decarbonization efforts are built around four core mitigation directions: improving energy efficiency and application of cleaner technologies, reducing emissions from associated gas including flaring and venting, expanding the use of alternative and renewable energy sources, and strengthening measurement, monitoring, and reporting of greenhouse gas emissions.

Decarbonization measures are implemented across all segments of SOCAR's value chain, reflecting the specific operational characteristics of each segment. In upstream operations, efforts focus on reducing emissions from associated gas, mitigating fugitive emissions, and optimizing production processes, supported by LDAR programs, engineering solutions to reduce venting, and the electrification of compressors and heaters. In the midstream segment, priorities include improving pipeline integrity and reducing transmission losses, with a primary focus on LDAR implementation and system reliability enhancements. In downstream operations, measures

focus on improving energy efficiency, including flare gas recovery systems, electrification of boilers, optimization of fuel use, process enhancements in refining and petrochemical facilities, and the deployment of carbon capture technologies.

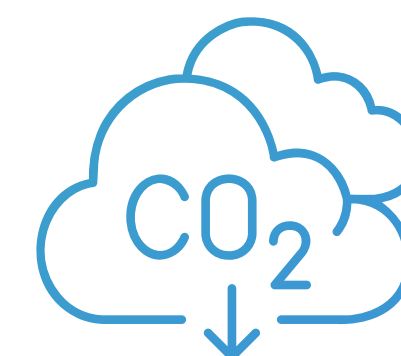
While these measures address a significant portion of operational emissions, residual emissions that cannot be fully eliminated due to technological or operational constraints are expected to be managed through the use of carbon offset mechanisms, supporting the Company's broader decarbonization pathway.



Improving energy efficiency and using clean technologies



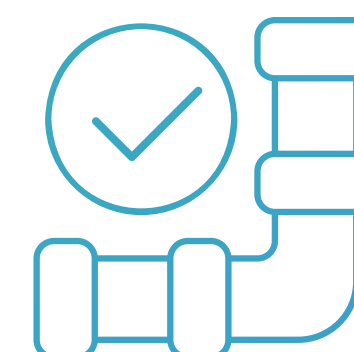
Using alternative and renewable energy



Reducing associated gas emissions



Improving measurement and reporting capabilities of GHG emissions

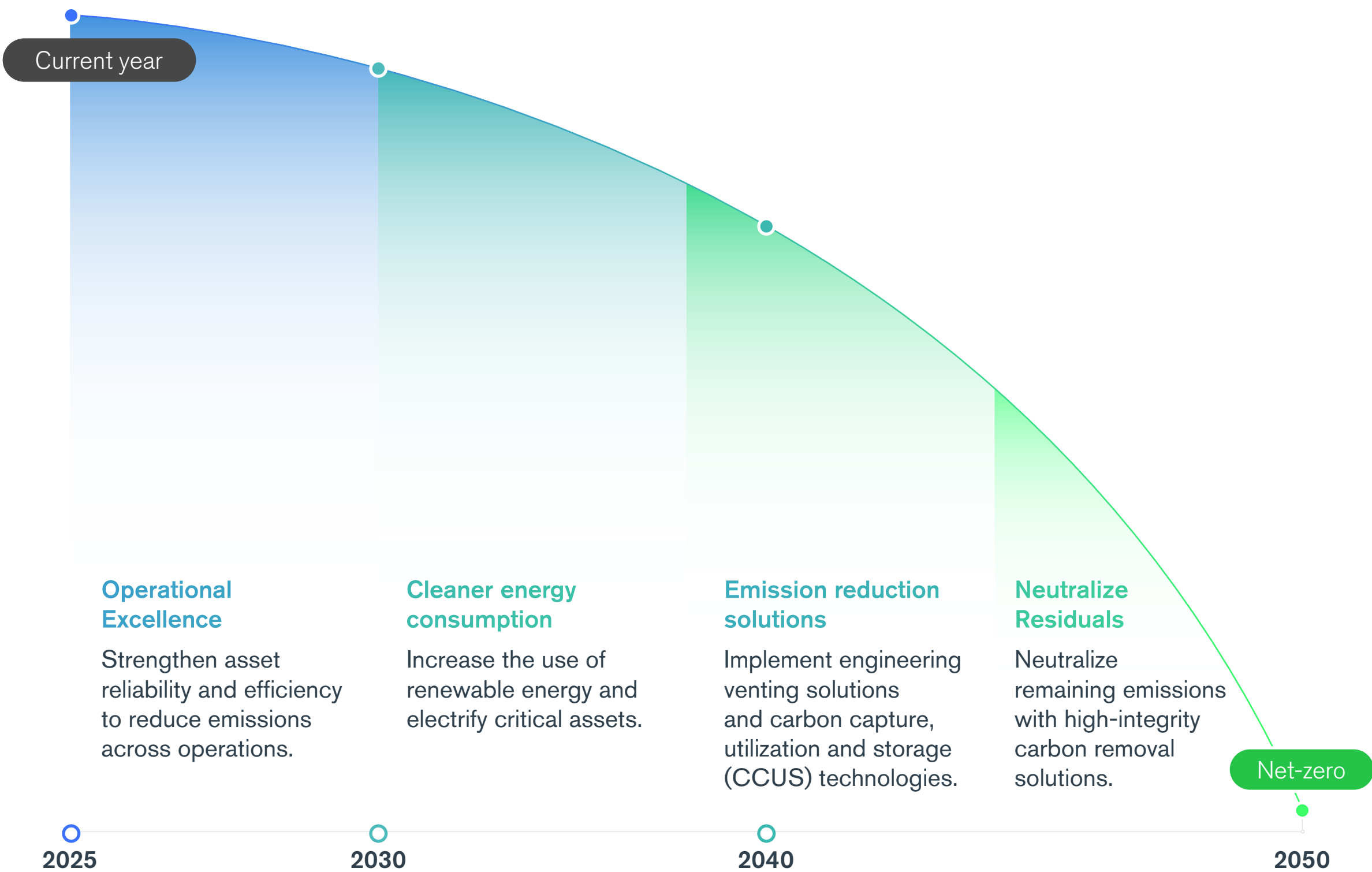


Eliminating sources of gas leakage

DECARBONIZATION ROADMAP

Our pathway to Net Zero¹ by 2050 is built on operational excellence today and technology transformation over time.

OUR PATHWAY TO NET ZERO



Initiative	2025	2030s	2040s
 LDAR (Leak Detection and Repair)			
 Engineering Venting Solution			
 Electrification of Assets			
 Increased RE Consumption			
 Carbon Capture, Utilization and Storage			
 Offsets (Residual Neutralization)			

Abatement deployment intensity (illustrative)

None

Low

Medium

High

1. The decarbonization roadmap is based on SOCAR's current assessment of operational, technological, and market conditions. As these factors evolve, emissions baselines, project portfolios, implementation timelines and associated abatement volumes may be updated accordingly.

ENERGY MANAGEMENT AND EFFICIENCY

SOCAR GROUP ¹ ELECTRICITY CONSUMPTION ~2,906 GWh ▲ 8.6% vs 2024	RENEWABLE ENERGY GENERATION 132,211 MWh SOCAR Group	SOCAR GROUP NATURAL GAS CONSUMPTION ~2,375 M m³ ▲ 0.3% vs 2024	TOTAL ENERGY CONSUMPTION ~25,796 GWh
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ENERGY MANAGEMENT AND EFFICIENCY

SOCAR manages energy consumption as a core component of its environmental and operational performance, focusing on improving energy efficiency, reducing operational losses, and supporting the gradual integration of alternative energy sources across its upstream, midstream, and downstream activities. Energy use is closely linked to the nature of oil and gas operations, and therefore, management efforts are directed toward optimizing energy-intensive processes, improving equipment efficiency, and enhancing overall operational control. Energy management practices are implemented through a combination of technological upgrades, monitoring systems, operational optimization measures, internal audit processes, and employee training on energy saving and efficient use.

ENERGY EFFICIENCY IMPROVEMENTS

In 2025, SOCAR continued to implement targeted measures aimed at improving the efficiency of energy use across its operational assets. These measures focused on optimizing equipment performance, reducing unnecessary energy consumption, and strengthening control over energy-intensive processes.

At the Carbamide Plant, an automated control system was introduced to regulate the operation of electric heaters based on ambient temperature conditions. This system enables more precise control of heating processes and reduces excess energy consumption under varying environmental conditions. In parallel, the application of the SCADA system strengthened control over electrical load distribution, improving the efficiency and reliability of energy use across the facility.

In upstream operations, additional measures were implemented to improve energy utilization and reduce losses associated with gas handling. At the Oil Rocks field, compressor units were installed to prevent the flaring of associated gas and enable its use as an energy resource. This approach supports more efficient use of available energy while also contributing to emissions reduction through decreased flaring.

DEVELOPMENT OF ALTERNATIVE AND RENEWABLE ENERGY SOURCES

SOCAR continued to expand the application of alternative energy solutions across its operations, with a focus on integrating renewable energy sources into existing infrastructure. These initiatives support diversification of energy supply and contribute to reducing reliance on conventional energy sources in selected operational areas.

In 2025, Solar energy systems have been deployed across various operational assets. At the North Export Pipeline, solar panels installed to supply electricity to cathodic protection stations generated 14,580 kWh of electricity. In gas distribution operations, solar panels were installed at gas distribution stations and on medium-pressure pipelines to meet the electricity demand of gas metering equipment, with 65 units operating under this system. In addition, 50 solar-powered lighting units were installed within the Geophysics and Geology Department, supporting the use of renewable energy in remote or infrastructure-limited locations.

In parallel, SOCAR is advancing the development of internal renewable energy generation capacity within its downstream asset portfolio. In 2025, wind power plants at Petkim WPP generated 132,211,000 kWh

of electricity, representing a significant contribution to internally sourced renewable energy and supporting the integration of lower-carbon energy into industrial operations.

In the area of low-emission transport infrastructure, the number of electric vehicle charging units installed at SOCAR Petroleum filling stations reached 14. In addition, one filling station located in the liberated territories operates using solar energy systems, demonstrating the application of renewable energy solutions in new infrastructure projects.

1. For the purposes of this report, the SOCAR Group reporting scope comprises SOCAR (Azerbaijan), SOCAR Türkiye, SOCAR Energy Georgia, SOCAR Energy Austria, SOCAR Energy Ukraine SOCAR Energy Switzerland and SOCAR Trading SA.

Table 3. Electricity consumption at SOCAR Group, 2023 – 2025 - thousand kWh

Entity	2023	2024	2025	YoY
For SOCAR · total	2,862,233	2,676,168	2,905,934	▲ 8.6%
SOCAR (Azerbaijan)	1,295,521	1,288,334	1,387,379	▲ 7.7%
SOCAR Türkiye	1,514,448	1,335,102	1,470,454	▲ 10.1%
SOCAR Energy Georgia	27,584	27,803	23,965	▼ 13.8%
SOCAR Energy Ukraine	10,448	10,634	10,210	▼ 4.0%
SOCAR Energy Switzerland	9,776	9,775	9,312	▼ 4.7%
SOCAR Energy Austria	3,936	3,938	4,000	▲ 1.6%
SOCAR Trading	520	582	614	▲ 5.0%

Table 4. Electricity intensity ratio at SOCAR Group in 2023-2025 years, per employee

Entity	2023	2024	2025	YoY
SOCAR (Azerbaijan)	26.8	26.8	30.68	▲ 14.5%
SOCAR Türkiye	277.34	234.72	324.89	▲ 38.4%
SOCAR Energy Georgia	6.8	6.39	5.47	▼ 14.4%
SOCAR Energy Ukraine	5.82	5.98	5.79	▼ 3.2%
SOCAR Energy Switzerland	12	12.12	11.37	▼ 6.2%
SOCAR Energy Austria	19.68	18.93	19.42	▲ 2.6%
SOCAR Trading	2.43	2.52	2.45	▼ 2.9%

Table 5. Fuel consumption at SOCAR Group, 2023 – 2025

SOCAR (Azerbaijan)	2023	2024	2025	YoY
Gasoline · t	5,985.0	5,731.0	5,184.41	▼ 9.5%
Diesel · t	27,131.0	25,954.0	29,666.82	▲ 14.3%
Natural gas · thousand m³	1,665,528.0	1,742,423.0	1,749,139.40	▲ 0.4%
SOCAR Türkiye				
Gasoline · t	46.8	49.7	59.6	▲ 19.9%
Diesel · t	1,287.0	1,357.0	1,094.8	▼ 19.3%
Natural gas · thousand m³	567,713.0	625,535.0	625,808.4	▲ 0.04%
SOCAR Energy Georgia				
Gasoline · t	336	343	338	▼ 1.5%
Diesel · t	559	587	611	▲ 4.1%
Natural gas, thousand m³	1.5	4	4.3	▲ 7.5%
SOCAR Energy Switzerland				
Diesel · t	178	173	203	▲ 17.3%
SOCAR Energy Austria				
Gasoline · t	14.7	18.5	17.9	▼ 3.2%
Diesel · t	142	122.6	131.6	▲ 7.3%
Natural gas, thousand m³	35.6	21.7	21.6	▼ 0.5%
SOCAR Trading				
Gasoline litres	6,475	4,872	6,693	▲ 37.4%
Diesel, litres	4,027	3,617	3,317	▼ 8.3%
SOCAR Energy Ukraine				
Gasoline · t	218	134	130	▼ 3.0%
Diesel · t	279	257	180	▼ 30.0%
Natural gas · thousand m³	9.5	9.7	12.1	▲ 24.7%

WATER MANAGEMENT APPROACH

Water stewardship remains a key environmental priority for SOCAR. The Company is strengthening its water management approach through enhanced corporate reporting requirements, analysis of water use patterns, and identification of opportunities to improve water efficiency and reduce freshwater consumption across its operations. SOCAR's water management framework covers the full water cycle, including water withdrawal, consumption, treatment, reuse, and discharge, and is integrated into its Environmental Management System (EMS). Water management requirements are implemented in accordance with applicable legal and regulatory requirements and supported by monitoring systems, operational controls, and continuous performance assessment.

To enhance data quality and transparency, SOCAR Headquarters works closely with operational assets to ensure accurate reporting of water withdrawal and consumption data to national authorities. Particular attention is given to alignment with international reporting standards and separate accounting of freshwater and seawater use. SOCAR distinguishes between water withdrawal and water consumption in its accounting practices, recognizing that seawater used for cooling purposes is returned to the marine environment after use and therefore constitutes non-consumptive use. In 2025, implementation of a dedicated water reporting tool further strengthened the accuracy, consistency, and transparency of water-related reporting across operations.

WATER EFFICIENCY, REUSE AND WASTEWATER MANAGEMENT

As part of the Climate and Sustainability Lighthouse programme, SOCAR conducted a comprehensive assessment of water use patterns across operational assets to identify areas of elevated water intensity and opportunities to improve efficiency. The assessment supports forecasting of water demand, evaluation of water source capacity, and identification of opportunities to improve efficiency and increase water reuse. It also supports development of asset-level water efficiency targets and implementation roadmaps reflecting the operational and technical characteristics of individual assets. To improve resource efficiency, SOCAR continues to implement measures aimed at reducing freshwater abstraction, increasing water reuse and recycling, and optimizing water consumption across its operations.

Water reuse remains an important component of SOCAR's operational model. The Company promotes resource efficiency through the application of industrial symbiosis principles, including centralized wastewater treatment infrastructure serving multiple facilities. These arrangements support more efficient resource utilization, reduce environmental impacts, and improve operational efficiency. SOCAR is also working to extend responsible water management practices across its value chain through engagement with joint ventures, suppliers, and contractors.

Wastewater and produced water are managed through treatment systems, operational controls,

and continuous monitoring of discharge parameters. Wastewater discharges are monitored through accredited in-house laboratories and independent third-party organizations to ensure compliance with environmental requirements and protection of receiving ecosystems. Produced water generated during upstream operations is reinjected into reservoir pressure maintenance systems or disposed of through absorption wells. SOCAR is further strengthening operational standards through implementation of unified requirements for the pre-treatment of produced water prior to reinjection. Additional measures implemented during the reporting year prevented discharge of produced water into the Hovsan canal through redirection of produced water streams to disposal wells.

WATER RISK AND RESILIENCE

Water-related risks are assessed within SOCAR's environmental and corporate risk management processes. Risks associated with water consumption, wastewater treatment, discharge, and potential impacts on water resources are regularly evaluated, with significant risks escalated through established governance mechanisms, including the Company Risk Committee. Water and wastewater management performance was also reviewed through environmental audits conducted across approximately 40 assets during 2025, providing input for continuous improvement of operational practices and infrastructure.

As part of its climate-related risk assessment activities, SOCAR evaluated the potential impact of future water stress on key operations located

on the Absheron Peninsula. Climate projections under SSP2-4.5 and SSP5-8.5 scenarios indicate increasing water stress conditions by 2050, with an estimated 3.6 to 7.6 months per year affected by water stress. The assessment identified potential risks of reduced refinery throughput during prolonged drought conditions and associated revenue impacts, supporting integration of water resilience measures into long-term business planning and adaptation strategies.

SOCAR is advancing the development of a centralized Water Management Methodology to establish a consistent approach to water withdrawal, consumption, reuse, treatment, and discharge across its operations. The methodology will support standardized water-related KPIs, strengthen performance monitoring, and facilitate integration of water management considerations into operational planning and investment decision-making. Priority areas include minimizing freshwater use, increasing the use of alternative water sources, reducing overall water consumption, promoting water reuse and recycling, strengthening wastewater management practices, and enhancing resilience to future water stress.

GROUP WATER MANAGEMENT

WITHDRAWAL · INTENSITY · PRODUCED WATER · WASTEWATER · CLOSED-LOOP

Table 6. Water withdrawal — by entity 2023 – 2025 · million m³

ENTITY	2023	2024	2025	YoY
SOCAR (Azerbaijan) ¹	57.84	56.03	56.53	▲ 0.9%
SOCAR Türkiye	23.12	21.98	21.45	▼ 2.4%
SOCAR Energy Georgia	0.13	0.12	0.14	▲ 16.7%
SOCAR Energy Ukraine	0.10	0.10	0.09	▼ 10.0%

Table 7. Water intensity ratio — per employee thousand m³ / employee · 2023 – 2025

ENTITY	2023	2024	2025	YoY
SOCAR (Azerbaijan)	1.20	1.17	1.25	▲ 6.8%
SOCAR Türkiye	4.20	3.86	4.74	▲ 22.8%
SOCAR Energy Georgia	0.03	0.03	0.03	0.0%
SOCAR Energy Ukraine	0.06	0.06	0.05	▼ 16.7%

Table 8. Produced water

"Azneft" PU		7,320	▲ 9%
Operation Companies		17,535.5	▼ 5%
Total - 2025		24,855.5	▼ 1.2%

Figure 21. Wastewater management — treated vs untreated m³ · 2025 highlighted

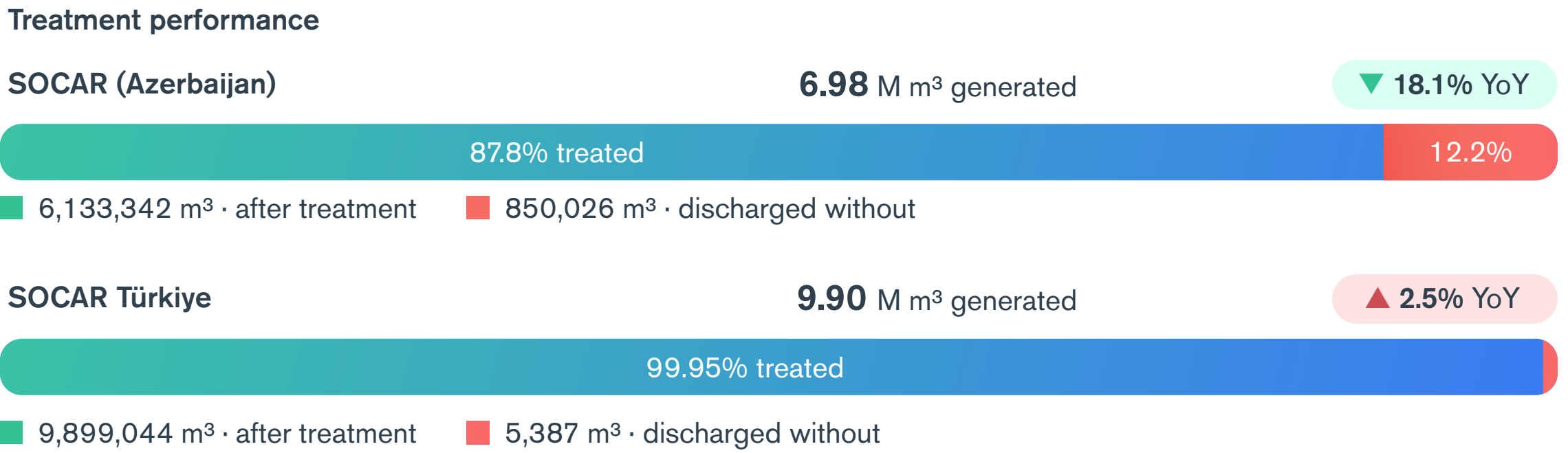


Table 9. Wastewater SOCAR (AZERBAIJAN) · MILLION M³

RECYCLED WATER	REUSED WATER
2023: 274.2 2024: 310.8 2025: 200.8	2023: 0.01 2024: 0.56 2025: 3.28

SOCAR continues to enhance the granularity of its water accounting by progressively distinguishing freshwater and seawater within water withdrawal and consumption. Given the scale and complexity of operations, this methodology will continue to be refined over time.

1. SOCAR (Azerbaijan)
Withdrawal figure includes freshwater, produced water, seawater (including cooling water), and wastewater received for treatment. While sea water used in cooling systems and wastewater received for treatment is excluded in consumption figures.

None **Water-related risk** did not generate material business impacts in 2025 — confirming the effectiveness of management practices and water availability across operational areas.

MATERIAL USE, WASTE & CIRCULARITY

WASTE MANAGEMENT AT SOCAR

SOCAR manages waste across its operations through a structured and integrated system covering minimization, segregation, handling, transportation, treatment, utilization and disposal of hazardous and non-hazardous waste streams.

Activities are integrated into operational processes and supported by centralized infrastructure, digital monitoring systems and internal procedures — improving compliance, environmental performance and resource efficiency.

WASTE MGMT PLAN

WMC

MRV PLATFORM

SAP S/4HANA EHS

OPERATIONAL HANDLING & INFRASTRUCTURE

Waste generated across operational sites is centrally transported and managed through SOCAR's Waste Management Centre (WMC) and specialized third-party services — providing the infrastructure required for industrial waste streams including drilling waste, production sludge, oil-contaminated materials and other operational waste.

SOCAR continues to advance its waste management capabilities through development of centralized waste handling infrastructure and implementation of digital solutions, including the SAP S/4HANA EHS Waste Management module and the MRV platform. These measures strengthen waste traceability, improve reporting accuracy, and support more effective environmental oversight.

Corporate-level targets aimed at reducing waste generation and improving resource efficiency are currently being developed and will be integrated into operational and environmental management plans.

REDUCTION, SEGREGATION & CIRCULARITY

SOCAR conducts annual internal environmental monitoring and audit programs and prepares asset-level assessments to identify waste-management gaps. Targeted measures — infrastructure upgrades, strengthened segregation practices and enhanced control and reporting systems — are being implemented to address them.

Practices increasingly incorporate circularity and secondary use: at WMC, recyclable non-hazardous streams (plastic and paper) are transferred to certified third-party recyclers, while part of hazardous waste is processed for secondary use and recovery.

Waste treatment, utilization, recovery, recycling and diversion from landfill are implemented through independent accredited contractors meeting SOCAR's operational, technical and environmental requirements.

Figure 22. Generated waste at SOCAR (Azerbaijan), thousand tonnes^{1,2}



Figure 23. Generated waste at SOCAR Türkiye, thousand tonnes³



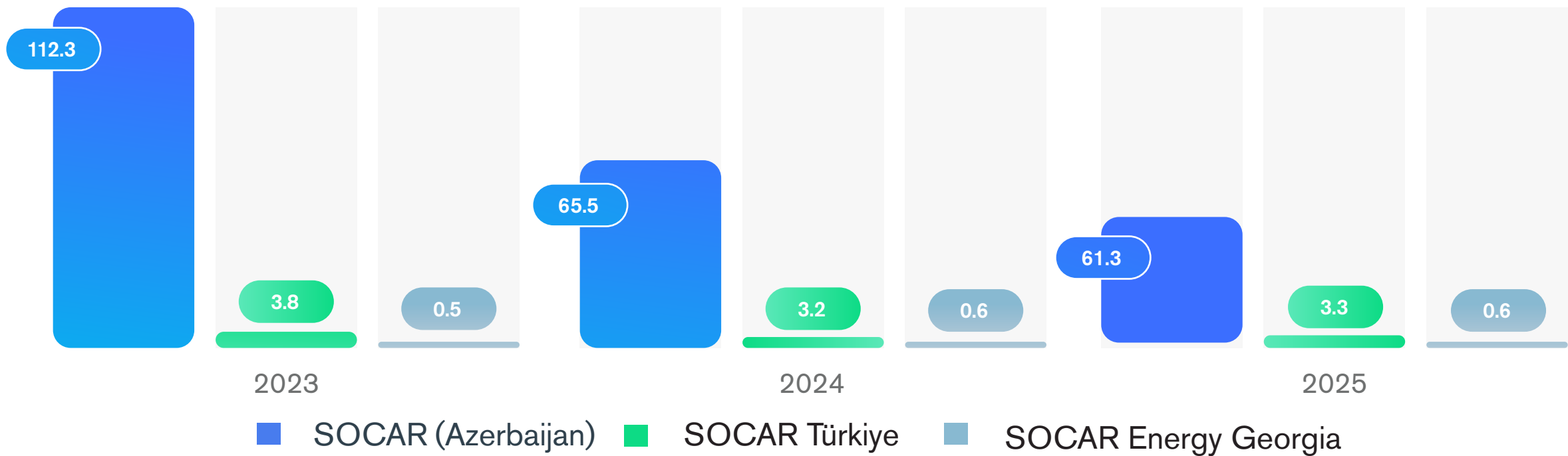
1. In 2025 hazardous waste rose to 105.1 kt, driven mainly by higher volumes of oil-contaminated sand, partially offset by lower tank-bottom sludge. Non-hazardous waste reached 70.8 kt, mainly from higher ferrous & non-ferrous metal waste, tires and paper.
2. In 2025, waste intensity for SOCAR (Azerbaijan) amounted to 0.013 tonnes of total waste generated per tonne of oil equivalent (toe) of production.
3. The significant decrease in SOCAR Türkiye non-hazardous waste was primarily attributable to lower volumes of excavation soil and construction debris generated at the Petkim asset during the reporting year.

AIR QUALITY

SOCAR conducts regular monitoring of air emissions across its operations, tracking and reporting key air quality indicators in line with established environmental requirements. Emissions data is systematically collected and analyzed to support transparency, ensure compliance with national regulations, and maintain effective environmental oversight. The results of monitoring activities are compiled and submitted to relevant government authorities on an annual basis.

To support long-term analysis and continuous improvement, SOCAR maintains a centralized emissions database covering its operational activities. This system enables consistent data consolidation, facilitates the identification of trends and priority areas for improvement, and supports the alignment of monitoring practices with internationally recognized approaches to air emissions management.

Figure 24. SOCAR Group air emissions for 2023-2025, thousand tonnes



SOCAR (Azerbaijan)

Total air emissions were restated for the past three reporting years following correction of a double-counting issue. The reported emissions breakdown was unaffected.

▲ 3% SOCAR Türkiye

The variation is primarily attributable to differences in operating days associated with planned turnaround (TA) activities at STAR Refinery compared with 2024.

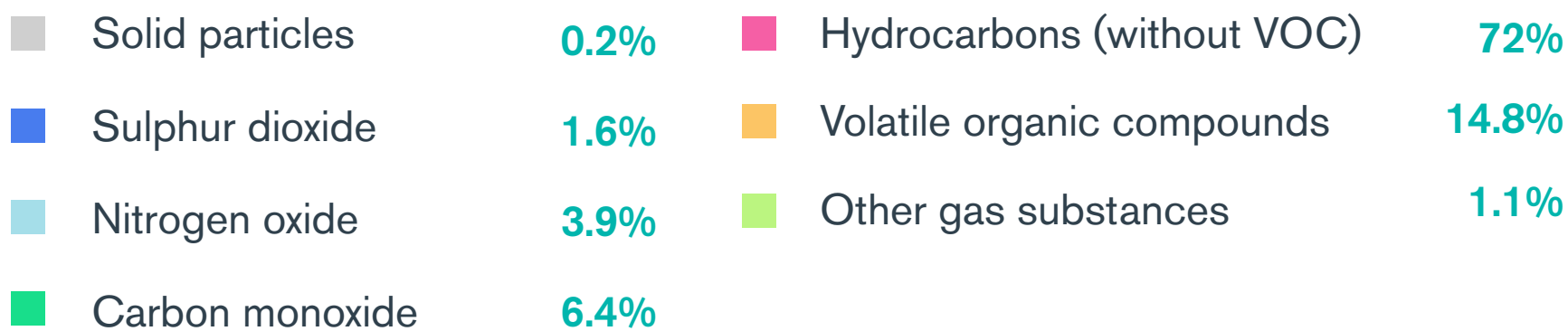
SOCAR Energy Georgia

Overall, total air emissions remained broadly consistent with previous years, with incremental declines in NOx and CO driven by reduced company fleet fuel consumption.

GROUP TOTAL 2025	SOCAR (Azerbaijan) 2025	SOCAR TÜRKİYE 2025	OTHER ENTITIES ¹
65.9 kt	61.3 kt	3.3 kt	1.27 kt
Expanded	▼ 6.4% vs 2024	▲ 3% vs 2024	

Figure 25. SOCAR Group air emissions in 2025, %

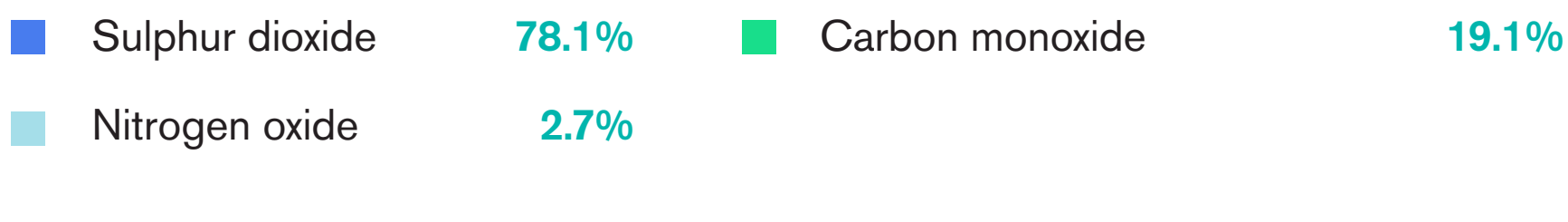
SOCAR (Azerbaijan)



SOCAR Türkiye



SOCAR Energy Georgia



1. Other entities include: SOCAR Energy Georgia LLC; SOCAR Energy Ukraine LLC; SOCAR Energy Holdings AG, including SOCAR Energy Austria GmbH and SOCAR Energy Switzerland GmbH; SOCAR Trading SA

BIODIVERSITY & ECOSYSTEM CONSERVATION

Biodiversity protection is an integral part of SOCAR's environmental management approach. In 2025, SOCAR strengthened its commitment by enhancing the scope of actions in "Statement on Biodiversity Conservation," which has been approved by the President of the company and defines principles for managing biodiversity impacts, integrating biodiversity considerations into operations, conducting risk assessments and implementing preventive and mitigation measures.

Biodiversity-related impacts and risks are identified and assessed through regular environmental monitoring activities conducted across SOCAR's upstream, midstream and downstream operations, including onshore production areas, offshore facilities and marine aquatories. Monitoring activities include complex ecological assessments of flora and fauna, evaluation of operational impacts on ecosystems and assessment of environmental conditions within operational areas. During monitoring activities, vegetation taxonomy, vegetation density, ecological stability indicators and ecosystem indicator species are assessed, while fauna studies evaluate species distribution and occurrence frequency across ornithofauna, teriofauna and herpetofauna groups. Soil assessments are also conducted to evaluate erosion sensitivity, vegetation cover and ecological stability of operational areas. Monitoring results are used to identify biodiversity-related impacts, support development of site-specific management measures and guide rehabilitation and mitigation activities across operational assets.

IMPACTS AND EXPOSURE

SOCAR's onshore and offshore oil and gas operations in Azerbaijan have resulted in direct and indirect impacts on biodiversity, primarily associated with production activities and supporting infrastructure. In certain onshore operational areas, anthropogenic pressures arising from extensive oil production infrastructure, oil contamination and other industrial activities have contributed to soil and vegetation disturbance, land degradation, increased erosion, localized reductions in soil fertility and weakened vegetation regeneration capacity. In some locations, these impacts have resulted in sparser vegetation cover and a relative decline in species diversity.

In certain onshore production areas, the conversion of natural landscapes into industrial environments has altered local ecosystem characteristics and contributed to changes in fauna composition. As a result, localized declines have been observed in populations of certain species, particularly among terrestrial mammals (teriofauna) and reptiles (herpetofauna). These impacts are primarily associated with long-established oil production areas.

ACTIONS AND MANAGEMENT MEASURES

In 2025, SOCAR continued to implement biodiversity management measures across its operations in Azerbaijan in line with the Statement on Biodiversity Conservation. Findings from biannual biodiversity monitoring and environmental assessments were used to develop site-specific mitigation, rehabilitation and biodiversity management measures across operational areas.

Land rehabilitation and recultivation activities were undertaken to restore disturbed areas and support vegetation recovery. These activities were complemented by broader environmental management measures, including improvements in emissions management, waste management, water management and oil spill prevention, contributing to the reduction of operational pressures on biodiversity. Biodiversity awareness programmes and environmental improvement initiatives were also implemented across operational sites to strengthen employee awareness and support biodiversity conservation.

During the reporting year, SOCAR Trading SA supported biodiversity conservation initiatives focused on the protection and restoration of sturgeon and Caspian salmon populations, contributing to the preservation of aquatic biodiversity and ecosystem sustainability in the Caspian region.

Looking ahead, SOCAR will continue to integrate biodiversity considerations into project planning and operational decision-making through

biodiversity assessments, Environmental Impact Assessments (EIAs), biodiversity action planning, and the implementation of mitigation measures in accordance with national legislation and established environmental management procedures.

LAND MANAGEMENT

SOCAR manages land-related environmental impacts and oil spill risks through a structured and integrated approach combining prevention, monitoring, response, and remediation measures across upstream, midstream, and downstream operations. This approach reflects both the historical legacy of contamination associated with long-term oil and gas activities and the need to manage ongoing operational risks related to infrastructure integrity and production operations.

SOCAR places significant emphasis on responsible and sustainable land management — protection of natural resources and compliance with national environmental legislation as a core component of its environmental management approach. In line with the Law of the Republic of Azerbaijan "On Subsoil", SOCAR conducts subsoil operations within established licensing and regulatory frameworks aimed at ensuring efficient and scientifically grounded use of underground resources while minimising risks of environmental pollution and land degradation.

LAND CONTAMINATION & REHABILITATION

Land-related impacts across SOCAR's operational areas are primarily associated with oil-contaminated soils and areas affected by produced water. These impacts are systematically monitored and assessed within environmental management processes to

support prioritisation of remediation activities and implementation of effective land rehabilitation measures.

As part of the "LightHouse" project, SOCAR has developed a recultivation plan for oil-contaminated lands and lakes, with Ekol Engineering Services CJSC acting as the main facilitator. The project places particular focus on identification and assessment of affected areas to support more structured rehabilitation planning.

In 2025, the total remaining area of contaminated land was 656.8 ha, vs 819.6 ha in 2024 — reflecting a 20% reduction in residual historically contaminated land.

REDUCTION DRIVERS & RESTORATION

The reduction in contaminated land is primarily associated with ongoing rehabilitation efforts and improved control over operational activities aimed at preventing new contamination.

In parallel, land restoration activities continued during the reporting year, with 78.5 ha of land recultivated in 2025, compared to 166.7 ha in 2024. These activities aim to restore environmental conditions, improve land functionality, and support the recovery of ecological characteristics in previously impacted areas.

Figure 26. Land contamination at SOCAR (Azerbaijan) 2024 → 2025, ha

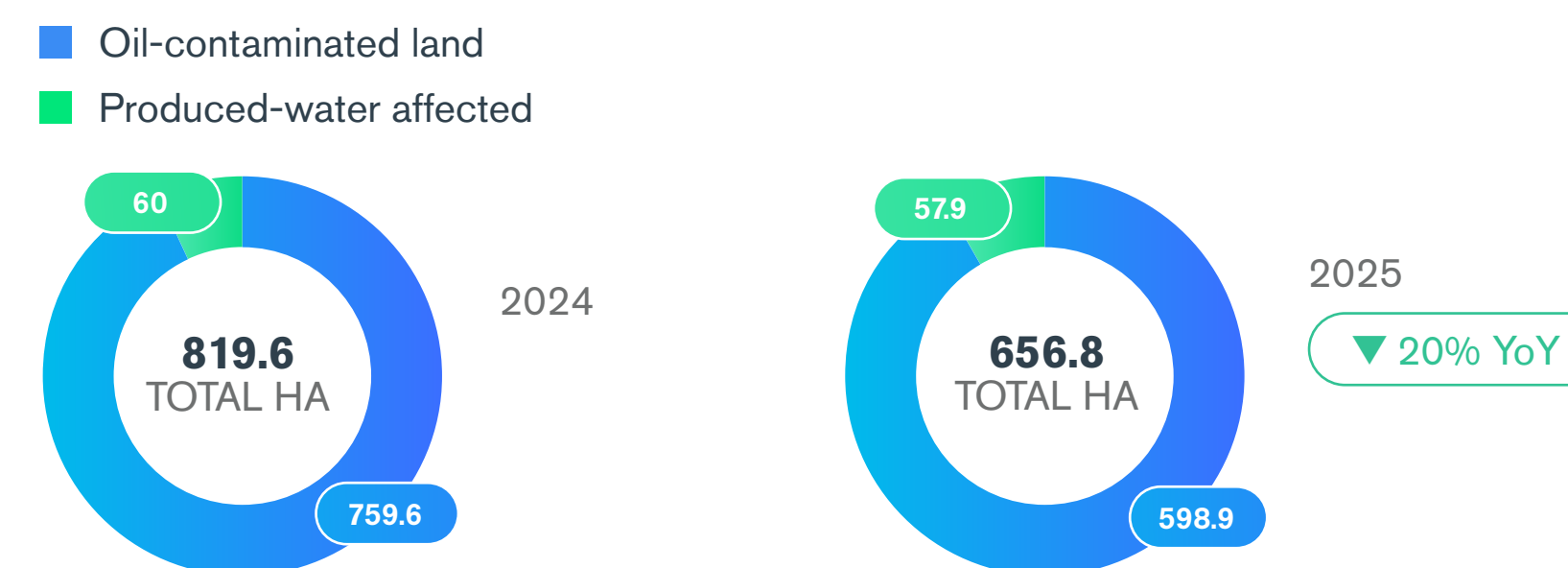
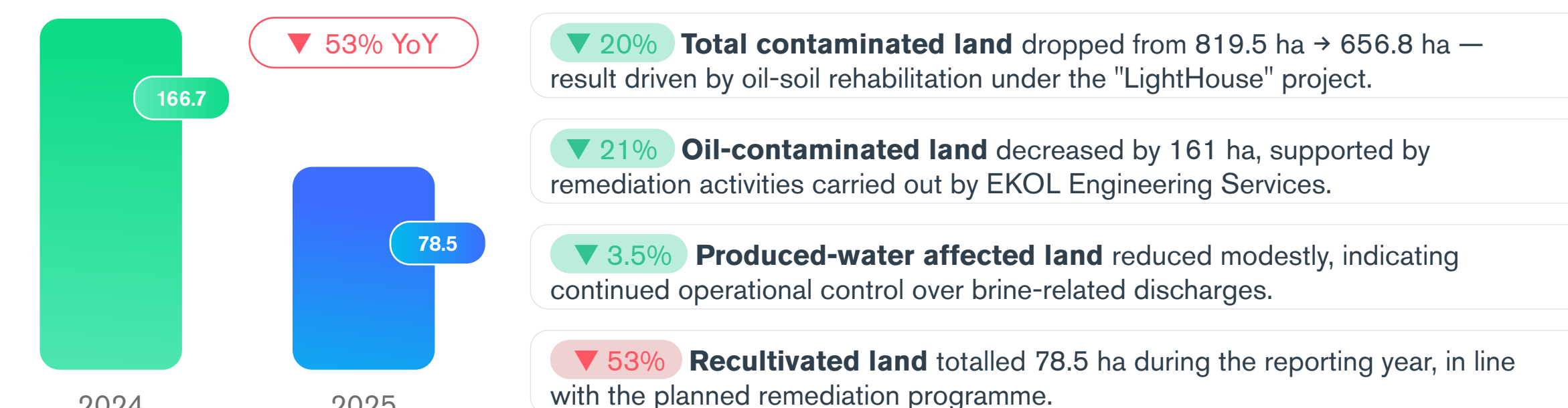


Figure 27. Restoration and rehabilitation of SOCAR (Azerbaijan), 2024-2025, ha





OIL SPILL MANAGEMENT

SOCAR manages oil spill risks through implementation of the Oil Spill Management Plan, which establishes coordinated prevention, preparedness and response measures aimed at minimizing impacts on human health, the environment and marine ecosystems. The double materiality assessment reinforced the Company's continued efforts to enhance oil spill management and reporting practices as Pollution emerged as a double material topic for SOCAR. Beginning with this reporting year, SOCAR discloses spill volumes associated with oil spill incidents requiring enhanced response due to their scale, complexity and potential environmental impacts, supporting enhanced transparency and the continuous improvement of oil spill management.

The Plan classifies incidents into three response tiers according to their scale, complexity and potential environmental impacts. Tier 1 incidents are localized events with minimal environmental impact and are managed using site-level resources. Tier 2 incidents require additional corporate and specialized response capabilities due to their greater scale or proximity to environmentally sensitive areas. Tier 3 incidents represent major spill events with potentially significant environmental consequences requiring mobilization of national and, where necessary, international response resources. Implementation of the Plan is supported by routine monitoring of pipelines, storage systems and process equipment, preventive maintenance addressing corrosion, leakages and infrastructure integrity risks, tactical exercises, dedicated spill response equipment and established response procedures. SOCAR entities regularly conduct oil spill response training and joint exercises with relevant state authorities.

Incident investigations following each event support identification of root causes and implementation of corrective measures, strengthening operational controls and spill response preparedness across SOCAR's operations.

During the reporting year, 38 oil spill incidents were recorded across SOCAR's operations, compared to 23 incidents in 2024 and 13 incidents in 2023. The increase in reported incident numbers primarily reflects enhanced reporting practices in line with SOCAR's corporate reporting principles. Of the 38 incidents recorded during the reporting year, three required Tier 2 response, accounting for approximately 956.6 tonnes of spilled oil. The Tier 2 incidents comprised two incidents on the Neft Dashlary–Dubandi pipeline and one incident on the Neft Dashlary–Chilov pipeline. The two incidents on the Neft Dashlary–Dubandi pipeline resulted in approximately 926 tonnes of spilled oil, including 576 tonnes offshore and 350 tonnes onshore, while the Neft Dashlary–Chilov pipeline incident resulted in approximately 30.6 tonnes of spilled oil. Offshore response activities were undertaken in cooperation with the Ministry of Emergency Situations' Caspian Basin Emergency Rescue Service under the existing service agreement for oil spill response and remediation. Onshore response measures included spill containment, recovery of approximately 300 tonnes of spilled oil and removal of contaminated soil. All incidents were effectively contained and managed in accordance with the Oil Spill Management Plan, with the required notifications submitted to the relevant national authorities and corrective measures implemented following incident investigations.

CARING FOR
PEOPLE

OCCUPATIONAL HEALTH & SAFETY

STRENGTHENING THE HEALTH & SAFETY (H&S) MANAGEMENT SYSTEM —
REGULATORY FRAMEWORK, DIGITALIZATION & OVERSIGHT

APPROACH

SOCAR integrates occupational health and safety into its core operational management framework. The Company ensures that all activities are conducted in accordance with applicable legal and regulatory requirements, with the objective of maintaining safe and reliable operations. Preventing work-related injuries, occupational illnesses, and environmental harm remains a fundamental priority across all production processes.

REGULATORY FRAMEWORK

As a continuation of the development of the Health and Safety Management System based on the Health and Safety Strategy document approved in 2024, eight corporate regulatory documents were developed in 2025. Six procedures were approved and their implementation has commenced across SOCAR enterprises.

The guidelines on Verbal Reporting of Occurred Incidents and Preparation of Written H&S Reports were updated, including the introduction of a new Process Safety Event (PSE) taxonomy with Tier 3 incidents, in accordance with IOGP and API Recommended Practice 754 requirements.

- Safe Lifting Operations
- Permit to Work
- Verbal Reporting of Incidents
- Energy Isolation
- Operational H&S Risk
- Written H&S Reports
- Incident Investigation
- Food Safety Management

● APPROVED ● UPDATED

Besides that, procedures have been prepared and are currently at the approval stage: the “Contractor Safety Management Procedure”, the “Self-verification and Oversight Procedure”, and the “Management of the Chemical Substances Procedure”. In 2025, the BPM (Business Process Modeling) process for the H&S function has been approved. Also, H&S KPIs (implementation of the H&S Plan and LTIFR) have been assigned to the heads of SOCAR’s entities.

During 2025, two large-scale seminars (Townhalls) were held at the beginning and mid-year to review and discuss HSE plan of entities. Another coordination meeting was held on the implementation of the electronic H&S reporting (e-Incident Management) module. Additionally, online awareness sessions were conducted on Permit to Work, Energy Isolation, and Lifting Safety, as well as monthly meetings were held to monitor their implementation.

H&S DOCUMENTS

8 appr.

+3 pending

DIGITAL PROJECTS

5 impl.

+1 ongoing (e-Risk)

TRAINING

277,990 hrs

12,233 trainees

WORKPLACE INVESTMENT

42.99 m AZN

Safety systems

H&S DIGITALIZATION PROJECTS

In 2025, five projects were implemented and one project was initiated in the field of H&S digitalization. These initiatives integrate the activities of the H&S Department with the overall digitalization strategy of SOCAR, enabling improved monitoring, analysis, and operational management of OHS processes.

- 01

e-Incident Management
Electronic H&S incident reporting

DONE
- 02

e-CoW Permit to Work
Digital permit issuance

DONE
- 03

State Supervisory Authority
Online monitoring platform

DONE
- 04

Knowledge Assessment
Competency platform

DONE
- 05

Wells non-conformance
Industrial Safety tracker

DONE
- 06

e-Risk Management
Enterprise rollout

ONGOING

Through all these measures above, SOCAR reinforced its systematic approach to occupational safety management. Particular attention was given to effective risk management, fostering a strong safety culture, and enhancing employee awareness of

their roles and responsibilities in maintaining a safe and sustainable working environment. Sustained improvement in these areas supports the protection of human life, stable operations, and long-term organizational resilience.

In addition, to verify the effective implementation of its Health and Safety Statement, SOCAR engages independent audit organizations accredited at both international and national levels. Conducted by certified lead auditors, these audits evaluate the effectiveness of H&S management systems and operational practices, including compliance with the ISO 45001:2018 standard. The findings support transparency and accountability and are incorporated into annual action plans for the continuous improvement of the Company's H&S management framework.

TRAINING & CAPABILITY

In 2025, occupational health and safety training remained as one of the central elements of SOCAR's risk prevention and employee protection framework. All subsidiaries implemented training programs to improve workforce proficiency and preserve safe working procedures. In 2025, a total of 277,990 training hours (man-hours) were delivered by the Training, Education and Certification Department of SOCAR, covering various occupational safety topics, with the participation of 12,233 trainees.

The curriculum focused on hazard identification, emergency preparedness, and adherence to internal safety procedures. All newly recruited employees completed mandatory induction training covering health and safety responsibilities. In addition, refresher courses were organized for personnel working in higher-risk roles to maintain awareness and procedural compliance. Training materials were periodically reviewed and updated to reflect legislative amendments and lessons derived from incident investigations.

In the field of emergency management, four large-scale and coordinated drills were conducted on a quarterly basis with the involvement of relevant state authorities across the Head Office and SOCAR entities.

The consultant engaged by the H&S Department of the Head Office delivered coaching sessions for H&S leaders aimed at enhancing:

- 
Decision-making
- 
Leadership
- 
Safety strategy
- 
Technical

WORKPLACE INVESTMENT

ALLOCATED TO SAFETY 42,994,848 AZN

Contributed to strengthening workplace protection systems and enhancing overall safety performance across SOCAR's production sites.

During 2025, targeted actions were undertaken to improve working conditions throughout SOCAR's production sites. Infrastructure, workplaces, and operational processes were reviewed and upgraded to comply with current health and safety standards. Preventive measures aimed at minimizing workplace incidents and occupational health risks were implemented on a continuous basis.

42,994,848 AZN was contributed to strengthening workplace protection systems and enhancing overall safety performance. In 2025, SOCAR continued to strengthen its internal regulatory framework in line with evolving industry requirements and operational conditions. Existing norms, procedures, and guidelines were reviewed and updated to ensure their relevance and practical applicability across different business units.

Table 10. Disciplinary measures for confirmed safety violations

Category	2025
Received formal reprimands	290
Issued severe warnings with final notice	64
Had salary deductions imposed	17
Were warned	279
Were dismissed	1

TECHNICAL SAFETY MEASURES

In 2025, SOCAR continued to strengthen technical safeguards across its facilities to improve working conditions and ensure alignment with current safety standards. Modernization and reconstruction activities were carried out at selected production sites, buildings, and workplaces to address updated occupational health and safety requirements. Critical equipment, machinery, and technological systems were subject to scheduled technical inspections and periodic testing.

These controls were implemented to confirm operational integrity and reduce the likelihood of technical failures that could affect employee safety. The assessments supported the reliable and safe functioning of production assets. At several facilities, automated control and measurement systems compliant with international standards were introduced. The integration of these systems reduced reliance on manual processes and enabled continuous operational monitoring. This approach contributed to lowering operational risks by limiting the potential for human error and improving response capability. Ongoing investment in technical improvements remains part of SOCAR's structured approach to maintaining safe and sustainable operations.

MONITORING OF WORKING CONDITIONS

SOCAR continued maintaining systematic monitoring of workplace conditions throughout 2025 to ensure safe production environments across its subsidiaries. These activities focused on assessing environmental parameters and employee exposure levels in order to support risk mitigation measures. To strengthen internal control mechanisms, in 2025 the Health and Safety Department conducted inspections under a structured self-verification framework across 11 entities and 201 worksites, with an additional 88 worksites inspected specifically for food safety. The H&S Department of the Head Office also supported the participation of production site inspections under the SOCAR Occupational Health Improvement Working Group, established with the aim of preventing occupational diseases, protecting occupational health, reducing cases of substance (drug and alcohol) abuse, preventing occupational injuries and sudden workplace fatalities, and reducing lost working days due to illness.

LOST WORKDAY DUE TO INJURIES	TOTAL HOURS WORKED	NUMBER OF ACCIDENTS	LTIFR (SOCAR Azerbaijan)
1,595	81,220,180	27	0.357

SUPERVISION OF THIRD-PARTY COMPANIES

SOCAR oversees contractors and third parties operating at its sites to ensure compliance with H&S requirements and risk management measures. During the reporting period, a new “Contractor Safety Management Procedure” was developed and is currently under approval. In locations where several contractors operate simultaneously, coordination and supervision measures were applied to support the safe execution of work activities and the management of interface risks. In October 2025, SOCAR Upstream organized a large Contractor Safety Management Forum, bringing together most contractors and subcontractors to discuss HSE expectations, challenges, and improvement opportunities.

COOPERATION WITH OTHER INDUSTRY COMPANIES AND MUTUAL FIELD VISITS

During 2025, several joint H&S-related initiatives were implemented with various oil and gas companies and organizations:

- In March 2025, a four-party Memorandum of Understanding was signed between SOCAR, KazMunayGas, Tatneft, and Uzbekneftegaz in the fields of industrial safety and emergency response.
- A trilateral Memorandum of Understanding was signed between the Ministry of Emergency Situations, SOCAR, and the Azerbaijan Industrial Safety Association on cooperation in industrial safety, occupational health and safety, and environmental protection with a particular focus

on improving national industry standards and strengthening regulatory approaches.

- Activities were successfully implemented to strengthen safety standards and enhance cooperation in line with recommendations of the International Association of Oil & Gas Producers (IOGP).

H&S Department representatives participated in international cooperation visits to exchange best practices and improve H&S standards, risk management and operational safety. These included:

- Participation in the IOGP Safety Committee;
- Participation in an international event organized by KazMunayGas;
- Participation in an international forum organized by Uzbekneftegaz;
- Participation in a seminar on the implementation of fundamental International Labour Organization conventions and other ILO supervisory mechanisms in occupational safety and health;
- Participation in a seminar on “Oil Spill Response Measures and International Experience in the Use of Dispersants”, organized by the Ministry of Ecology and Natural Resources (ETSN).

OCCUPATIONAL SAFETY PERFORMANCE AND INCIDENTS

During 2025, a total of 29 injuries were recorded in 27 injury accidents within enterprises under the structure of SOCAR, including one fatality. All incidents were duly reported to the relevant

state authorities in accordance with established procedures, and internal investigations were completed in line with applicable legislation. Based on the investigation findings, enterprises are implementing appropriate measures aimed at identifying root causes, applying preventive actions, improving working conditions, and strengthening awareness-raising activities. Lessons learned from the incidents are shared across relevant units, and the implementation of corrective actions identified through internal investigations is being closely monitored.

The development of this reporting culture has led to more than a fivefold increase in reported near miss cases. The investigation of these near misses, along with the implementation of corrective and preventive actions, has enabled the prevention of several potentially serious incidents in advance.

Following the requirements of the updated incident investigation procedure, greater emphasis has been placed on ensuring that all incidents, including near misses, are thoroughly investigated by line management and designated investigation committees, with appropriate corrective actions implemented.

Particular focus is given to high-potential incidents (an event which could have, under slightly different circumstances, realistically resulted in a fatal incident.), which are investigated at a higher organizational level, with ongoing monitoring of the effectiveness of implemented measures to prevent recurrence. In addition, as part of this procedure,

a standardized Lessons Learned capture and distribution process has been developed and implemented to ensure effective sharing of incident findings and preventive measures across the organization.

Findings from completed investigations resulted in the implementation of corrective and preventive measures at the enterprise level. These actions were designed to address root causes, reduce the likelihood of recurrence, and strengthen workplace conditions. Information on identified causes and lessons learned was communicated internally, and follow-up on agreed actions is subject to ongoing monitoring.

Compared to previous reporting periods, the increase in the number of registered incidents is partly associated with improvements in internal reporting practices. Awareness initiatives and organizational measures introduced during the year encouraged more consistent and timely reporting across all levels of the Company. This development is further reflected in the reporting of near miss events, which increased more than fivefold. Enhanced reporting, supported by trend analysis of safety performance data, enabled earlier identification of hazards and facilitated preventive intervention before escalation into more serious incidents. The strengthened reporting culture supports transparency and contributes to the continuous improvement of occupational safety performance.

GROUP OHS PERFORMANCE

SOCAR (AZERBAIJAN) · 2024 → 2025 COMPARISON · JOINT VENTURES & FOREIGN REPRESENTATIVES

FATAL ACCIDENTS

1

▼ 50.0% vs 2024

TOTAL ACCIDENTS

27

▼ 3.6% vs 2024

DAYS LOST

1,595

▲ 45.9% vs 2024

LTIFR · ENTERPRISES

0.357

Group-wide: 0.51 per 1M working hrs

Table 11. OHS indicators — SOCAR (Azerbaijan)

2024 → 2025 comparison with YoY analysis

INDICATOR	2023	2024	2025	YoY
Total number of accidents, incl fatality	18	28	27	▼ 3.6%
Fatal accidents ¹	2	2	1	▼ 50.0%
Total number of injured employees	21	29	29	0.0%
Number of deceased employees	4	2	1	▼ 50.0%
Number of missing people	0	0	0	0.0%
Number of occupational diseases	0	0	0	0.0%
Days lost due to occupational injuries	826	1,093	1,595	▲ 45.9%
Average number of employees	48,139	48,340	46,781	▼ 3.2%
Total worked hours	83,131,323	83,529,314	81,220,180	▼ 2.8%
Frequency & Severity Ratios				
LTIFR — enterprises per 1,000,000 working hours	0.253	0.347	0.357	▲ 2.9%
LTIFR — Group-wide ² per 1,000,000 working hours	0.33	0.6	0.51	▼ 15.0%
Lost days ratio per 200,000 working hours	1.99	2.62	3.93	▲ 50%
Accident frequency per 1,000 employees	0.37	0.58	0.58	0.0%
Accidents' severity lost days per accident	51.63	42.04	61.35	▲ 45.9%

Table 12. Accidents with LTI by operations area— 2025

SOCAR (Azerbaijan) · n = 27

OPERATIONS AREA	NUMBER OF ACCIDENTS
"Azneft" PU	11
Heydar Aliyev Oil Refinery	5
"Azerikimya" PU	4
Transportation Department	2
Oil & Gas Construction Trust	2
"Azerigas" PU	1
Security Department	1
Gas Production Plant	1
Total - 2025	27

Table 13. JV / OC & Foreign representatives

2025 · accidents & injury indicators

INDICATOR	JOINT VENTURES & OCS	FOREIGN REPRESENTATIVES
Accidents with LTI including:	6	25
Fatal	0	0
Injured including:	6	25
Deceased	0	0
Occupational diseases	0	0
Missing people	0	0
Number of days lost due to occupational injuries	272	522
Total worked hours	24,164,038	18,249,901

▼ 50.0% Fatal accidents are closely monitored at the Senior Leadership level.

▲ 45.9% Enhanced safety tracking improved visibility of key indicators, including lost days (1,093 → 1,595), supporting better trend analysis, targeted prevention and continuous safety improvement.

1. The incident occurred during offshore lifting operation in 2025.

2. The Group-wide LTIFR covers SOCAR (Azerbaijan), SOCAR operating companies and joint ventures, SOCAR Türkiye, SOCAR Energy Switzerland, SOCAR Trading, SOCAR Energy Austria, SOCAR Energy Georgia, SOCAR Energy Ukraine.

LABOR PRACTICES & WORKFORCE MANAGEMENT

A STABLE, TRANSPARENT AND FAIR WORKING ENVIRONMENT — GOVERNANCE, ENGAGEMENT & HR MANAGEMENT

PERMANENT CONTRACTS

~99 %

Of total workforce in reporting period

EMPLOYEE TURNOVER

2.9 %

Male 2.7% · Female 3.9%

LEFT THE COMPANY

~1,400

Excluding internal transfers · 2025

WAGE POSITIONING

Equal

National living-wage thresholds

LABOR RELATIONS FRAMEWORK

SOCAR’s approach to labor practices is centered on maintaining a stable, transparent, and supportive working environment in which employees are treated fairly and actively engaged in the Company’s development. This approach is implemented through structured management processes that balance organizational needs with employee expectations, while ensuring compliance with national labor legislation and relevant standards.

- 01 Approved Performance and Competency Management Procedure.
- 02 Approved Employee Experience Management Methodology.
- 03 Approved new Recruitment Policy.
- 04 Approved governance and delegation documents.
- 05 Approved executive remuneration, benefits, and reward procedures.

SOCAR’s approach to labor relations and workforce management is based on maintaining a stable, transparent, and fair working environment supported by structured HR processes, employee engagement mechanisms, and continuous monitoring practices. The Company combines formal governance mechanisms with operational HR management tools to support workforce stability, employee well-being, and organizational efficiency.

At the core of SOCAR’s labor relations framework is a system that promotes mutual respect, open communication, and transparency across the organization. Regular interaction between management and employees is facilitated through structured meetings, internal communication platforms, and established feedback channels that enable employees to raise concerns, share feedback, and participate in workplace dialogue. Formal labor relations are governed through mechanisms that define employee rights and working conditions.

A Collective Agreement establishes key employment terms, that includes, but are not limited to, remuneration, working hours, leave arrangements,

dispute resolution procedures, and social guarantees. It also provides for flexible employment arrangements, including the possibility of part-time employment, where operationally feasible. It is developed through dialogue between management and employee representatives and is periodically reviewed to ensure alignment with legal requirements and workforce expectations.

SOCAR also maintains cooperation with officially recognized trade unions, which represent employee interests and contribute to discussions on labor policies and workplace conditions.

These governance mechanisms are complemented by tools that support continuous monitoring of employee engagement, workplace conditions, and organizational culture. Regular employee surveys provide insights into engagement levels, satisfaction, workplace dynamics, and culture-related indicators, enabling management to identify trends and implement targeted improvement measures. Additional initiatives, including internal communication campaigns, leadership engagement sessions, cross-functional collaboration activities,

and awareness programs related to diversity, inclusion, gender equality, and employee well-being, are implemented to strengthen coordination across business units and support an inclusive and respectful workplace environment.

The effectiveness of these initiatives is assessed through participation rates, employee feedback, and survey results, contributing to a more structured evaluation of organizational culture and workforce dynamics.

Alongside employee engagement and labor relations processes, SOCAR continues to strengthen its broader HR management framework through integrated and data-driven approaches. HR operations are regularly analyzed using a risk-based approach to support the timely identification of potential issues and implementation of preventive measures.

The Company also focuses on improving the efficiency and consistency of recruitment processes by optimizing candidate flow, streamlining selection stages, and enhancing decision-making procedures. Digital tools and data-driven methodologies are increasingly applied to support process monitoring and improve the quality, consistency, and transparency of hiring decisions.

Recruitment is guided by a competency-based approach designed to ensure equal and consistent evaluation of candidates. Hiring processes are based on clearly defined job requirements and corporate standards, with standardized assessment methods applied to evaluate both technical qualifications and behavioral competencies. This approach supports fair assessment, reduces subjectivity in selection processes, and ensures that candidates are evaluated based on merit, experience, and alignment with organizational values and role requirements. SOCAR also strengthens integration across recruitment, internal mobility, and talent management processes, contributing to a more coordinated human capital management system, improved operational efficiency, and a more consistent employee experience across the organization.

Within this overall framework, SOCAR seeks to ensure that organizational changes are managed transparently and predictably. When structural or organizational adjustments may affect employees, the Company follows national labor legislation as well as the provisions of its Collective Agreement. In accordance with Article 77(b) of the Labor Code of the Republic of Azerbaijan, employees are provided with advance notification in cases where changes may impact their employment status.

The duration of the notification period is determined based on the employee’s length of service, providing employees with sufficient time to understand and respond to potential changes. This approach supports transparency in workforce management and helps ensure that organizational adjustments are implemented fairly and consistently.

As a result of this structured and integrated approach to labor relations and human capital management, SOCAR maintains a relatively stable workforce environment. Long-term employment relationships predominate, with permanent contracts accounting for approximately 99% of the total workforce during the reporting period, supporting continuity and retention of institutional knowledge. Employee turnover also remained relatively low in 2025, with the overall turnover rate standing at 2.9%. Turnover among male employees was 2.7%, compared to 3.9% among female employees. During the reporting period, approximately 1,400 employees left the Company, excluding internal transfers. These indicators support the Company’s ongoing monitoring of workforce dynamics and employee retention trends across different employee groups.

LOCAL EMPLOYMENT

SOCAR places emphasis on engaging the local workforce across its operations in Azerbaijan and its international subsidiaries. In Azerbaijan, local employees constitute a significant share of the workforce, including within the head office and structured subsidiaries. In international operations, local employment practices are also applied across the Company’s subsidiaries and operating entities.

SOCAR does not maintain a standalone corporate policy specifically dedicated to local hiring. Instead, employment practices are governed by applicable national legislation and contractual frameworks. In Azerbaijan, these are defined by Article 63 of the Migration Code of the Republic of Azerbaijan, as well as relevant provisions within Production Sharing Agreements. These legal frameworks establish the basis for the employment of local nationals within SOCAR’s operations.

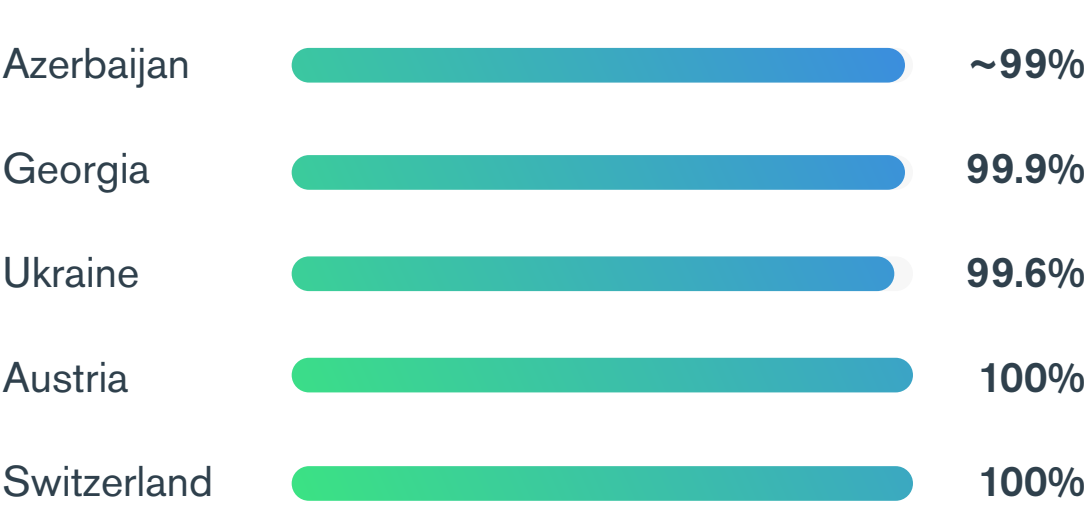
In 2025, local hires represented approximately 99% of employees in Azerbaijan. In Georgia, the proportion of local hires reached 99.9% during the reporting period. In Ukraine, 99.6% of total local hires were Ukrainian nationals, while 90.9% of top management positions were held by Ukrainian employees. In Austria and Switzerland, all employees recruited during the reporting period were local hires, reflecting the Company’s approach to employing and developing local workforce capacity within respective operating markets. Through these practices, SOCAR supports local economic participation, workforce sustainability and the development of regional human capital across the countries where it operates.

Figure 28. Turnover & retention - 2025



Retention is supported by competitive pay, strong labor relations, and **~99% permanent contracts**.

Figure 29. Local hires by country - 2025



100%
In Austria & Switzerland, all employees recruited during the reporting period were local hires.

TALENT ACQUISITION

SOCAR applies a structured, competency-based approach to talent acquisition to ensure alignment with organizational priorities and long-term workforce planning. Recruitment activities are guided by clearly defined job requirements and corporate standards, supported by workforce planning, targeted sourcing, and assessment tools that evaluate both technical expertise and behavioral competencies. This framework enables a consistent and merit-based evaluation of candidates across all business units.

The recruitment process is designed to promote transparency, objectivity, and equal opportunity at every stage. Standardized evaluation methods help minimize subjectivity and ensure that candidates are assessed fairly based on their qualifications, experience, and alignment with the Company's values and operational needs. This approach supports consistent hiring decisions while reinforcing equal access to employment opportunities.

Concurrently, SOCAR facilitates the integration of early-career talent through internships and graduate programs. These initiatives provide practical experience and exposure to operational environments, creating structured pathways into employment. By supporting the transition from education to the workplace, the Company contributes to workforce development and strengthens its future talent pipeline.

COMPETENCY ASSESSMENT

At SOCAR, competency assessment within the framework of recruitment, career development, and talent management is carried out in accordance with internally approved rules and principles, as well as the requirements of relevant regulatory and legal frameworks. This process is built on a systematic and consistent approach, considering international standards, leading corporate practices, and the characteristics of the local labor market. During the assessment process, in addition to candidates' functional knowledge, their behavioral competencies, analytical thinking abilities, problem-solving skills, decision-making capabilities, and alignment with organizational values are comprehensively evaluated. Where necessary, psychometric tools, situational judgment tests (SJTs), structured interviews, and assessment center methodologies are utilized.

Based on the principles of transparency and objectivity, and with the aim of achieving measurable outcomes, assessment processes are conducted through modern digital platforms. These systems not only optimize data collection, processing, and analysis but also minimize subjectivity arising from human factors. At the same time, a high level of data security and confidentiality is ensured.

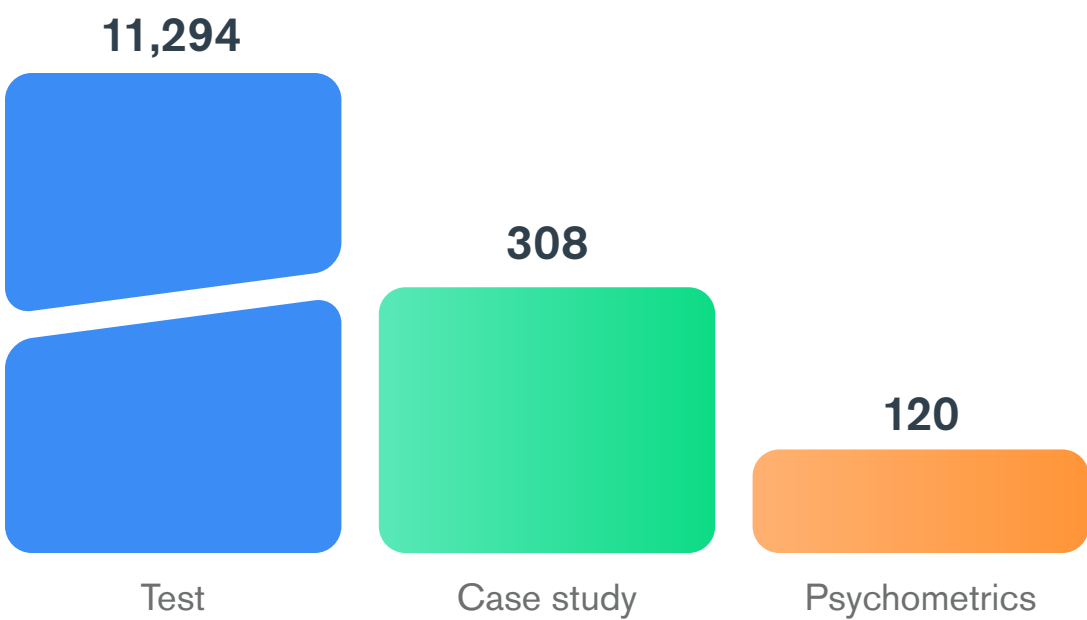
The differentiated assessment methods applied at SOCAR are designed based on distinct criteria across various job categories and management levels. This approach enables

more accurate measurement of candidates' professional knowledge and skills, leadership potential, innovative thinking, and ability to adapt to a changing environment. As a result, it ensures the selection of the most suitable talent for the organization and supports their long-term development.

Furthermore, continuous professional development of specialists involved in competency assessment is given particular attention. To this end, regular training programs, international certification opportunities, and knowledge-sharing initiatives are implemented. In line with modern requirements, the integration of artificial intelligence and data analytics solutions into assessment processes is also among the priority areas. These technologies enable deeper analysis of candidate behavior, the development of predictive models, and more evidence-based decision-making. Overall, the competency assessment system at SOCAR serves as a comprehensive management tool that supports the organization's strategic objectives and is based on transparent, objective, and innovative approaches.

Figure 30. Assessment participation

Number of candidates who participated in the exams:



11,722

Total candidates assessed in 2025 through a comprehensive, transparent and innovative talent management tool that supports the achievement of strategic objectives.

DIVERSITY, EQUITY, AND INCLUSION

SOCAR continued to strengthen its approach to Diversity, Equity and Inclusion during the reporting period by progressing from individual initiatives toward a more structured and strategic framework. A dedicated DE&I Strategy has been developed and finalized, and is currently pending initial presentation to senior management. This reflects a shift from ad hoc activities toward a more coordinated approach, with the intention to embed DE&I principles consistently across core human capital processes.

The Company maintained its focus on equal opportunity across recruitment, development and performance management. This was supported through the continued application of inclusive recruitment practices, including the use of neutral job descriptions, standardized evaluation criteria and diverse interview panels. These measures are designed to reduce bias in hiring decisions and promote greater objectivity, particularly in roles where representation has historically been uneven.

Targeted efforts to strengthen gender diversity are reflected in the outcomes of the Young Talents Program, which remains one of the key entry points for early-career professionals. Female participation in the program reached 49 percent in 2024 and increased to 57 percent in 2025, indicating progress in attracting female candidates to early career pathways.

At the same time, SOCAR implemented a series of awareness and capacity-building initiatives to support a more inclusive organizational culture. In 2024, a seminar and interactive workshop on women's empowerment was delivered by experienced female leaders within the Company, focusing on the role of women in sustainable development and providing a platform for discussion with program participants. This was followed in 2025 by a dedicated masterclass on diversity and inclusion, delivered by internal expertise, which aimed to strengthen employees' understanding of inclusive practices and their application in the workplace.

Further engagement was achieved through targeted leadership-focused activities. In 2025, an event titled "Inclusive Leadership: Gender Awareness and Equality" brought together program participants, female leaders from the Human Capital and Inclusion segment, and employees who had participated in international leadership development programs. The format of the session encouraged interaction between different levels of the organization and supported the exchange of practical perspectives on leadership and inclusion.

Planned activities for 2026 indicate a continuation of this approach, with a focus on strengthening awareness and engagement. These include panel discussions on belonging in the energy sector, interactive workshops led by female leaders, and thematic sessions addressing the multiple roles of women in society. The inclusion of external-facing experiences, such as visits to inclusive social

enterprises, also reflects an effort to connect internal initiatives with broader societal perspectives.

Looking ahead, SOCAR intends to formalize its approach through the approval and implementation of the DE&I Strategy, supported by defined governance and accountability mechanisms. The planned development of a Gender Equality Policy aligned with national legislation and ESG commitments is expected to further strengthen this framework. In addition, the introduction of structured measurement tools and key performance indicators will be important to track progress over time, while continued investment in awareness, training and talent pipeline development will support the long-term sustainability of these efforts.



Figure 31. Total number of employees at SOCAR (Azerbaijan)

45,227

TOP FIVE COUNTRIES

Age distribution



Gender distribution



Employees divided by category



Parental Leave Return and Retention Rate

100%



	Türkiye	Georgia	Ukraine	Switzerland ¹	Austria
Overall headcount	4,526	4,382	1,764	1,070	206
Female	13.35%	26.38%	52.72%	58.88%	53.40%
Male	86.65%	73.62%	47.28%	41.12%	46.60%
< 30 years	9.19%	12.53%	18.48%	22.52%	21.36%
30-50 years	85.20%	49.52%	55.78%	56.54%	48.54%
> 50 years	5.61%	37.95%	25.74%	20.93%	30.10%

1. Figures for Switzerland include data from SOCAR Energy Switzerland and SOCAR Trading.

EMPLOYEE GROWTH INITIATIVES

SOCAR's approach includes talent management practices aimed at ensuring long-term workforce stability. Activities such as succession planning, internal mobility and rotation, and the identification of high-potential employees support continuity of leadership and enable internal career progression within the organization.

Continuous learning further complements this approach, particularly in the context of changes in the energy sector. SOCAR implements structured development initiatives, including leadership programs, knowledge-sharing activities, and targeted professional training, while also encouraging participation in external learning opportunities such as certification programs, international seminars, and academic partnerships. In 2025, Training programs covered areas including health, safety, and environmental protection, soft skills and professional development, governance, risk, and compliance, engineering, and quality management, energy and geoscience disciplines, and core business support functions such as finance, procurement, HR, and project management.

SUCCESSION PLANNING

Succession planning is an important component of SOCAR's human capital management approach and supports continuity in critical roles. The Company focuses on identifying internal candidates for key positions and supporting their development through structured processes. This approach enables the preparation of potential successors and reduces risks associated with leadership transitions.

To support these efforts, SOCAR has continued to develop a leadership competency model tailored to its operational needs. The model is integrated into broader human capital processes and provides a consistent framework for assessing leadership capabilities and guiding development priorities. In addition, success profiles have been defined for key positions, allowing for more objective evaluation of candidates and the design of targeted development plans.

During 2025, succession planning processes were further formalized through the review of internal procedures and alignment with governance requirements. These steps contribute to a more consistent application of succession planning across the organization and support the development of a structured pipeline for future leadership roles.

INTERNAL MOBILITY ROTATION

SOCAR supports internal mobility and rotation as part of its approach to employee development and organizational integration. In accordance with the approved Rotation Procedure, the Company facilitates the movement of employees across different SOCAR entities to support knowledge exchange and the development of broader competencies. Rotation opportunities, including those across international operations, allow employees to gain experience in different business environments and contribute to more consistent practices across the organization. This approach supports both individual development and improved coordination between entities.

During the reporting period, the rotation framework

was formally approved, and preparatory steps for its implementation were initiated. These included coordination between relevant functions and the completion of necessary legal reviews to ensure alignment with internal policies and regulatory requirements.

KNOWLEDGE SHARING

SOCAR supports the continuous development of its employees as a key component of its human capital strategy. In addition to formal training programs, the Company promotes knowledge sharing and targeted development initiatives aimed at strengthening internal expertise, supporting professional growth and preparing future talent for the evolving energy sector.

A key mechanism supporting knowledge transfer is the Mentorship Program, which connects experienced employees with colleagues seeking to develop their skills and advance their careers. Participants are matched based on professional needs and development objectives, enabling structured interaction and practical guidance. Through regular engagement, employees exchange experience, address professional challenges and gain insights that support their development.

SOCAR also implements targeted initiatives aimed at strengthening leadership capabilities and supporting inclusive workforce development. The Women Leaders Program focuses on enhancing leadership competencies through dedicated training and engagement with experienced professionals, contributing to increased participation of women in leadership roles and supporting broader diversity and

inclusion objectives.

In addition, the Abroad Scholarship Program provides opportunities for young professionals to pursue education at leading international universities. The program supports the development of specialized knowledge and exposure to global industry practices. Graduates are expected to contribute to the development of the energy sector, including through potential employment within SOCAR.

The Compass Individual Development Planning Project supports approximately 800 Head Office employees in identifying development needs and creating structured growth plans aligned with their career objectives. By the end of 2025, nearly 80% of employees had completed their individual development plans, contributing to a stronger culture of continuous learning and more effective talent development.

To enhance leadership capabilities, SOCAR launched the Energy Leaders Development Program with Franklin Covey at the end of 2024. Supported by internally trained facilitators, the program provides leadership development opportunities for around 2,000 middle managers across the Group, equipping them with internationally recognized management tools and methodologies.

SOCAR also promotes knowledge sharing through its Internal Trainer Network, comprising 95 trainers from different structural units. The network enables the efficient transfer of expertise and supports employee development across the SOCAR Group.

DEVELOPMENT PROGRAMS 2025

SOCAR invests in structured learning to enhance technical knowledge, managerial capabilities and role-specific skills, combining internal initiatives such as in-house training, leadership development and knowledge-sharing with external programs including certifications, international seminars and academic partnerships.

PROGRAMS IN 2025 11+ Leadership · talent · technical · finance	ENERGY LEADERS INVOLVED 2,300+ Middle management · Franklin Covey	STRATEGIC LEADERS TRAINED 57 Leadership Academy · Boğaziçi University	GREAT RETURN RECRUITS 249 90% resettled individuals
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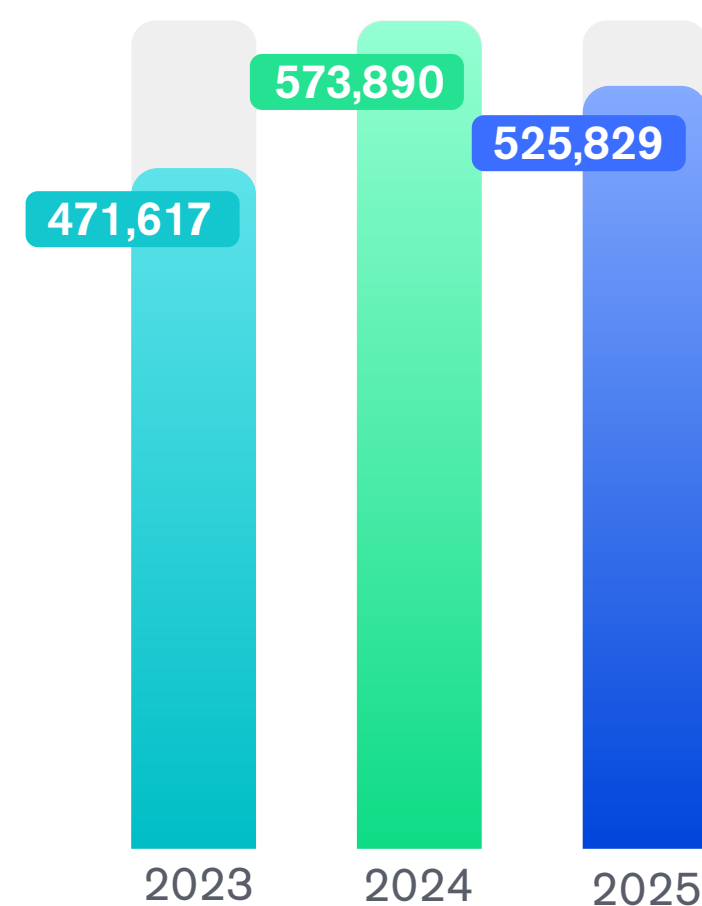
PROGRAM	PROVIDER / DELIVERY	STAKEHOLDERS	PARTICIPANTS 2025
 Leadership Academy Development Program for Strategic Leaders strengthens strategic leadership competencies and was relaunched in 2025 for newly appointed leaders.	EXTERNAL Boğaziçi University	Strategic leaders	57 COMPLETED TRAINING
 Energy Leaders' Program Introduced in 2025; strengthens practical leadership and decision-making, aligned with SOCAR's leadership competency framework.	EXTERNAL Franklin Covey	Middle management	2,300+ MANAGERS INVOLVED
 "IstedadSən" Program Develops high-potential employees for future leadership and specialist roles via assessment-based development paths and strategic projects.	INTERNAL Assessment-led	High-potential employees	Talent pool SUCCESSION PLANNING
 Engineer Development Program Supports transition from operational into engineering / specialist positions through individualized plans and mentorship.	INTERNAL Mentorship-based	Operational → engineering	Internal mobility CAREER PROGRESSION
 Young Talents' Program Primary initiative for attracting early-career professionals, providing structured onboarding, training, mentorship and project-based experience.	INTERNAL Graduate program	Recent graduates	Talent pipeline EARLY-CAREER

PROGRAM	PROVIDER / DELIVERY	STAKEHOLDERS	PARTICIPANTS 2025
 Working Student Program Part of the Young Talents Program, providing students with practical experience alongside their studies and rotational assignments across different business functions.	INTERNAL Rotational	University students	Rotation MULTI-FUNCTION
 Industrial Internship Program Short-term, practice-oriented experience in technical fields, providing exposure to industry standards through real production processes.	INTERNAL On-site / short-term	Technical students	Workforce planning FUTURE SPECIALISTS
 Professional Manual Workers Development Develops technical and vocational skills through practical training in welding, electrical work and industrial maintenance.	INTERNAL Vocational	Operational roles	Skilled trades WORKFORCE SUSTAINABILITY
 "ProEx" — Finance Program Sustainable Development Program for Finance combines financial expertise with leadership, communication and professional development skills.	INTERNAL Blended	Finance professionals	Capability FINANCIAL SUSTAINABILITY
 Baku Higher Oil School Scholarship Supports selected employees pursuing MBA studies, strengthening managerial competencies and preparing future leaders.	EXTERNAL Baku Higher Oil School	MBA candidates	MBA SCHOLARSHIPS
 "First State Program on the Great Return" Employs internally displaced persons in liberated territories; targeted support measures and training for integration.	NATIONAL PRIORITY SOCAR operations	Internally displaced persons	249 RECRUITED - 90% RESETTLED

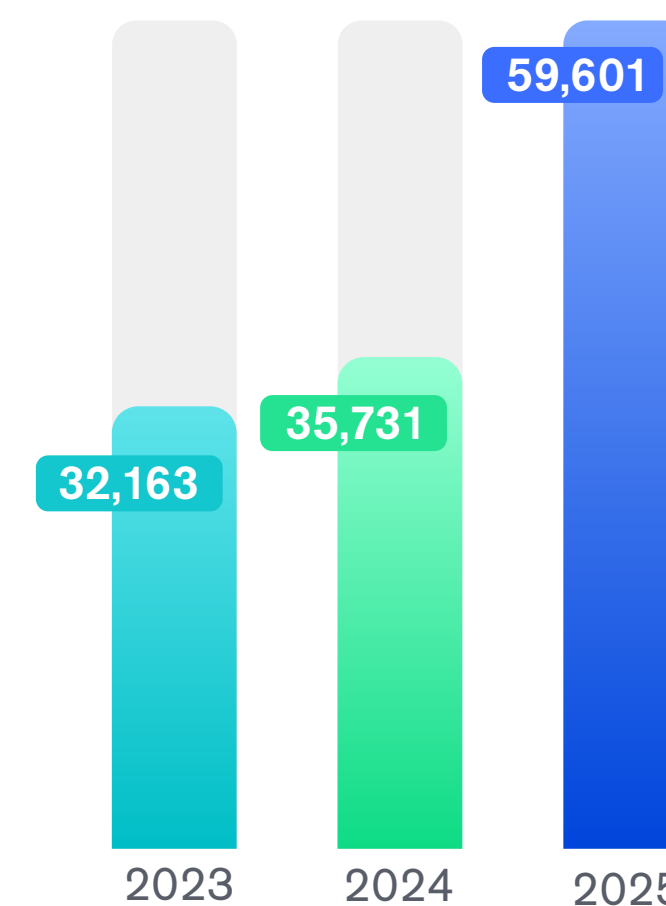
TOTAL TRAINING HOURS IN 2023-2025

Figure 32. Total training hours per companies¹

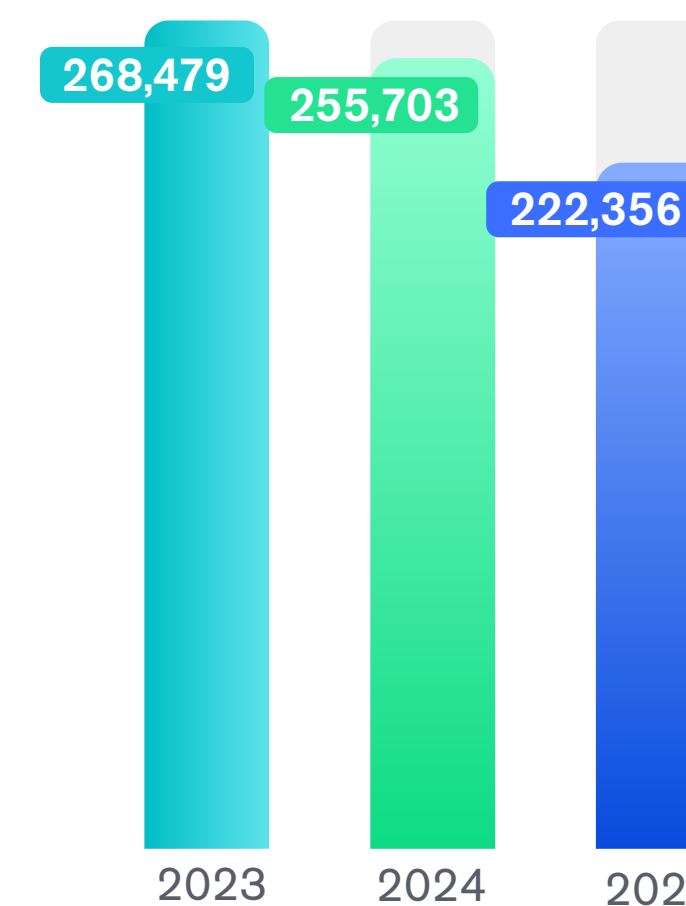
SOCAR
(Azerbaijan)



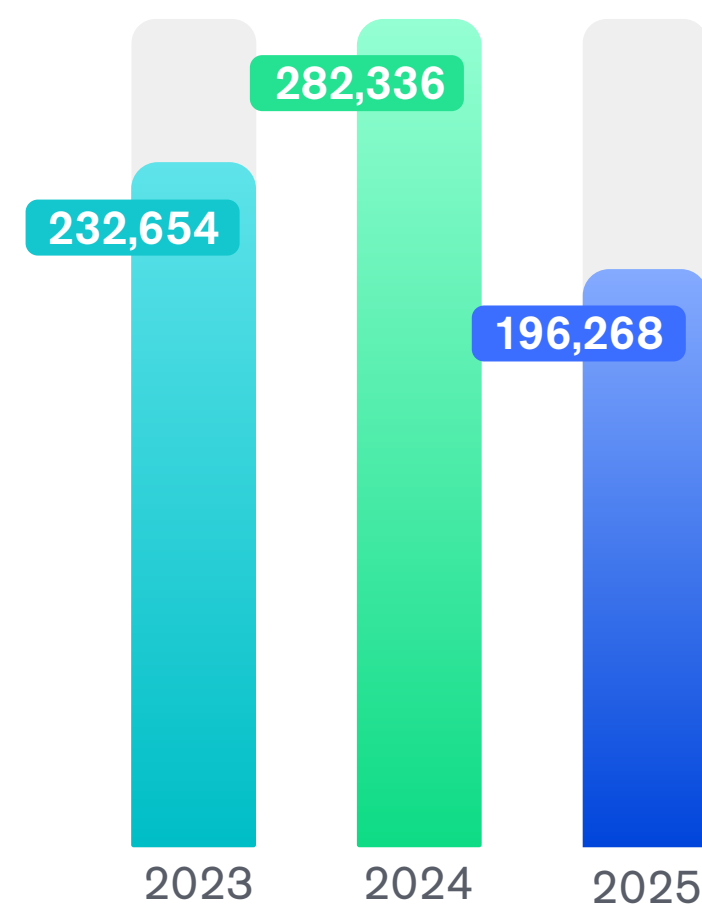
SOCAR Energy
Georgia



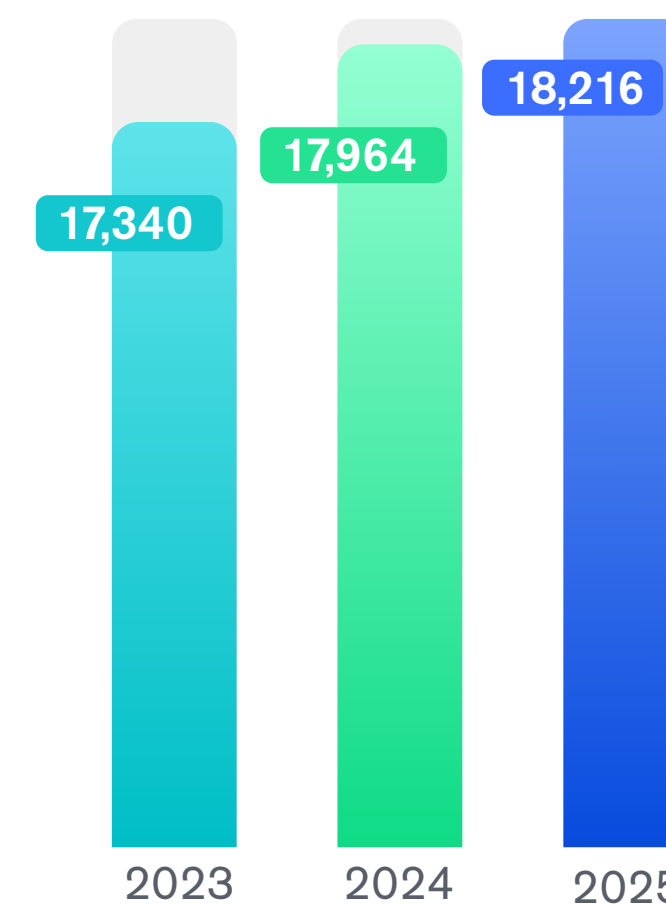
SOCAR Energy
Ukraine



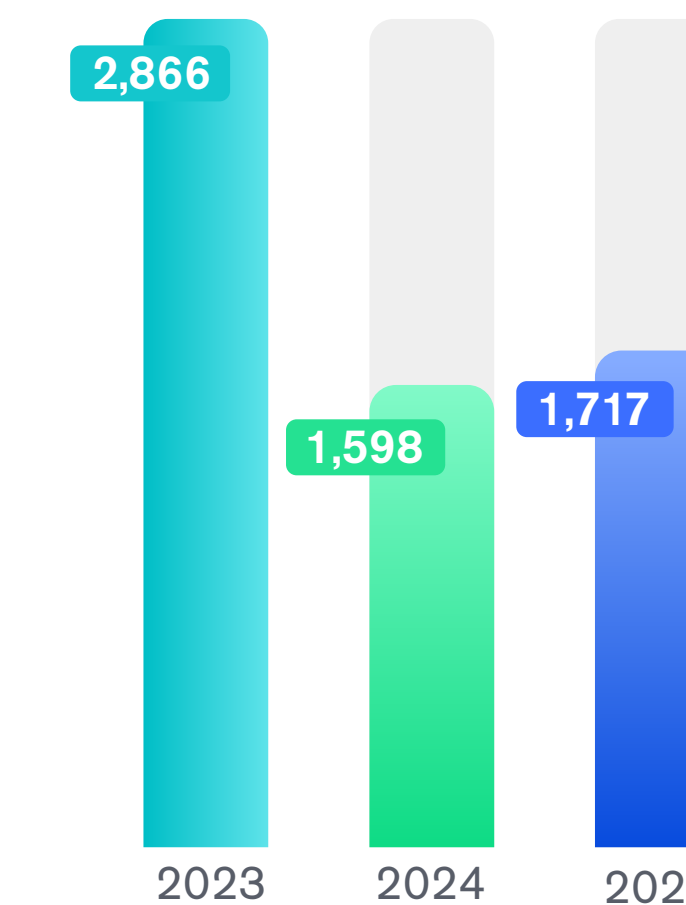
SOCAR Türkiye



SOCAR Energy
Switzerland



SOCAR Trading



1. In 2025, SOCAR Energy Austria recorded 185.6 total training hours.

PERFORMANCE MANAGEMENT AND COMPENSATION

MANAGEMENT OF EMPLOYEE PERFORMANCE AND COMPETENCY

SOCAR applies a structured performance management approach to align individual contributions with organizational objectives. Employee performance is assessed through defined goal setting, periodic reviews, and calibration processes, supporting consistency and fairness across the organization.

This approach is supported by an enhanced Employee Performance Management System, which establishes clear expectations and enables systematic evaluation. Within this framework, Key Performance Indicators are defined for white-collar employees, allowing for consistent monitoring of performance and the provision of structured

feedback. At the same time, the Competency Card has been introduced to support the application of the Leadership Competency Model. This tool enables structured assessment of managerial competencies and supports the development of leadership capabilities across the organization. During the reporting period, Performance Improvement Plans were applied to employees with lower performance ratings. These plans include targeted actions and follow-up mechanisms aimed at supporting performance improvement and professional development.

Figure 33. Employees whose individual targets were set at SOCAR (Azerbaijan) in 2023–2025



The percentage of employees who have received regular performance and career development reviews by employee category.

Managerial employees	99.80%
Specialist employees	99.89%
Technical staff	100.0%

The percentage of total employees who have received regular performance and career development reviews disaggregated by gender

Male	99.85%
Female	99.88%

COMPENSATION AND BENEFITS

SOCAR applies a structured compensation system designed to support performance, recognize employee contributions, and maintain long-term motivation. In 2025, the remuneration framework continued to combine fixed salary components with performance-based incentives and additional recognition mechanisms, ensuring a clear link between rewards and measurable outcomes.

The remuneration system applied across SOCAR is governed by the “Regulation on Employee Remuneration in the State Oil Company of the Republic of Azerbaijan.” which establishes the principles and procedures for employee compensation. In accordance with internal regulatory requirements, staffing schedules are developed for workers and employees, while the assignment of personnel to positions is carried out based on defined job requirements, qualifications and organizational needs. To support a fair and consistent remuneration system, job classifications, occupational titles, qualification grades and job functions are determined in accordance with the applicable Unified Tariff and Qualification Reference Guides. This standardized approach provides a clear basis for position grading and salary determination across the organization while supporting the principles of equal treatment and gender equality.

Positions are assigned to specific grading categories based on the nature of the work and

level of responsibility, with corresponding salary levels and tariff wage rates established under the Regulation. The remuneration framework is also linked to national wage legislation, as the first grade of the initial tariff block is aligned with the statutory minimum wage. Accordingly, amendments to the national minimum wage may result in a review of the remuneration framework in accordance with established procedures, supporting the continued relevance and competitiveness of employee compensation.

Compensation practices are periodically reviewed against relevant market and regulatory benchmarks, taking into consideration internal assessments and workforce needs, to support competitive remuneration levels, employee retention, and consistency across the organization.

In addition to position-based remuneration, SOCAR provides additional payments linked to employee length of service in accordance with the “Rules for Regulating the Assignment of Certain Additional Payments to SOCAR Employees,” approved in 2022. Under this framework, employees receive supplementary payments calculated as a percentage of their position salary based on the period they have served in the same position and at the same grade level. The applicable payment rates increase progressively with years of service, ranging from 3% for employees with one to three years of service to 20% for employees with more than 14 years of service. This approach supports employee retention, recognizes accumulated experience and rewards long-term contribution to the Company.

Performance-based incentives form a key component of this framework. The annual

performance-based bonus program links financial rewards to the achievement of defined individual and organizational objectives. Bonus allocation is based on outcomes derived from the Company’s performance management processes, reinforcing accountability and supporting a results-oriented working environment.

In addition to structured incentives, SOCAR provides one-time monetary awards to recognize exceptional contributions beyond standard performance expectations. These awards are granted in cases where employees demonstrate additional responsibility or operational commitment, supporting a culture of initiative and accountability.

SOCAR also promotes employee engagement through value creation and innovation initiatives across its operations. These programs encourage employees to propose ideas aimed at improving operational efficiency, safety, and process effectiveness. Proposals are evaluated based on defined criteria, and selected initiatives are recognized through financial rewards and formal acknowledgment, supporting continuous improvement and employee participation in organizational development.

Employee achievements are further recognized through corporate and professional awards granted for outstanding contributions and long-term dedication. During the reporting period, employees received a range of corporate and state distinctions in connection with industry-related occasions and contributions to sector development, reflecting the Company’s acknowledgment of professional performance.

Figure 34. Gender distribution of payments
SOCAR (Azerbaijan)

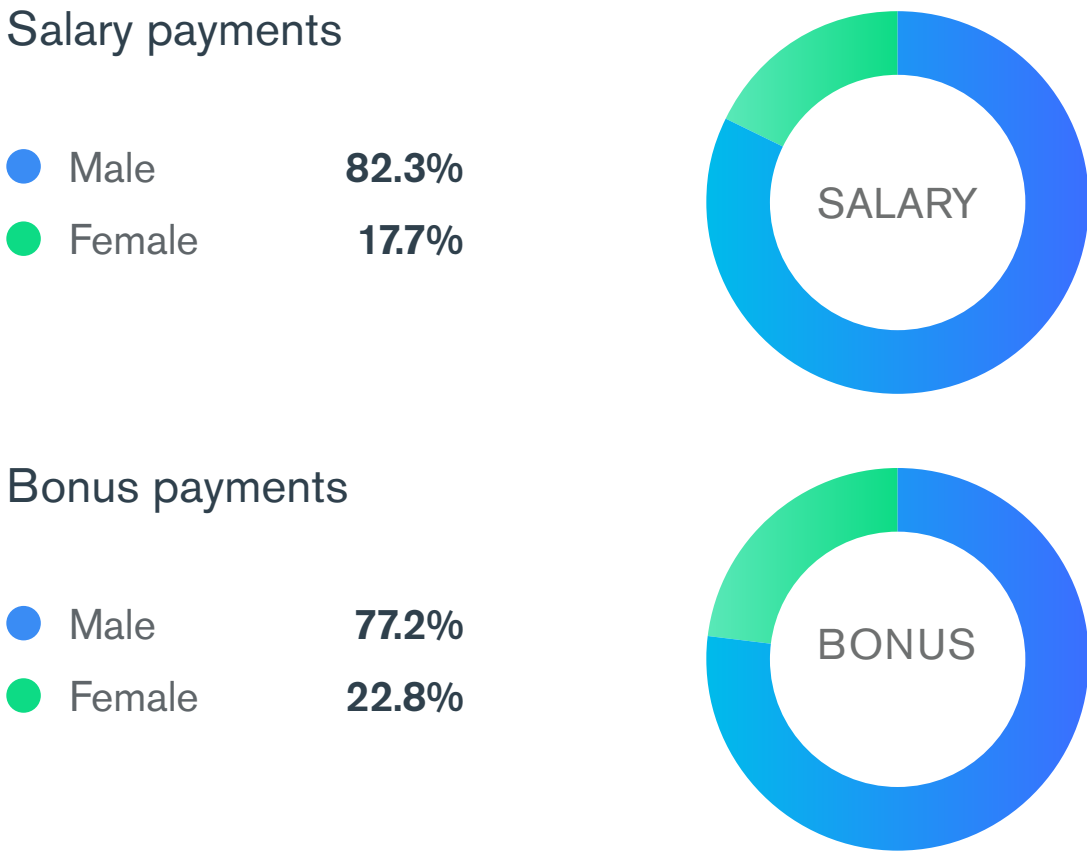
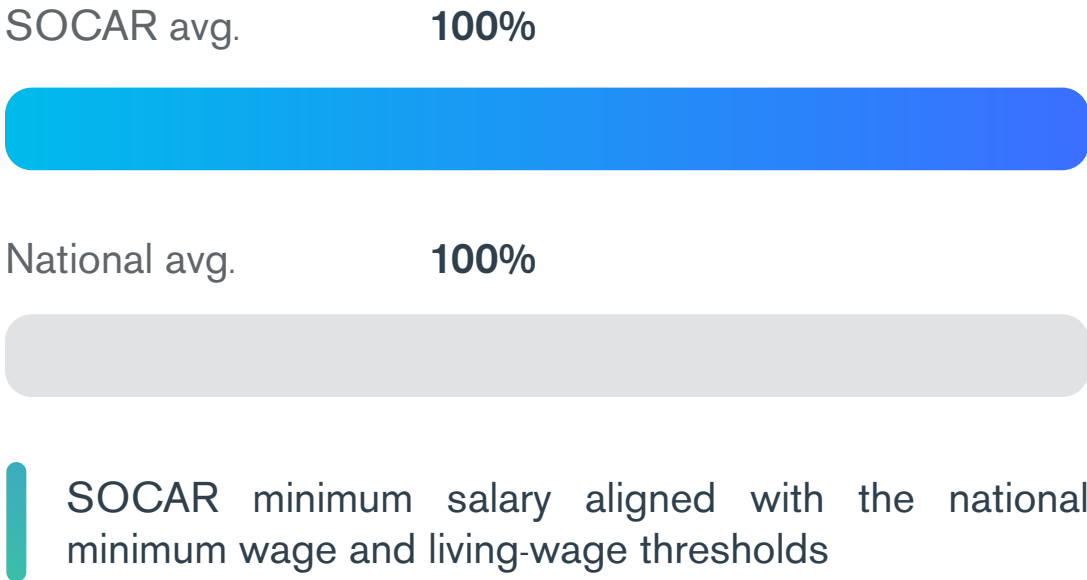


Figure 35. Salary benchmarking
SOCAR (Azerbaijan)



EMPLOYEE ENGAGEMENT & WELLBEING

A COMPREHENSIVE PERSPECTIVE — HEALTH & SAFETY, SOCIAL PROTECTION, FINANCIAL SUPPORT, WORK-LIFE BALANCE

SOCAR considers employee well-being an integral part of its human capital management approach. The Company applies a comprehensive perspective that covers occupational health and safety, social protection, financial support, and work–life balance, to maintain a stable and supportive working environment.

A central element of this approach is the Collective Agreement concluded between SOCAR and the Trade Union, which regulates key aspects of employment, including working conditions, remuneration, social benefits, and occupational health and safety. The agreement provides a structured framework for protecting employee rights and supporting consistent labor practices across the organization.

SOCAR implements a range of initiatives to support employee wellbeing and respond to evolving workforce needs. These include access to preventive healthcare services, insurance coverage, recreational and sports activities, transportation services, and employee housing support.

The Company also promotes a working environment that supports psychological well-being, work–life balance, and open communication. Efforts in this area include the development of supportive team environments, access to psychological support resources, and initiatives aimed at strengthening employee engagement and internal

communication. These measures contribute to maintaining a healthy and inclusive workplace and support employee satisfaction and organizational effectiveness.

SOCAR conducts employee surveys to assess the effectiveness of its HR practices and better understand employee expectations and experiences. These surveys cover various aspects of employee well-being, including levels of job satisfaction, motivation, happiness and stress, as well as employees' understanding of their purpose and role within their teams. The insights gathered help identify areas for improvement and support the development of initiatives that enhance employee engagement, well-being, and overall workplace experience.

HEALTH AND INSURANCE COVERAGE

SOCAR continued to provide comprehensive employee insurance coverage in 2025, maintaining voluntary health, compulsory life, and term life insurance programs, while introducing targeted improvements to the scope of coverage. All employees and structural divisions were included in the voluntary health insurance program, which covers a broad range of medical services. In 2025, the program was expanded to include additional diagnostic and treatment services for specific conditions, as well as selected post-transplant and chronic care procedures.

ENGAGEMENT

84%

F 82% · M 85%

eNPS

38%

F 34% · M 38%

SATISFACTION

78%

Equal by genders

PSYCH. SUPPORT

300+

Employees benefited in 2025

This indicates a gradual enhancement of healthcare coverage, although the additions remain focused on specific medical areas rather than a systemic expansion of preventive care.

The company also continued to extend health insurance coverage to former employees who sustained occupational injuries, reflecting continuity in its approach to social protection. Employees retained access to medical services across leading healthcare institutions in the country, supporting accessibility of care.

Voluntary Health Insurance

All employees + divisions · expanded diagnostics, post-transplant & chronic care

Compulsory Life Insurance

Per national legislation · loss of capacity / death from occupational incidents

Term Life & Critical Illness

Expanded 2025 · additional medical conditions included

Endowment Life Insurance

Financial instrument supporting long-term income

PSYCHOLOGICAL SUPPORT AND MENTAL HEALTH

SOCAR recognizes mental well-being as an important aspect of employee health and workplace performance. To support employees in addressing

personal and work-related challenges, the Company provides confidential psychological support services through qualified specialists.

These services are available at the Head Office, “Azneft” Production Union and “Azerigaz” Production Union, through both in-person and online consultations delivered in cooperation with external providers. During the reporting period, more than 300 employees benefited from the program.

In addition to direct support, SOCAR promotes a workplace culture that encourages open communication, early identification of employee needs, and access to appropriate assistance. These efforts help raise awareness of mental health, strengthen workforce resilience, and support employee well-being and engagement.

FLEXIBLE WORK ARRANGEMENTS

SOCAR supports work–life balance by applying flexible working arrangements in certain roles, including staggered working hours that allow employees to better align their schedules with personal commitments. The Company also provides support for important family-related responsibilities where appropriate. In addition, SOCAR has established the necessary technical and organizational infrastructure to enable remote work when required, supported by digital platforms and internal communication tools.

FINANCIAL & SOCIAL SUPPORT

STRUCTURED SUPPORT MECHANISMS — FINANCIAL ASSISTANCE, HOUSING & THE SOCIAL DEVELOPMENT PROGRAM

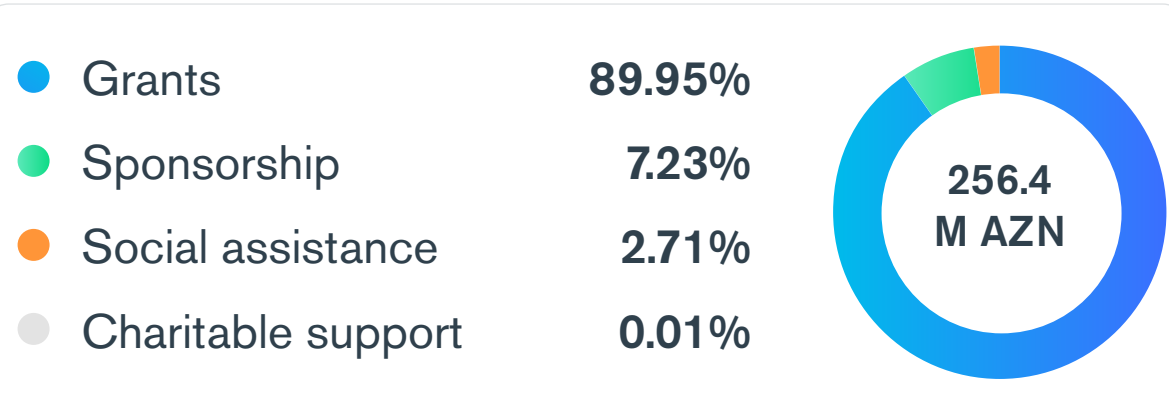
SOCAR places importance on supporting the social welfare of its employees and addressing financial needs through structured support mechanisms. During the reporting period, the Company continued to provide financial assistance to eligible employees and their families in accordance with the “Regulations on Provision of Financial Assistance to SOCAR Employees.”

Under this framework, minor children of deceased employees were provided with monthly financial support equivalent to 2.5 times the minimum wage until the age of 18, or up to 23 where they continue higher education. In addition, financial assistance equivalent to 5 times the minimum wage was provided to the children of employees who were martyred in the Karabakh War. During 2025, a total of 6,194 individuals received financial support amounting to 16,781,090 AZN. These measures reflect a structured approach to supporting employees and their families, particularly in situations involving loss or hardship.

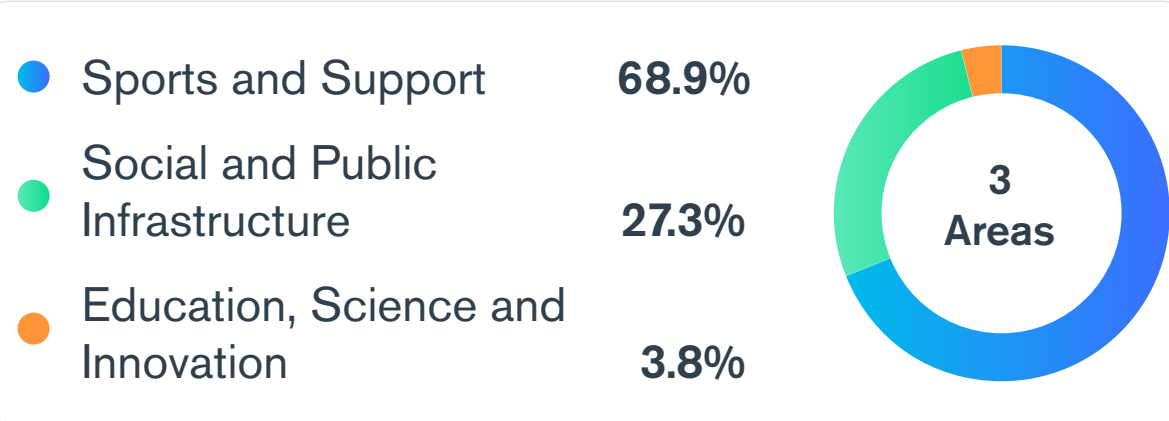
SOCAR continued to provide broader social, sponsorship, charitable, and grant-based assistance. During the reporting period, 46 applications were approved, including 22 sponsorship, 13 social assistance, 10 grants, and 1 charitable support request, with total payments amounting to 256,419,561.43 AZN.

For the Azerbaijan Children Public Union, a power line relocation project was implemented by SAMSER Group amounting at 138,872.40 AZN. The project ensured a reliable electricity supply to the organization's facility located within the contract area.

Figure 36. Breakdown by support type



Breakdown of social support by area



FINANCIAL ASSIST.

16.78 M AZN

6,194 beneficiaries

SOCIAL / SPONSORSHIP

256.4 M AZN

46 approvals

BIBIHEYBAT HOUSING

671

Apartments handed over

FACILITIES ASSESSED

1,593

143 structural units

HOUSING SUPPORT

In line with its commitment to improving employee welfare and living conditions, SOCAR continued to implement housing support initiatives during the reporting period. In 2025, the documentation and allocation processes were finalized for land plots covering 9.88 hectares in the city of Siyazan and 5.16 hectares in the Fatmayi settlement of the Absheron district, designated for the construction of individual residential houses. It is expected that 242 oil worker families will benefit from these allocations.

During the reporting period, 12 employees registered on the housing waiting list were provided with apartments. In addition, 31 employees were allocated land plots in Siyazan, and 5 employees received land plots in the Fatmayi settlement for the construction of individual residential houses.

Furthermore, a residential complex comprising 671 apartments in the Bibiheybat settlement was fully distributed and handed over to residents. SOCAR also continued work on the development of a Social Housing Portal aimed at digitalizing the housing registry and improving the management of housing allocation processes.

IMPLEMENTATION OF THE SOCIAL DEVELOPMENT PROGRAM

SOCAR continued the implementation of the “Social Development Program for the Improvement of Employee Welfare for 2021–2025” as part of its approach to improving working conditions and supporting employee well-being. The Program is designed to address social needs, enhance workplace conditions, and improve the quality of life of employees across both operational and administrative functions.

The Program includes measures related to infrastructure renewal, improvement of working environments and the modernization of social and support facilities used by employees. These activities are implemented across SOCAR’s structural units to ensure consistent standards and working conditions.

To support oversight and implementation, a comprehensive assessment of workplace infrastructure was conducted during the reporting period. A Monitoring Group established under the relevant instructions of the SOCAR President carried out inspections across 143 structural units. In total, 1,593 facilities were assessed, including production sites, administrative buildings, social facilities, dormitories and other support infrastructure.

CREATING SOCIAL VALUE

COMMUNITY PARTNERSHIP

SOCAR aligns its activities with the needs of the communities in which it operates, applying accountability, compliance and responsible business conduct to manage social risks while contributing to local development.

COMMUNITY RIGHTS VIOLATIONS

0

Cases identified in reporting period

SOCIAL / SPONSORSHIP

256.4 M AZN

46 approvals

UN WOMEN RECOGNITION

10 years

Women's economic empowerment · Georgia

SOCIAL VALUE · TÜRKIYE

≈3×

Value generated per unit invested

COMMUNITY PARTNERSHIP

SOCAR recognizes that maintaining transparent and constructive relationships with local communities is essential for the long-term sustainability of its operations. The Company aims to align its activities with the needs and expectations of the communities in which it operates, applying principles of accountability, compliance and responsible business conduct. This approach supports the management of

social risks while contributing to local development outcomes.

SOCAR conducts its activities in coordination with local authorities and relevant stakeholders, ensuring compliance with applicable regulatory requirements. During the reporting period, no cases of community rights violations were identified, reflecting the Company’s approach to due diligence and responsible project implementation.

SOCAR also contributes to the economic development of host regions through employment generation and engagement with local suppliers. The Company supports local workforce participation across its operations and prioritizes cooperation with local contractors and service providers where feasible. This approach contributes to the retention of economic value within regions, supports the development of local enterprises and strengthens the resilience of regional supply chains.

SOCAR maintains structured communication channels to ensure timely engagement with the public. During the reporting period, the Company received a range of citizen inquiries related to social matters, the majority of which were addressed within established timeframes through the provision of information or appropriate follow-up actions. This approach supports transparency in stakeholder engagement and contributes to maintaining trust in the Company's operations.

INTERNATIONAL OPERATIONS

SOCAR Energy Georgia

ENVIRONMENT · INCLUSION

15,000 L+

WASTE COLLECTED

Supported environmental campaigns in Racha, Kaspi and Tusheti, collecting more than 15,000 litres of waste. Backed the “Exchange 2025” exhibition on the circular economy and was recognized by UN Women Georgia with a Certificate of Appreciation for 10 years of contribution to women’s economic empowerment.

SOCAR Energy Switzerland

YOUTH · SPORTS

MS Sports

INCLUSIVE ACCESS

Continued its partnership with MS Sports, providing inclusive sports access for children regardless of gender or background. Supported local sports clubs and participated in National Future Day, giving students practical insights into working environments.

SOCAR Energy Ukraine

HUMANITARIAN · RESILIENCE

Points

OF INDESTRUCTIBILITY

Emphasis on humanitarian support and social resilience through fundraising for newborn medical equipment, mental health programs, and the operation of fuel stations as “Points of Indestructibility” during infrastructure disruptions. A total of AZN 1,345,091 in support was provided through the Blago Foundation to implement projects focused on delivering social and assistance in Ukraine.

SOCAR Trading

BIODIVERSITY · VOLUNTEERING

2

CASPIAN SPECIES PROTECTED

Co-sponsored conservation initiatives for sturgeon and Caspian salmon populations, supporting local ecosystems and dependent communities. Also supported the “Protect the Caspian Sea” cleanup campaign, engaging volunteers in coastal waste collection and promoting environmental stewardship and community engagement.

SOCAR Türkiye

EDUCATION · AWARDS

~3×

SOCIAL VALUE PER UNIT

The “İyilik Hareketi” initiative received national and international recognition for its social impact, while the “Girişimde Kadın Enerjisi” program continued supporting women entrepreneurs. SOCAR Türkiye also launched the third cohort of the SOCAR Energy School and generated approximately ~3 units of social value for every unit invested across key social programs.

SOCIAL INVESTMENTS

In line with its approach to social responsibility, SOCAR introduced an internal “Policy on Socially Oriented Investments, Charitable Giving, and Sponsorship” during the reporting period. The policy establishes a structured framework for managing the Company’s contributions to community development, education, culture and public welfare, and supports a more consistent and transparent approach to social expenditure.

The implementation of this policy supports a more systematic approach to social investments by aligning activities with identified priorities and stakeholder needs. It also strengthens internal governance by ensuring that allocation processes are based on defined criteria and are subject to consistent evaluation.

SUPPORT FOR EDUCATION

SOCAR supports educational initiatives as part of its contribution to human capital development. The Company provides assistance aimed at improving access to education and supporting the development of educational infrastructure.

In 2025, SOCAR allocated 504,967.03 AZN to cover the tuition fees, scholarships and living expenses of 44 ethnic Azerbaijani students from Georgia, supporting access to quality education.

These efforts include supporting students pursuing higher education, contributing to educational institutions and expanding learning opportunities, including for the children of employees. Together, these initiatives strengthen human capital and promote access to quality education.

One of the key initiatives in this area is the Study Abroad Scholarship Program, which has supported

more than 380 students since its launch, enabling them to pursue education at leading international universities. Participants have studied at institutions such as the University of Oxford, the University of Cambridge, Harvard University, the Massachusetts Institute of Technology, Columbia University and the London School of Economics, among others. The program supports the development of highly qualified professionals with international exposure and contributes to strengthening the national talent base.

SPONSORSHIP OF STRATEGIC AND PUBLIC EVENTS

In addition to its social and educational initiatives, SOCAR provides sponsorship support for activities aligned with its strategic priorities. During 2025, the Company supported initiatives related to employee wellbeing, environmental improvement, sports development, science and education.

Support was provided for employee-focused programs implemented through the Republican Committee of the Trade Union of Oil and Gas Industry Workers of Azerbaijan, as well as for environmental and landscaping initiatives carried out in cooperation with local authorities and public organizations. SOCAR also contributed to sports development through partnerships with organizations such as the Azerbaijan Football Federation and participation in public events, including the Baku Marathon 2025.

STRATEGIC SPORTS SPONSORSHIPS

In 2025, SOCAR continued to support the development of sports through its long-term partnership with the Association of Football Federations of Azerbaijan (AFFA) and the Neftchi Sports Club. To promote the development of Azerbaijani football, strengthen football infrastructure

and encourage youth participation in the sport, SOCAR provided AZN 63 million in grants and signed a sponsorship agreement worth AZN 13 million. The Company also invested AZN 96.2 million in the Neftchi Sports Club to support various sports disciplines, with the Club's athletes winning 1,172 medals across 344 competitions. In addition, SOCAR allocated AZN 24 million over a four-year period to the Neftchi Professional Football Club.

The Company also operates key sports facilities, including the Baku Olympic Stadium and regional sports complexes, expanding access to sports for both professional athletes and local communities. In addition, SOCAR collaborates with national federations in judo, chess and shooting, helping promote talent development, youth engagement and social inclusion across Azerbaijan.

VOLUNTARY BLOOD DONATION INITIATIVE

In 2025, SOCAR employees participated in the humanitarian initiative “Towards a Life Without Thalassemia,” implemented at the initiative of the Heydar Aliyev Foundation. The initiative aims to support children diagnosed with thalassemia through voluntary blood donation. As part of the campaign, 2,500 employees donated blood, contributing to meeting ongoing treatment needs. Since 2009, a total of 45,807 SOCAR employees have participated in blood donation campaigns.

This continued participation reflects a structured approach to engaging employees in social initiatives and demonstrates SOCAR’s ongoing contribution to public health and community wellbeing. The Company continues to support voluntary medical initiatives that provide direct social benefits, while also promoting a culture of responsibility and employee engagement.

SUPPORT FOR FAMILIES OF MARTYRS AND WAR VETERANS

In line with the implementation of its “Policy on Socially Oriented Investments, Charitable Giving, and Sponsorship,” SOCAR continued to provide targeted support to families of martyrs, Karabakh war participants and veterans during 2025. This support was delivered through a range of social initiatives aimed at improving living conditions, addressing healthcare needs and supporting everyday challenges.

Through these activities, SOCAR contributes to addressing the needs of individuals and families affected by conflict. This approach reflects the Company’s commitment to social responsibility and its role in supporting social cohesion and community wellbeing.

HEALTHCARE SUPPORT FOR RETIRED OIL WORKERS

SOCAR continues to provide healthcare support to retired former employees through voluntary health insurance arrangements. In 2025, the Company renewed its “Voluntary Health Insurance Agreement” with PASHA Insurance OJSC to ensure continued access to medical services.

Under this agreement, the insurance provider is responsible for organizing a range of healthcare services, including emergency medical assistance, outpatient care, and inpatient treatment within the framework of the voluntary health insurance program. This approach supports access to essential healthcare services for former employees following retirement.

PERFORMANCE INDICATORS

OPERATIONAL

SOCAR's proven oil and gas resources in Azerbaijan in 2023-2025

Resource categories	Oil, 10 ³ mt			Condensate, 10 ³ mt			Gas, 10 ⁶ m ³		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Proved Developed	55,508	55,361	54,608	7,010	6,455	5,594	59,982	59,597	57,833
Proved Developed Producing	53,211	54,994	54,608	7,010	6,455	5,416	59,596	59,433	56,264
Proved Developed Non-Producing	2,297	367	0	0	0	178	386	164	1,569
Proved Undeveloped	26,932	30,559	32,320	6,855	7,222	6,932	52,804	64,357	68,675
Total Proved	82,440	85,920	86,927	13,865	13,667	12,526	112,786	123,955	126,508

Oil and Gas Production at SOCAR (Azerbaijan) in 2023–2025

Industrial outcomes	2023	2024	2025
Oil production (thousand tonnes)	7,736.2	7,485.6	7,098.7
Gas production (million m ³)	8,398.8	7,718.1	7,823.4

Oil and Gas processing by SOCAR (Azerbaijan), 2023–2025

Industrial outcomes	2023	2024	2025
Oil refinery, thousands of tonnes	6,501.7	5,809.3	6,225.9
Gas processing, million m ³	3,506.9	3,377.5	3,036

Volume of delivered oil and gas by SOCAR (Azerbaijan), 2023–2025

	2023	2024	2025
Volume of oil delivered for processing and export, thousand tonnes	7,976.5	7,877.2	7,772.7
Overall distribution of natural gas, million. m ³	19,289.6	19,815.9	19,629.6
Gas export, million. m ³	2,683.3	2,797.3	2,894.8

Total production by processing facilities at SOCAR (Azerbaijan) in 2023-2025, thousand tonnes

	2023	2024	2025
Heydar Aliyev Oil Refinery	6,165	5,343	5,927
“Azerikimya” PU	582	448	516
Methanol Plant	494	516	408
Carbamide Plant	453	652	587

SOCAR Trading volumes per commodity type in 2023-2025, thousand tonnes

	2023	2024	2025
Crude oil	41,075	35,412	38,560
Refined products (including LPG)	5,413	6,860	8,869
Natural gas/LNG	5,204	7,409	7,542
Total	51,692	49,681	54,972

ENVIRONMENTAL

GHG emissions at SOCAR Group in 2023-2025, thousand tonnes CO₂e

Entity	2023	2024	2025
SOCAR (Azerbaijan)	8,367.5	10,509.1	9,584.1
Scope 1 emissions	7,112.7	9,590.5	8,472.4
Scope 2 emissions	1,254.8	918.6	1,111.6
SOCAR Türkiye	4,887.1	4,316.4	4,795.3
Scope 1 emissions	4,377.0	3,821.8	4,212.4
Scope 2 emissions	510.1	494.6	582.9
SOCAR Energy Georgia	3,052.5	3,065.7	2,666.8
Scope 1 emissions	128.6	118.7	126.5
Scope 2 emissions	2,923.9	2,947	2,540.3
SOCAR Energy Austria	0.50	1.16	1.25
Scope 1 emissions	0.50	0.45	0.52
Scope 2 emissions	0.00	0.72	0.73

GHG emissions at SOCAR Group in 2023-2025, thousand tonnes CO₂e

SOCAR Energy Ukraine	0.16	3.52	3.38
Scope 1 emissions	0.16	0.16	0.16
Scope 2 emissions	0	3.36	3.22
SOCAR Energy Switzerland	1.81	1.80	1.83
Scope 1 emissions	0.56	0.55	0.64
Scope 2 emissions	1.25	1.25	1.19
SOCAR Trading	0.17	0.19	27.4
Scope 1 emissions	0.03	0.02	27.2
Scope 2 emissions	0.14	0.17	0.20

GHG emissions intensity per segment at SOCAR (Azerbaijan), 2023 -2025

	2023	2024	2025
Upstream emission intensity (tCO ₂ e/ toe product)	0.22	0.43	0.36
Midstream emission intensity (tCO ₂ e/ toe product)	0.00003	0.058	0.06
Downstream emission intensity (tCO ₂ e/ toe product)	0.30	0.28	0.27

GHG emissions across SOCAR (Azerbaijan) facilities in 2025, thousand tonnes CO₂e

By segment		Midstream		Other entities	
Upstream	4,924.9	Oil Pipelines Department	16.6	Transport Department	55.95
Midstream	830.6	Gas Export Department	145.4	Oil and Gas Construction Trust	0.01
Downstream	3,756.4	“Azerigas” PU	668.6	Social Development Department	6.22
Other entities	72.2	Total	830.6	“EKOL Engineering Services” CJSC	5.20
Total	9,584.1	Downstream		SOCAR Head Office	0.02
Upstream		Azerikimya PU	760.6	Oil and Gas Scientific Research and Design Institute	1.17
Azneft PU	4,592.3	Heydar Aliyev Oil Refinery	2,159.1	Information Technologies and Communication Department	1.05
“SOCAR Upstream Management” LLC	311.7	Gas Processing Plant	100.3	Marketing and Economic Operations	0.20
Department of Geophysics and Geology	0.10	Carbamide Plant	418.9	Training, Education and Certification Department	0.61
Complex Drilling Works Trust	20.8	Methanol Plant	215.0	Industrial Safety Department	0.10
Total	4,924.9	SOCAR Polymer	94.1	Security Department	0.09
		“SOCAR Petroleum” CJSC	8.4	Baku Higher Oil School	0.03
		Total	3,756.4	Baku Deep Water Jacket Factory named after Heydar Aliyev	1.56
				Total	72.2

Scope 1 and Scope 2 GHG emissions at SOCAR (Azerbaijan) facilities in 2025, thousand tonnes CO₂e

Facility	Scope 1	Scope 2	Total
Azneft PU	4,511.9	80.4	4,592.3
Complex Drilling Works Trust	16.0	4.8	20.8
Geophysics and Geology Department	0.1	0.0	0.1
“SOCAR Upstream Management” LLC	187.8	123.8	311.6
Oil Pipelines Department	1.9	14.7	16.6
“Azerigas” PU	666.6	2.0	668.6
Gas Export Department	138.3	7.1	145.4
Azerikimya PU	330.9	429.7	760.6
Heydar Aliyev Oil Refinery	1,850.6	308.6	2,159.1
Gas Processing Plant	86.3	14.1	100.3
Carbamide Plant	414.8	4.2	418.9
Methanol Plant	198.0	16.9	214.9
SOCAR Polymer	8.5	85.6	94.1
“SOCAR Petroleum” CJSC	0.1	8.3	8.4

	Scope 1	Scope 2	Total
Transport Department	54.95	1.00	55.95
Oil and Gas Construction Trust	0.00	0.00	0.01
Social Development Department	1.71	4.50	6.22
“EKOL Engineering Services” CJSC	2.04	3.16	5.20
SOCAR Head Office	0.01	0.01	0.02
Oil and Gas Scientific Research and Design Institute	0.57	0.59	1.17
Information Technologies and Communication Department	0.05	1.00	1.05
Marketing and Economic Operations	0.00	0.20	0.20
Training, Education and Certification Department	0.23	0.38	0.61
Industrial Safety Department	0.02	0.08	0.10
Security Department	0.00	0.08	0.09
Baku Higher Oil School	0.01	0.02	0.03
Baku Deep Water Jacket Factory named after Heydar Aliyev	1.11	0.45	1.56
Total	8,472.4	1,111.6	9,584.1

SOCAR Trading GHG emissions performance in 2023-2025, tonnes

	2023	2024	2025
GHG direct emissions (Scope 1)	29.97	24.37	27,198
GHG indirect emissions (Scope 2) (location-based approach)	137	169	201
GHG other indirect emissions, (Scope 3), from the following sources:	1,006,830	926,916	889,951
Scope 3.2: Capital goods	65	42	55
Scope 3.3: Fuel and energy-related activities	51	65	6,257
Scope 3.6: Business travel	0	0	0
Scope 3.7: Employee commuting	0	178	195
3.4 Upstream Transportation and Distribution; and 3.8: Upstream leased assets	669,150	600,395	643,422
Scope 3.15: Investments	337,564	326,414	240,022

SOCAR Trading GHG emissions intensity in 2023-2025, tCO₂e/Mtoe

SOCAR Trading	2023	2024	2025
Lifecycle carbon intensity of SOCAR Trading's trading portfolio	3.45	3.42	3.44

Quantity of pollutants emitted from stationary sources into the atmosphere at SOCAR Group in 2023-2025, thousand tonnes

	2023	2024	2025
SOCAR (Azerbaijan)			
Solid particles	0.17	0.12	0.15
Gas and liquid substances including:	112.09	65.39	61.13
Sulphur dioxide	0.85	0.62	0.96
Nitrogen oxide	2.49	2.43	2.39
Carbon oxide	41.47	6.05	3.92
Hydrocarbons (excl. VOCs)	60.52	46.44	44.15
Volatile organic compounds	13.07	9.12	9.04
Other gas substances	0.82	0.72	0.67
SOCAR Türkiye			
Sulphur dioxide	1.25	0.64	0.70
Nitrogen oxide	2.06	2.14	2.20
Carbon oxide	0.49	0.40	0.43
SOCAR Energy Georgia			
Sulphur dioxide	0.37	0.44	0.44
Nitrogen oxide	0.01	0.02	0.02
Carbon oxide	0.15	0.16	0.11

Quantity of pollutants emitted from stationary sources into the atmosphere at SOCAR Group in 2024-2025, thousand tonnes

SOCAR Energy Ukraine	2024	2025
Sulphur dioxide	0.00236	0.00236
Nitrogen oxide	0.00158	0.00158
Carbon oxide	0.00085	0.00085
Volatile organic compounds	0.11554	0.11554

Absolute Methane Emissions by Segment at SOCAR's Operated Assets in Azerbaijan in 2025, thousand tonnes CH₄

	2025
Upstream	128.7
Midstream	27.5
Downstream	0.2
Total	156.2

SOCAR Trading air pollutants from owned fleet in 2025, tons

SOCAR Trading	2025
Sulphur dioxide	558.0
Nitrogen oxide	27.6

Absolute Methane Emissions at SOCAR's Equity-Share Assets in Azerbaijan, 2023–2025, thousand tonnes CH₄

	2023	2024	2025
Methane emissions	56.93	201	159

Electricity consumption at SOCAR Group in 2023-2025, thousand kWh

	2023	2024	2025
For SOCAR, total	2,862,233	2,676,168	2,905,934
SOCAR (Azerbaijan)	1,295,521	1,288,334	1,387,379
SOCAR Türkiye	1,514,448	1,335,102	1,470,454
SOCAR Energy Georgia	27,584	27,803	23,965
SOCAR Energy Ukraine	10,448	10,634	10,210
SOCAR Energy Switzerland	9,776	9,775	9,312
SOCAR Energy Austria	3,936	3,938	4,000
SOCAR Trading	520	582	614

Electricity consumption from renewable sources at SOCAR Group in 2025, thousand kWh

	2025
SOCAR Türkiye	569.11
SOCAR Energy Switzerland	9,312
SOCAR Energy Austria	35.00
SOCAR Trading	163.75

Electricity intensity ratio at SOCAR Group in 2023-2025, thousand kWh per employee

Entity	2023	2024	2025
SOCAR (Azerbaijan)	26.8	26.8	30.68
SOCAR Türkiye	277.34	234.72	324.89
SOCAR Energy Georgia	6.80	6.39	5.47
SOCAR Energy Ukraine	5.82	5.98	5.79
SOCAR Energy Switzerland	12.0	12.12	11.37
SOCAR Energy Austria	19.7	18.93	19.42
SOCAR Trading	2.43	2.52	2.45

Fuel consumption at SOCAR Group in 2023-2025

	2023	2024	2025
SOCAR (Azerbaijan)			
Gasoline, tonnes	5,985.0	5,731.0	5,184.4
Diesel, tonnes	27,131.0	25,954.0	29,666.82
Natural gas, thousand m ³	1,665,528.0	1,742,423.0	1,749,139.40
SOCAR Türkiye			
Gasoline, tonnes	46.8	49.7	59.56
Diesel, tonnes	1,287.0	1,357.0	1,094.76
Natural gas, thousand m ³	567,713.0	625,535.0	625,808.38
SOCAR Energy Georgia			
Gasoline, tonnes	336.0	343.0	338.1
Diesel, tonnes	559.0	587.0	611.2
Natural gas, thousand m ³	1.5	4.0	4.3
SOCAR Energy Ukraine			
Gasoline, tonnes	218.0	134.0	130.5
Diesel, tonnes	279.0	257.0	179.7
Natural gas, thousand m ³	9.5	9.7	12.1
SOCAR Energy Switzerland			
Diesel, tonnes	178.0	173.0	203.0
SOCAR Energy Austria			
Gasoline, tonnes	14.7	18.5	17.9
Diesel, tonnes	142.0	122.6	131.6
Natural gas, thousand m ³	35.6	21.7	21.6
SOCAR Trading			
Gasoline litres	6,475	4,872	6,693
Diesel, litres	4,027	3,617	3,317

Total energy consumption and energy consumption intensity for SOCAR Group in 2023-2025

	2023	2024	2025
Total energy consumption, MWh/toe product	1.69	1.82	1.89
Total energy consumption, MWh ¹	24,397,339	25,452,663	25,796,487
- Renewable energy consumption, MWh ²	770,773	812,855	857,586
- Non-renewable energy consumption, MWh	23,626,566	24,639,807	24,938,901

Water withdrawal at SOCAR Group in 2023-2025, million m³

	2023	2024	2025
SOCAR (Azerbaijan)	57.84	56.03	56.53
SOCAR Türkiye	23.12	21.98	21.45
SOCAR Energy Georgia	0.13	0.12	0.14
SOCAR Energy Ukraine	0.1	0.10	0.09
SOCAR Trading			0.46
SOCAR Energy Austria	0.03	0.02	0.02
SOCAR Energy Switzerland	0.07	0.07	0.08

Water consumption at SOCAR Group in 2023-2025, million m³

	2023	2024	2025
SOCAR (Azerbaijan)	57.84	52.78	35.7
SOCAR Türkiye	11.43	12.34	11.55
SOCAR Energy Georgia	0.13	0.12	0.14
SOCAR Energy Ukraine	0.1	0.10	0.09
SOCAR Trading	0.002	0.002	0.009
SOCAR Energy Austria	0.03	0.02	0.02
SOCAR Energy Switzerland	0.07	0.07	0.08

1. The 2025 reporting boundary has been expanded to include SOCAR Energy Switzerland and SOCAR Trading SA, which were not included in the 2023–2024 energy consumption figures. Together, these entities accounted for approximately 0.05% of the Group's total energy consumption in 2025.

2. For the SOCAR Group, renewable electricity consumption is calculated using the renewable share of the national electricity grid in each country of operation, consistent with the location-based method. Market-based renewable electricity consumption, where available, is disclosed on page 106.

Freshwater consumption at SOCAR Group in 2025, million m³

Entity	2025
SOCAR (Azerbaijan)	19.71
SOCAR Türkiye	11.55
SOCAR Energy Georgia	0.14
SOCAR Energy Ukraine	0.09
SOCAR Trading ¹	0.002
SOCAR Energy Austria	0.02
SOCAR Energy Switzerland	0.08

Water intensity ratio at SOCAR Group in 2023–2025, thousand m³ of water withdrawal per employee

Entity	2023	2024	2025
SOCAR (Azerbaijan)	1.20	1.17	1.25
SOCAR Türkiye	4.20	3.86	4.74
SOCAR Energy Georgia	0.03	0.03	0.03
SOCAR Energy Ukraine	0.06	0.06	0.05

Produced water by SOCAR (Azerbaijan) in 2023–2025, thousand m³

Source	2023	2024	2025
“Azneft” PU	6,149.9	6,724.5	7,320
Operating Companies	18,605.1	18,431.5	17,535.5
Total	24,755	25,156	24,855.5

Wastewater management at SOCAR Group in 2023-2025, m³

	2023	2024	2025
SOCAR (Azerbaijan)			
Generated wastewater	8,283,706	8,531,817	6,983,368
Discharged without treatment	244,492	546,937	850,026
Discharges onto land	123,525	239,379	102,802
Discharges into water bodies	120,967	307,558	718,582
Discharged after treatment	8,039,214	7,984,880	6,133,342
SOCAR Türkiye			
Generated wastewater	10,552,998	9,667,478	9,904,431
Discharged without treatment	15,662	13,583	5,387
Discharged after treatment	10,537,336	9,648,550	9,899,044

Water used in the closed system during the production process at SOCAR (Azerbaijan) in 2023–2025, million m³

Type	2023	2024	2025
Recycled water	274.17	310.81	200.8
Reused water	0.01	0.56	3.28

1. The figure reflects freshwater consumption at offices.

Waste Management at SOCAR Group in 2023-2025, thousand tonnes

SOCAR (Azerbaijan)	2023	2024	2025
Generated waste	130.64	160.88	175.90
Hazardous	113.70	96.34	105.10
Non-hazardous	16.94	64.55	70.81
Utilized waste	1.01	1.16	0.01
Hazardous	0.78	1.16	0.01
Non-hazardous	0.23	0.00	0.00
Waste transferred	133.43	159.12	188.04
Hazardous	116.69	139.37	118.05
Non-hazardous	16.73	19.75	69.98
Waste transferred to WMC	74.92	116.19	84.74
Hazardous	74.10	113.27	83.89
Non-hazardous	0.82	2.92	0.85
Waste neutralized	0.42	0.30	0.21
Hazardous	0.22	0.00	0.00
Non-hazardous	0.21	0.30	0.21

SOCAR Türkiye	2023	2024	2025
Generated waste	103.09	57.53	32.48
Hazardous	32.31	17.39	13.39
Non-hazardous	70.78	40.14	19.09
Utilized waste	14.58	0.14	0.02
Hazardous	5.72	0.00	0.00
Non-hazardous	8.86	0.13	0.02
Waste transferred	100.76	57.50	32.51
Hazardous	30.43	17.16	13.29
Non-hazardous	70.33	40.34	19.22
SOCAR Energy Ukraine	2023	2024	2025
Generated waste	2.45	3.88	5.49
Hazardous	0.0021	0.0013	0.0024
Non-hazardous	2.44	3.88	5.49
Waste transferred	2.45	3.88	5.49
Hazardous	0.0021	0.0013	0.0024
Non-hazardous	2.44	3.88	5.49

Total Generated Waste at SOCAR Group in 2025, thousand tonnes

	Hazardous	Non- Haz	Total
SOCAR (Azerbaijan)	105.1	70.81	175.91
SOCAR Türkiye	13.39	19.09	32.48
SOCAR Energy Georgia	0	0.03	0.03
SOCAR Energy Ukraine	0	5.49	5.49
SOCAR Trading	0	0	0
SOCAR Energy Austria	0.1	0.67	0.77
SOCAR Energy Switzerland	0	1.87	1.87

Statutory environmental payments and fines of SOCAR (Azerbaijan) in 2023-2025, thousand AZN

	2023	2024	2025
SOCAR (Azerbaijan)	1,100.2	1,093.8	1,613.9

Land contamination at SOCAR (Azerbaijan) in 2023-2025

	2023		2024		2025	
	841.4		819.5		656.8	
Total area of land polluted by oil products and flooded by produced water	Azneft PU	OCs and JVs	Azneft PU	OCs and JVs	Azneft PU	OCs and JVs
	383.9	457.5	353.3	466.2	293.3	363.50

Total number of oil spills at SOCAR (Azerbaijan) in 2023-2025

	2023	2024	2025
SOCAR (Azerbaijan)	9	23	38

Restoration and rehabilitation at SOCAR (Azerbaijan) in 2023–2025, ha

	2023	2024	2025
SOCAR (Azerbaijan)	70.9	166.7	78.5

SOCAR Türkiye's environmental expenditures in 2023-2025, thousand AZN

	2023	2024	2025
SOCAR Türkiye	316.5	59.5	49.64

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Occupational health and safety indicators of SOCAR (Azerbaijan) in 2023-2025

	2023	2024	2025
Total number of accidents	18	28	27
Fatal accidents	2	2	1
Lost time injuries	21	29	29
Number of deceased employees	4	2	1
Number of missing people	0	0	0
Number of occupational diseases	0	0	0
Number of days lost due to occupational injuries	826	1,093	1,595
The average number of employees	48,139	48,340	46,781
Total worked hours	83,131,323	83,529,314	81,220,180
Lost time injury rate (per 200,000 hours worked)	0.05	0.07	0.07
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	0.253	0.347	0.357
Fatality rate (per 200,000 hours worked)	0.010	0.005	0.002

Occupational safety performance indicators of SOCAR's Joint Ventures and Operating Companies in 2023-2025

	2023	2024	2025
Total number of accidents	14	18	6
Fatal accidents	0	0	0
Lost time injuries	16	18	6
Number of days lost due to occupational injuries	520	246	272
Number of occupational diseases	0	0	0
The average number of employees	22,140	20,406	12,045
Total worked hours	45,055,475	38,490,464	24,164,038
Lost time injury rate (per 200,000 hours worked)	0.07	0.09	0.05
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	0.36	0.47	0.23
Fatality rate (per 200,000 hours worked)	0	0	0

Occupational health and safety indicators of SOCAR Türkiye in 2023-2025

	2023	2024	2025
Number of injured employees	5	11	12
Fatal accidents	0	0	0
Lost time injuries	1	3	2
Including the number of deceased employees	0	0	0
Number of days lost due to occupational (production) injuries	43	139	72
Total hours worked	9,989,199.5	10,623,876	8,785,968
Lost time injury rate (per 200,000 worked hours)	0.02	0.06	0.05
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	0.10	0.28	0.23
Fatality rate (per 200,000 hours worked)	0	0	0
Suppliers and Contractors of SOCAR Türkiye	2023	2024	2025
Number of injured employees	24	27	14
Lost time injuries	4	1	4
Number of deceased employees	0	0	0
Total worked hours	10,171,972	12,822,264	6,895,715
Lost time injury rate (per 200,000 worked hours)	0.08	0.02	0.12
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	0.4	0.08	0.58
Fatality rate (per 200,000 hours worked)	0	0	0

Occupational health and safety indicators of SOCAR Energy Ukraine in 2023-2025

	2023	2024	2025
Number of injured employees	1	1	1
Fatal accidents	0	0	0
Lost time injuries	1	1	1
Including the number of deceased employees	0	0	0
Number of days lost due to occupational injuries	28	30	56
Absence due to occupational diseases	8,216	11,304	10,428
Number of employees	1,794	1,777	1,764
Total worked hours	3,059,303	3,213,236	3,175,804
Lost time injury rate (per 200,000 worked hours)	0.07	0.06	0.06
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	0.33	0.31	0.31
Fatality rate (per 200,000 hours worked)	0	0	0

Occupational health and safety indicators of SOCAR Energy Austria in 2024-2025

	2024	2025
Number of injured employees	4	5
Fatal accidents	0	0
Lost time injuries	4	5
Including the number of deceased employees	0	0
Number of days lost due to occupational injuries	118	30
Number of employees	208	206
Total worked hours	345,456	382,116
Lost time injury rate (per 200,000 worked hours)	2.32	2.62
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	11.6	13.09
Fatality rate (per 200,000 hours worked)	0	0

Occupational health and safety indicators of SOCAR Energy Georgia in 2023-2025

	2023	2024	2025
Number of injured employees	0	0	0
Fatal accidents	0	0	0
Lost time injuries	0	0	0
Including the number of deceased employees	0	0	0
Number of days lost due to occupational injuries	0	0	0
Absence due to occupational diseases	6,269	8,136	11,095
Number of employees	4,055	4,353	4,382
Total worked hours	8,027,408	8,675,736	8,710,296
Lost time injury rate (per 200,000 worked hours)	0	0	0
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	0	0	0
Fatality rate (per 200,000 hours worked)	0	0	0

Occupational health and safety indicators of SOCAR Energy Switzerland in 2023-2025

	2023	2024	2025
Number of injured employees	33	49	33
Fatal accidents	0	0	0
Lost time injuries	11	27	23
Including the number of deceased employees	0	0	0
Number of days lost due to occupational injuries	522	456	449
Number of employees	818	808	819
Total worked hours	1,325,284	1,330,131	1,372,208
Lost time injury rate (per 200,000 worked hours)	1.66	4.06	3.35
Lost Time Injury Frequency Rate (per 1,000,000 working hours)	8.30	20.30	16.76
Fatality rate (per 200,000 hours worked)	0	0	0

Occupational safety expenditures by SOCAR (Azerbaijan) in 2023-2025, AZN

Occupational safety expenditures,	2023	2024	2025
On occupational safety, including:	35,008,380	39,785,424	42,994,848
On measures to improve working conditions	22,209,323	29,993,700	33,080,092
On special clothing, special shoes, and other personal protective equipment	10,890,616	8,227,213	8,535,746
On milk supply	1,452,544	1,209,543	1,053,955
Other expenses	455,897	354,968	325,055

Number of employees at SOCAR Group in 2023-2025

	2023	2024	2025
SOCAR (Azerbaijan)	48,320	48,069	45,227
SOCAR Türkiye	5,509	5,688	4,526
SOCAR Energy Georgia	4,055	4,353	4,382
SOCAR Energy Ukraine	1,794	1,777	1,764
SOCAR Energy Switzerland	818	806	819
SOCAR Energy Austria	200	208	206
SOCAR Trading	214	231	251

Employee turnover at SOCAR Group in 2023-2025 and employees covered by the collective employment agreement, %

SOCAR (Azerbaijan)	2023	2024	2025
Employee turnover	1.4	1.9	2.9
Collective employment agreement	100	100	100

SOCAR Türkiye	2023	2024	2025
Employee turnover	4.90	5.10	4.50
Collective employment agreement	48.8	47.0	58.5

SOCAR Energy Georgia	2023	2024	2025
Employee turnover	41.6	19.9	20.6
Collective employment agreement	93	93	93

SOCAR Trading	2023	2024	2025
Employee turnover	13.0	9.0	8.0
Collective employment agreement	0	0	0

SOCAR Energy Ukraine	2023	2024	2025
Employee turnover	38.3	34.2	26.2
Collective employment agreement	9	8.8	9.1

SOCAR Energy Switzerland	2023	2024	2025
Employee turnover	40.3	36.6	36.7
Collective employment agreement	85.3	80.6	80.8

SOCAR Energy Austria	2023	2024	2025
Employee turnover	91	60.1	62.59
Collective employment agreement	100	100	100

Number of employees hired and dismissed by country in 2023-2025, by gender and age groups

Azerbaijan

Hired personnel	2023	2024	2025
Female	407	331	285
Male	2,906	1,958	1,667
Age breakdown			
Under 30 years	1,629	1,111	682
30–50 years	1,388	939	910
Over 50 years	296	239	360
Total	3,313	2,289	1,952
Dismissed personnel	2023	2024	2025
Female	237	124	303
Male	958	805	1,097
Age breakdown			
Under 30 years	149	286	268
30–50 years	327	503	672
Over 50 years	719	140	460
Total	1,195	929	1,400

Türkiye

Hired personnel	2023	2024	2025
Female	155	108	34
Male	325	359	86
Age breakdown			
Under 30 years	252	281	58
30–50 years	225	180	55
Over 50 years	3	6	7
Total	480	467	120
Dismissed personnel	2023	2024	2025
Female	56	65	51
Male	208	223	153
Age breakdown			
Under 30 years	37	40	22
30–50 years	190	200	132
Over 50 years	37	48	50
Total	264	288	204

Number of employees hired and dismissed by country in 2023-2025, by gender and age groups

Georgia

Hired personnel	2023	2024	2025
Female	298	318	276
Male	710	815	659
Age breakdown			
Under 30 years	351	426	316
30–50 years	447	512	402
Over 50 years	210	195	217
Total	1,008	1,133	935
Dismissed personnel	2023	2024	2025
Female	469	261	289
Male	1,398	574	611
Age breakdown			
Under 30 years	415	320	306
30–50 years	898	363	396
Over 50 years	554	152	198
Total	1,867	835	900

Ukraine

Hired personnel	2023	2024	2025
Female	483	361	250
Male	264	233	202
Age breakdown			
Under 30 years	314	216	137
30–50 years	315	264	241
Over 50 years	118	114	74
Total	747	594	452
Dismissed personnel	2023	2024	2025
Female	390	363	284
Male	282	248	181
Age breakdown			
Under 30 years	278	238	155
30–50 years	312	271	222
Over 50 years	82	102	88
Total	672	611	465

Number of employees hired and dismissed by country in 2023-2025, by gender and age groups

Switzerland¹

Hired personnel	2023	2024	2025
Female	195	194	220
Male	166	136	139
Age breakdown			
Under 30 years	192	164	160
30–50 years	133	149	166
Over 50 years	36	17	33
Total	361	330	359
Dismissed personnel	2023	2024	2025
Female	198	198	193
Male	159	117	127
Age breakdown			
Under 30 years	172	158	145
30–50 years	142	121	135
Over 50 years	43	36	40
Total	357	315	320

Austria

Hired personnel	2023	2024	2025
Female	90	70	56
Male	80	60	71
Age breakdown			
Under 30 years	81	64	64
30–50 years	56	42	48
Over 50 years	33	24	15
Total	170	130	127
Dismissed personnel	2023	2024	2025
Female	96	65	71
Male	86	60	56
Age breakdown			
Under 30 years	93	57	62
30–50 years	56	39	44
Over 50 years	33	29	21
Total	182	125	127

1. Figures for Switzerland include data from SOCAR Energy Switzerland and SOCAR Trading.

Average training hours per employee at entities included in the structure of SOCAR (Azerbaijan) 2023-2025, by gender and employee category

	2023	2024	2025
Senior management	9.5	15.2	17.1
Specialists	8.9	16.8	13.1
Technical personnel	1.7	20.8	5.4
Manual workers	10.2	9.9	10.2
Female	5.5	6.7	7.1
Male	10.6	12.9	12.5

Average training hours at SOCAR Group in 2023–2025, by gender

	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
SOCAR (Azerbaijan)	5.5	10.6	6.7	12.9	7.1	12.5
SOCAR Energy Georgia	2.6	10.0	3.16	10.06	3.8	17.1
SOCAR Türkiye	55.2	41.3	64.3	47.1	61.9	40.5
SOCAR Energy Ukraine	149.2	150.2	137.7	151.3	123.6	128.8
SOCAR Energy Switzerland	21.8	20.0	23.1	20.8	22.2	22.2
SOCAR Energy Austria		0.01	0.01	0.15	1.00	0.79
SOCAR Trading	15.0	14.5	5.2	7.7	3.1	8.6

Average training hours per employee at SOCAR Group in 2023–2025, by employee category

Entity	2023				2024				2025			
	Senior management	Specialists	Technical personnel	Manual workers	Senior management	Specialists	Technical personnel	Manual workers	Senior management	Specialists	Technical personnel	Manual workers
SOCAR (Azerbaijan)	9.5	8.9	1.7	10.2	15.2	16.8	20.5	9.9	17.1	13.1	5.4	10.2
SOCAR Energy Austria	0.7	0.1	2	0	0	0.03	0	0.07	7.33	1.2	0	0.74
SOCAR Energy Georgia	6.4	4.2	8.3	10	4.4	5.5	7.1	11.1	18.6	1.4	0.2	33.8
SOCAR Energy Switzerland	12	12	12	24	12	12	12	24	12	12	12	24
SOCAR Energy Ukraine	48.1	171.6	47.2	156.6	53.7	151.2	69.7	156.7	70.8	130.3	59.0	134.92
SOCAR Türkiye	51	54	37	38	26.8	37.6	29.2	139.5	30.5	47.8	72.2	31.7

Entity	2023				2024				2025			
	Executive	Senior	Mid-career	Junior	Executive	Senior	Mid-career	Junior	Executive	Senior	Mid-career	Junior
SOCAR Trading	19.7	7.3	13.6	25.7	29.6	1.2	6.7	14.0	30.3	3.7	6.8	7.1

Number of employees with individual goals in entities within the SOCAR structure in 2025

	2025
SOCAR Head Office	945
"Azerikimya" PU	2,032
"Azerigas" PU	9,700
"Azneft" PU	10,586
Security Department	1,425
Department of Geophysics and Geology	759
Department of Information Technologies and Communication	509
Carbamide Plant	612
Complex Drilling Works Trust	1,753
Marketing and Economic Operations Department	261
Methanol Plant	330
Oil Pipeline Department	645
Oil and Gas Research Design Institute	888

	2025
Oil and Gas Construction Trust	3,641
Department of Transportation	4,662
Gas Export Department	1,710
Department of Social Development	418
Industrial Safety Department	185
Editorial office of "Azerbaijan Oil Industry Journal"	18
Department of Development of Occupational Norms	60
Office of Training, Education and Certification	252
Baku Deep Water Jacket Factory named after Heydar Aliyev	93
Baku Higher Oil School	241
Gas Refining Plants	464
Heydar Aliyev Baku Oil Refinery	3,038
Total	45,227

Dynamics of employees by gender across countries for 2023-2025

	2023			2024			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Azerbaijan	7,631	40,689	48,320	7,594	40,475	48,069	7,294	37,933	45,227
Georgia	1,112	2,943	4,055	1,168	3,185	4,353	1,156	3,226	4,382
Switzerland ¹	619	413	1,032	611	426	1,037	630	440	1,070
Türkiye	791	4,718	5,509	833	4,855	5,688	604	3,922	4,526
Ukraine	966	828	1,794	964	813	1,777	930	834	1,764
Austria	121	79	200	127	81	208	110	96	206

1. Figures for Switzerland include data from SOCAR Energy Switzerland and SOCAR Trading.

Number of employees by employment contract type across countries in 2023–2025

Azerbaijan	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Permanent employees	7,613	40,141	7,583	40,018	7,184	37,596
Temporary employees	18	548	11	457	110	337
Full time	7,629	40,679	7,585	40,458	7,289	37,924
Part time	2	10	9	17	5	9
Türkiye	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Permanent employees	791	4,718	833	4,855	594	3,913
Temporary employees	0	0	0	0	10	9
Full-time	789	4,716	832	4,853	604	3,922
Part-time	2	2	1	2	0	0

Number of employees by employment contract type across countries in 2023–2025

Georgia	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Permanent employees	1,112	2,943	1,168	3,185	1,156	3,226
Temporary employees	0	0	0	0	0	0
Full-time	1,106	2,942	1,162	3,184	1,150	3,225
Part-time	6	1	6	1	6	1
Ukraine	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Permanent employees	966	828	964	813	930	834
Temporary employees	0	0	0	0	0	0
Full-time	924	793	919	778	883	789
Part-time	42	35	45	35	47	45

Number of employees by employment contract type across countries in 2023–2025

Switzerland ¹	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Permanent employees	607	393	594	397	619	416
Temporary employees	12	20	17	29	11	24
Full time	264	303	252	328	270	342
Part time	355	110	359	98	360	98
Austria	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Permanent employees	121	79	127	81	110	96
Temporary employees	0	0	0	0	0	0
Full time	81	68	92	71	84	84
Part time	40	11	35	10	26	12

1. Figures for Switzerland include data from SOCAR Energy Switzerland and SOCAR Trading.

Statistics of employees who took parental leave in SOCAR (Azerbaijan) in 2023–2025

	2023	2024	2025
Number of employees entitled to parental leave	835	692	455
Number of employees who used parental leave	501	318	292
Number of employees who returned from parental leave during the reporting period	173	204	109
Number of employees who returned from parental leave and stayed at work for 12 months	296	204	109
The proportion of employees who returned to work and stayed	100%	100%	100%

Statistics on the review of employee applications and the number of citizen applications at SOCAR (Azerbaijan) in 2023–2025

	2023	2024	2025
The number of employment applications received and responded through the hr@socar.az email address	10,625	785	923
The number of applications received from citizens via the Opentext ECM system	700	3,008	1,665

The ratio of entry-level wage to the official minimum wage at SOCAR Group during 2023-2025¹

	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
SOCAR (Azerbaijan)	1.24	1.24	1.32	1.32	1.0	1.0
SOCAR Türkiye	1.05	1.00	1.31	1.38	1.69	2.7
SOCAR Energy Georgia	10.5	10.5	12	12	13.2	13.2
SOCAR Energy Ukraine	1.00	1.00	1.05	1.05	1.05	1.05

Ratio of women's to men's basic salary and remuneration for each employee category at significant locations of operation in 2023-2025

SOCAR (Azerbaijan)	2023		2024		2025	
	Female	Male	Female	Male	Female	Male
Wages	15.6	84.4	17.0	83.0	17.7	82.3
Remuneration	17.8	82.2	24.0	76.0	22.8	77.2

1. The ratio of the standard entry-level wage to the local minimum wage is not disclosed for SOCAR Energy Switzerland, SOCAR Trading, and SOCAR Energy Austria, as these entities operate under the same legislative framework and the information is treated as confidential.

Total social expenditures of SOCAR (Azerbaijan) in 2023–2025, AZN

	2023	2024	2025
Financial assistance	12,268,526	11,910,805	16,784,090
Charity			15,000
Social assistance	8,609,166	7,021,344	6,652,326
Sponsorship	21,276,135	33,355,268	18,414,679
Grant		39,000,000	230,896,441

SOCAR Türkiye’s social expenditures in 2023-2025, AZN

	2023	2024	2025
Health	7,125		96,138.63
Education	84,553	113,516.83	231,057.80
Environment	186,186		25,298.24
Support for the victims of emergencies	3,088,476	132,210.11	
Social	1,535,108		141,870.85
SOCAR Türkiye Volunteers		62,386.09	60,123.25
Donation		40,777.94	257,897.82
Others		30,000	
Total	4,901,447	378,890.97	812,386.58

GRI CONTENT INDEX

GRI STANDARDS

CONTENT INDEX TABLE

Statement of use

GRI 1 used

Applicable GRI Sector Standard(s)

SOCAR (State Oil Company of Azerbaijan Republic) has reported in accordance with the GRI Standards for the period 01.01.2025 – 31.12.2025.

GRI 1: Foundation 2021

GRI 11: Oil and Gas Sector 2021 V1.1¹

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 2: General Disclosures 2021	2-1. Organizational details	About the Report; The History in Brief SOCAR at a Glance	4; 5; 6-9		
	2-2 Entities included in the organization's sustainability reporting	About the Report	4; 8-9		
	2-3. Reporting period, frequency, and contact point	About the Report; Basis for Reporting and Methodology	4; 155		
	2-4. Restatements of information	About the Report; Basis of Reporting and Methodology	4; 155		
	2-5. External assurance	About the Report; Assurance Statement; Basis for Reporting and Methodology;	4; 150; 155		
	2-6. Activities, value chain and other business relationships	SOCAR at a Glance; Our Operations and Value Chain	6-9; 19-21		
	2-7. Employees	Labor Practices & Workforce Management; Performance Indicators	84-86; 88; 115, 123-126		
	2-8. Workers who are not employees	-	-	Information on workers who are not employees (e.g., contractors, agency workers and other 8 contingent workers) is not currently collected and consolidated at Group level. SOCAR is evaluating opportunities to enhance data collection and reporting in future reporting periods.	
	2-9. Governance structure and composition	Governance Structure and Oversight	33-37		

1. Published on 1 January 2026

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 2: General Disclosures 2021	2-10. Nomination and selection of the highest governance body	Governance Structure and Oversight; Main Components of the Governance Framework of SOCAR	33-35	The General Assembly represents SOCAR's highest governing body. Appointment and dismissal of Supervisory Board and Executive Board members fall under the authority of the President of the Republic of Azerbaijan	
	2-11. Chair of the highest governance body	Governance Structure and Oversight	33-34		
	2-12. Role of the highest governance body in overseeing the management of impacts	Sustainable Management Approach; Governance Structure and Oversight	31; 33		
	2-13. Delegation of responsibility for managing impacts	Sustainable Management Approach; Governance Structure and Oversight	31; 33-37		
	2-14. Role of the highest governance body in sustainability reporting	About the Report; Sustainable Management Approach	4; 31	The Sustainability Report is reviewed and approved annually by the Company's Executive Board, reinforcing Board-level oversight of ESG performance and disclosures.	
	2-15. Conflicts of interest	Ethical Business Conduct	38, 42		
	2-16. Communication of critical concerns	Ethical Business Conduct	39, 43		
	2-17. Collective knowledge of the highest governance body	Sustainable Management Approach; Governance Structure and Oversight	31; 33-35	Information regarding formal sustainability-related training or competency development provided to members of the Supervisory Board is not currently disclosed.	
	2-18. Evaluation of the performance of the highest governance body	Governance Structure and Oversight	35		
	2-19. Remuneration policies	Governance Structure and Oversight; Compensation and Benefits	35; 94		
	2-20. Process to determine remuneration	Committees; Compensation and Benefits	36; 94		

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 2: General Disclosures 2021	2-21. Annual total compensation ratio			This information is not disclosed as it is treated as confidential by SOCAR.	
	2-22. Statement on sustainable development strategy	Message from the President; Sustainable Management Approach	3; 31		
	2-23. Policy commitments	Sustainable Management Approach; Ethical Business Conduct	31; 38		
	2-24. Embedding policy commitments	Sustainable Management Approach; Ethical Business Conduct	31; 38		
	2-25. Processes to remediate negative impacts	Ethical Business Conduct	38-43		
	2-26. Mechanisms for seeking advice and raising concerns	Ethical Business Conduct	38-43		
	2-27. Compliance with laws and regulations	Ethical Business Conduct	39	SOCAR discloses information on the number and description of recorded non-compliance cases, while the monetary value of related fines is not disclosed. The fines are determined in accordance with Azerbaijan's environmental regulatory framework.	
	2-28. Membership associations	Journey to Net Zero	25; 26		
	2-29. Approach to stakeholder engagement	Stakeholder Engagement	18		
	2-30. Collective bargaining agreements	Labor Practices & Workforce Management; Performance Indicators	84-85; 116		

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Material topics					
GRI 3: Material Topics 2021	3-1. Process to determine material topics	Double Materiality Assessment	14-17		
	3-2. List of material topics	Double Materiality Assessment	14-17		
	3-3. Management of material topics	Double Materiality Assessment; Sustainable Management Approach	14-17; 31		
Biodiversity					
GRI 3: Material Topics 2021	3-3. Management of material topics	Biodiversity & Ecosystem Conservation	76		11.4.1
GRI 101: Biodiversity 2024	101-1. Policies to halt and reverse biodiversity loss	Biodiversity & Ecosystem Conservation	76		11.4.2
	101-2. Management of biodiversity impacts	Environmental Management; Biodiversity & Ecosystem Conservation	60; 76		11.4.3
	101-3. Access and benefit-sharing			Not applicable. SOCAR does not access or utilize genetic resources or associated traditional knowledge subject to access and benefit-sharing requirements.	
	101-4. Identification of biodiversity impacts	Environmental Management; Biodiversity & Ecosystem Conservation;	60-61; 76		11.4.4
	101-5. Locations with biodiversity impacts	Biodiversity & Ecosystem Conservation	76		11.4.5

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 101: Biodiversity 2024	101-6. Direct drivers of biodiversity loss	Environmental Management; Biodiversity & Ecosystem Conservation;	61; 76		11.4.6
	101-7. Changes to the state of biodiversity	Biodiversity & Ecosystem Conservation	76	Information is based on biodiversity monitoring and ecological assessments conducted within operational areas.	11.4.7
	101-8. Ecosystem services			Omitted. SOCAR does not currently assess or report ecosystem services using a formal methodology. Development of ecosystem services assessment methodologies is under consideration for future reporting periods.	11.4.8
Climate change					
GRI 3: Material Topics 2021	3-3. Management of material topics	Journey to Net Zero; Decarbonization Program	25-27; 68-69	SOCAR has undertaken an early adoption of GRI 102: Climate Change 2025 to support a gradual transition from previously used frameworks (TCFD). Full implementation is planned in the next reporting cycle.	11.1.1
GRI 102: Climate Change 2025	102-1. Transition plan for climate change mitigation	Journey to Net Zero; Decarbonization Program	25-27; 68-69	SOCAR does not report the total amount incurred in the implementation of the transition plan due to confidentiality constraints and continuous progress on its transition activities	11.1.2
	102-2 Climate change adaptation plan	Journey to Net Zero; Risk Framework and Oversight; Climate Risk Management	25-27; 50	SOCAR does not report the total amount incurred in the implementation of the adaptation plan due to confidentiality constraints and continuous progress on its transition activities	11.1.3
	102-3 Just transition	Labor practices & Workforce Management; Diversity, Equity and Inclusion	84-85; 87-88		11.1.4
	102-4 GHG emissions reduction targets and progress	Journey to Net Zero; Net-Zero 2050 Emissions Reduction Roadmap	25-27; 69	Emission reduction targets do not include biogenic CO ₂ emissions	11.1.5

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Economic performance					
GRI 3: Material Topics 2021	3-3. Management of material topics	Our Operations and Value Chain; Economic Impact & Performance	19-23		11.21.1
GRI 201: Economic Performance 2016	201-1. Direct economic value generated and distributed	Economic Impact & Performance; Tax Integrity	22; 44		11.14.2, 11.21.2
	201-2. Financial implications and other risks and opportunities due to climate change	Risk Framework and Oversight; Climate Risk Management	45-49; 50-51		
	201-3. Defined benefit plan obligations and other retirement plans	Compensation and Benefits; Employee Engagement & Wellbeing	94; 95	Information regarding funding status and plan obligations is not currently disclosed. Retirement and pension arrangements are managed in accordance with applicable local legal requirements.	
	201-4. Financial assistance received from government	Economic Impact & Performance	22	In 2025, SOCAR did not receive any financial assistance, subsidies, or incentives from national or local government authorities.	11.21.3
Market presence					
GRI 3: Material Topics 2021	3-3. Management of material topics	SOCAR at a Glance	6-9		11.11.1
GRI 202: Market Presence 2016	202-1. Ratios of standard entry-level wage by gender compared to local minimum wage	Compensation and Benefits; Performance Indicators	93; 128		
	202-2. Proportion of senior management hired from the local community	Labor Practices & Workforce Management (Local Employment)	84		11.11.2, 11.14.3

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3. Management of material topics	Economic Impact & Performance; Creating Social Value	22; 97-98		11.14.1
GRI 203: Indirect Economic Impacts 2016	203-1. Infrastructure investments and services supported	Financial & Social Support; Creating Social Value	96; 97		11.14.4
	203-2. Significant indirect economic impacts	Economic Impact & Performance; Creating Social Value	22; 97-98		11.14.5
Procurement practices					
GRI 3: Material Topics	3-3. Management of material topics	Responsible Supply Chain	52-55		11.14.1
GRI 204: Procurement Practices 2016	204-1. Proportion of spending on local suppliers	Economic Impact & Performance; Responsible Supply Chain (Support for Local Suppliers)	22; 55		11.14.6
Anti-corruption					
GRI 3: Material Topics 2021	3-3. Management of material topics	Ethical Business Conduct; Compliance	38; 39		11.20.1
GRI 205: Anti-corruption 2016	205-1. Operations assessed for risks related to corruption	Compliance	39		11.20.2
	205-2. Communication and training about anti-corruption policies and procedures	Ethical Business Conduct	38		11.20.3
	205-3. Confirmed incidents of corruption and actions taken	Ethical Business Conduct	38		11.20.4

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3. Management of material topics	Quality Assurance and Laboratory Management	56		11.19.1
GRI 206: Anti-competitive Behavior 2016	206-1. Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Quality Assurance and Laboratory Management	56		11.19.2
Tax					
GRI 3: Material Topics 2021 GRI 207: Tax 2019	3-3. Management of material topics	Tax Integrity	44		11.21.1
	207-1. Approach to tax	Tax Integrity	44		11.21.4
	207-2. Tax governance, control, and risk management	Tax Integrity	44		11.21.5
	207-3. Stakeholder engagement and management of concerns related to tax	Tax Integrity	44		11.21.6
	207-4. Country-by-country reporting	Economic Impact & Performance; Tax Integrity	22; 44	SOCAR discloses information on income taxes paid by each country and applicable jurisdictions. Information on Group level financial performance can be found in the “Economic Impact & Performance” of the report.	11.21.7
Materials					

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 301: Materials 2016	301-1. Materials used by weight or volume			Omitted. SOCAR's primary products are crude oil, natural gas, refined petroleum products, and petrochemical products. While material input data is available at individual asset level, the Company does not currently maintain a Group-wide system for measuring and consolidating materials used by weight or volume	
	301-2 Recycled input materials used				
	301-3 Reclaimed products and their packaging materials				
Energy					
GRI 3: Material Topics 2021	3-3. Management of material topics	Sustainable Management Approach; Energy Management and Efficiency	31; 70		
GRI 302: Energy 2016	302-1. Energy consumption within the organization	Energy Management and Efficiency; Performance Indicators	70-71; 106-107		
	302-2. Energy consumption outside of the organization			SOCAR reports energy consumption within its operational control boundary. Energy consumption outside the organization is not currently consolidated for this reporting period.	
	302-3. Energy intensity	Energy Management and Efficiency; Performance Indicators (Total energy consumption intensity)	70-71; 107		
	302-4. Reduction of energy consumption	Decarbonization Program; Energy Management and Efficiency	68-69; 70		
GRI 3: Material Topics 2021	3-3. Management of material topics	Energy Management and Efficiency (Water Management)	72		11.6.1

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 303: Water and Effluents 2018	303-1. Interactions with water as a shared resource	Group Water Management	72-73		11.6.2
	303-2. Management of water discharge-related impacts	Group Water Management	72		11.6.3
	303-3. Water withdrawal	Performance Indicators	72-73; 107		11.6.4
	303-4. Water discharge	Group Water Management; Performance Indicators	72-73; 108		11.6.5
	303-5. Water consumption	Group Water Management; Performance Indicators	72-73; 107-108		11.6.6
Emissions					
GRI 3: Material Topics 2021	3-3. Management of material topics	Journey to Net Zero; GHG Emissions Management	25-27; 62-67		11.1.1; 11.3.1
GRI 305: Emissions 2016	305-1. Direct (Scope 1) GHG emissions	GHG Emissions Management; Performance Indicators	62-67; 101-103		
	305-2. Energy indirect (Scope 2) GHG emissions	GHG Emissions Management; Performance Indicators	62-67; 101-103		

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 305: Emissions 2016	305-3. Other indirect (Scope 3) GHG emissions	GHG Emissions Management; Performance Indicators (SOCAR Trading)	63; 104	At the current stage, Scope 3 emissions are calculated and disclosed only for SOCAR Trading. Full Scope 3 accounting is planned for next reporting cycles.	
	305-4. GHG emissions intensity	Journey to Net Zero; GHG Emissions Management; Performance Indicators	27; 62; 101		
	305-5. Reduction of GHG emissions	GHG Emissions Management; Decarbonization Program	62; 68-69		
	305-6. Emissions of ozone-depleting substances (ODS)			Not applicable; SOCAR does not emit ozone-depleting substances	
	305-7. Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality; Performance Indicators	75; 104-105		11.3.2
Effluents and waste					
GRI 3: Material Topics 2021	3-3. Management of material topics	Land Management (Oil Spill Management)	77-78		11.8.1
GRI 306: Effluents and Waste 2016	306-3. Significant spills	Land Management (Oil Spill Management); Performance Indicators	78; 110		11.8.2
Waste					
GRI 3: Material Topics 2021	3-3. Management of material topics	Material Use, Waste & Circularity	74		11.5.1

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 306: Waste 2020	306-1. Waste generation and significant waste-related impacts	Material Use, Waste & Circularity; Performance Indicators	74; 109		11.5.2
	306-2. Management of significant waste-related impacts	Material Use, Waste & Circularity	74		11.5.3
	306-3. Waste generated	Material Use, Waste & Circularity; Performance Indicators	74; 109		11.5.4;
	306-4. Waste diverted from disposal	Material Use, Waste & Circularity; Performance Indicators	74; 109		11.5.5
	306-5. Waste directed to disposal	Material Use, Waste & Circularity; Performance Indicators	74; 109		11.5.6
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3. Management of material topics	Responsible Supply Chain	52-54		
GRI 308: Supplier Environmental Assessment 2016	308-1. New suppliers that were screened using environmental criteria	Responsible Supply Chain	52-54		
	308-2. Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain	54	SOCAR incorporates environmental criteria into supplier pre-qualification and evaluation processes. In the reporting year, only one supplier had a low score.	

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Employment					
GRI 3: Material Topics 2021	3-3. Management of material topics	Labor Practices & Workforce Management	84-86		11.10.1
GRI 401: Employment 2016	401-1. New employee hires and employee turnover	Labor Practices & Workforce Management; Performance Indicators	84-86; 116-119		11.10.2
	401-2. Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits; Employee Engagement & Wellbeing	94; 95		11.10.3
	401-3. Parental leave	Diversity, Equity, and Inclusion; Performance Indicators	87-88; 127		11.10.4; 11.11.3
Labor/management relations					
GRI 3: Material Topics 2021	3-3. Management of material topics	Labor Practices & Workforce Management	84-86		11.7.1
GRI 402: Labor/Management Relations 2016	402-1. Minimum notice periods regarding operational changes	Labor Practices & Workforce Management	84		11.10.5; 11.7.2
Occupational health and safety					
GRI 3: Material Topics 2021	3-3. Management of material topics	Occupational Health & Safety	80-82		11.9.1

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
GRI 403: Occupational Health and Safety	403-1. Occupational health and safety management system	Occupational Health & Safety	80-82		11.9.2
	403-2. Hazard identification, risk assessment, and incident investigation	Occupational Health & Safety	80-82		11.9.3
GRI 403: Occupational Health and Safety	403- 3. Occupational health services	Occupational Health & Safety	80-81		11.9.4
	403- 4. Worker participation, consultation, and communication on occupational health and safety	Occupational Health & Safety	80-82		11.9.5
	403- 5. Worker training on occupational health and safety	Occupational Health & Safety	80-82		11.9.6
	403- 6. Promotion of worker health	Occupational Health & Safety; Employee Engagement & Wellbeing	81; 95		11.9.7
	403- 7. Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Responsible Supply Chain; Occupational Health & Safety (Supervision of Third-Party Companies)	52-55; 82		11.9.8
	403- 8. Workers covered by an occupational health and safety management system	Occupational Health & Safety	80-81		11.9.9
	403- 9. Work-related injuries	Occupational Health & Safety; Performance Indicators	82-83; 111-114		11.9.10
	403- 10. Work-related ill health	Occupational Health & Safety; Performance Indicators	82-83; 111-114		11.9.11

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Training and education					
GRI 3: Material Topics 2021	3-3. Management of material topics	Diversity, Equity, and Inclusion (Employee Growth Initiatives)	89-92;		11.10.1
GRI 404: Training and Education	404-1. Average hours of training per year per employee	Performance Indicators	120-121		11.10.6; 11.11.4
	404-2. Programs for upgrading employee skills and transition assistance programs	Diversity, Equity, and Inclusion (Employee Growth Initiatives)	89		11.7.3; 11.10.7
	404-3. Percentage of employees receiving regular performance and career development reviews	Performance Management and Compensation	93		
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3. Management of material topics	Diversity, Equity, and Inclusion	87-88		11.11.1
GRI 405: Diversity and Equal Opportunity	405-1. Diversity of governance bodies and employees	Governance Structure and Oversight; Diversity, Equity, and Inclusion; Performance Indicators	33-34; 87-88; 123		11.11.5
	405-2. Ratio of basic salary and remuneration of women to men	Performance Indicators	128		11.11.6

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Non-discrimination					
GRI 3: Material Topics 2021	3-3. Management of material topics	Diversity, Equity, and Inclusion	87		11.11.1
GRI 406: Non-discrimination	406-1. Incidents of discrimination and corrective actions taken	Diversity, Equity, and Inclusion	87	SOCAR promotes an inclusive and non-discriminatory workplace through its Diversity, Equity and Inclusion framework. No confirmed incidents of discrimination were recorded in the reporting year	11.11.7
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3. Management of material topics	Ethical Business Conduct; Labor Practices & Workforce Management; Employee Engagement & Wellbeing	38; 84; 95		11.13.1
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	Ethical Business Conduct; Labor Practices & Workforce Management; Employee Engagement & Wellbeing	38; 84; 95	Not applicable as SOCAR operates in adherence to human rights, maintaining employee rights for all on an equal basis.	11.13.2
Child labor					
GRI 3: Material Topics 2021	3-3. Management of material topics	Ethical Business Conduct; Responsible Supply Chain; Labor Practices & Workforce Management	38; 54; 84		
GRI 408: Child Labor 2016	408-1. Operations and suppliers at significant risk for incidents of child labor	Ethical Business Conduct; Responsible Supply Chain; Labor Practices & Workforce Management	38; 54; 84	SOCAR does not use child labor in any of its operations. Suppliers are required to comply with international labor standards, including the prohibition of child labor, through supplier qualification and evaluation processes.	

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3. Management of material topics				11.12.1
GRI 409: Forced or Compulsory Labor 2016	409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical Business Conduct; Responsible Supply Chain; Labor Practices & Workforce Management	38; 54; 84	SOCAR does not allow forced or compulsory labor in any of its operations, whether with the involvement of Company employees or suppliers.	11.12.2
Security practices					
GRI 3: Material Topics 2021	3-3. Management of material topics				11.18.1
GRI 410: Security Practices 2016	410-1. Security personnel trained in human rights policies or procedures	Ethical Business Conduct; Occupational Health & Safety	38; 81	Information on training of security personnel in human rights policies or procedures is not currently reported separately. SOCAR's human rights commitments are communicated through its Code of Business Ethics and Conduct and related policies.	11.18.2
Rights of indigenous peoples					
GRI 3: Material Topics 2021	3-3. Management of material topics				11.17.1
GRI 411: Rights of Indigenous Peoples 2016	411-1. Incidents of violations involving rights of indigenous peoples			No incidents involving violations of the rights of Indigenous Peoples were identified during the reporting period. SOCAR's operations are not located in areas where Indigenous Peoples are materially affected by its operations	11.17.2

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Local communities					
GRI 3: Material Topics 2021	3-3. Management of material topics	Creating Social Value	97-98		11.15.1
GRI 413: Local Communities	413-1. Operations with local community engagement, impact assessments, and development programs	Creating Social Value	97-98		11.15.2
GRI 413: Local Communities	413-2. Operations with significant actual and potential negative impacts on local communities	Creating Social Value	97	SOCAR's operations may have potential impacts on local communities. These risks are managed through environmental monitoring, risk management, emergency preparedness, land rehabilitation, and stakeholder engagement processes. No significant negative impacts on local communities or related rights violations were identified during the reporting period.	11.15.3
Supplier social assessment					
GRI 3: Material Topics 2021	3-3. Management of material topics	Responsible Supply Chain	52-54		11.10.1
GRI 414: Supplier Social Assessment	414-1. New suppliers that were screened using social criteria	Responsible Supply Chain	54		11.10.8; 11.12.3
	414-2. Negative social impacts in the supply chain and actions taken	Responsible Supply Chain	54		11.10.9

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE	SECTOR REF.
Public policy					
GRI 415: Public Policy 2016	415-1. Political contributions	Ethical Business Conduct	38		11.22.2
Customer health and safety					
GRI 3: Material Topics 2021	3-3. Management of material topics	Occupational Health & Safety	82		11.9.1
GRI 416: Customer Health and Safety 2016	416-1. Assessment of the health and safety impacts of product and service categories	Occupational Health & Safety	82		11.3.3
	416-2. Incidents of non-compliance concerning the health and safety impacts of products and services			Due to quality measurement audits conducted at the Company on a regular basis, no such incidents were recorded.	
Customer privacy					
GRI 3: Material Topics 2021	3-3. Management of material topics	Compliance (Protection of Confidential Information and Personal Data); Cybersecurity	42; 57		
GRI 418: Customer Privacy 2016	418-1. Substantiated complaints concerning breaches of customer privacy and losses of customer data	Compliance (Protection of Confidential Information and Personal Data); Cybersecurity	42; 57	SOCAR approaches customer data and privacy with sensitivity and fosters strong, trust-based relationships with stakeholders.	

ASSURANCE STATEMENT



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Independent practitioner's assurance report

To the Management of the State Oil Company of the Azerbaijan Republic (SOCAR)

Scope

We have been engaged by the State Oil Company of the Azerbaijan Republic (hereinafter "SOCAR") to perform a "limited assurance engagement", as defined by International Standards on Assurance Engagements (hereinafter referred to as the "Engagement"), to report on SOCAR's selected sustainability indicators (the "Subject Matter") disclosed in SOCAR's Sustainability Report 2025 (the "Report") for the year ended on 31.12.2025.

The Subject Matter is limited to the following indicators:

- ▶ Total number of employees (by gender)
- ▶ Employee turnover rate (%)
- ▶ Total hours of training sessions conducted
- ▶ Lost Time Injury Rate (LTIR) (%)
- ▶ Fatality Rate (%)
- ▶ Scope 1 emissions (operational boundary) (thousand tCO_{2e})
- ▶ Scope 2 emissions (operational boundary) (thousand tCO_{2e})
- ▶ Total amount of other atmospheric emissions (thousand tons)
- ▶ Upstream Scope 1 emissions intensity (tCO_{2e}/TOE)
- ▶ Upstream methane intensity (operational boundary)
- ▶ Total energy consumption (ton, thousand m³, thousand kWh)
- ▶ Total amount of water withdrawals (million m³)
- ▶ Total amount of hazardous waste generated (thousand tons)
- ▶ Total amount of non-hazardous waste generated waste (thousand tons)
- ▶ Waste intensity (tons of waste generated/TOE)
- ▶ Procurement expenses on local suppliers (%)
- ▶ Number of complaints received and addressed, description of grievance mechanisms
- ▶ Total number of significant instances of non-compliance
- ▶ Communication and training in anti-corruption policies and procedures (number of employees attending training sessions).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.



Criteria applied by SOCAR

In preparing the Subject Matter, SOCAR applied Global Reporting Initiative (hereinafter "GRI") and Sustainability Accounting Standards Board (hereinafter "SASB") sustainability reporting standards as the reporting criteria (hereinafter "the Criteria"), as set out in the "About the Report" section of the Report.

SOCAR's responsibilities

SOCAR's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), as well as the terms of reference for this engagement as agreed with SOCAR on 26.05.2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to



base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of people responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ We interviewed representatives of SOCAR's departments involved in the preparation of the Subject Matter
- ▶ We conducted analytical procedures of the quantitative information related to Subject Matter
- ▶ We examined sustainability-related internal corporate documents of SOCAR
- ▶ On a sample basis, we compared the Subject Matter with source information
- ▶ We evaluated the presentation of the Subject Matter in the layout of the Report.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the period from 01.01.2025 to 31.12.2025, in order for it to be in accordance with the Criteria.

Ernst & Young Holdings (CIS) B.V.

July 21, 2026
Baku, Azerbaijan

BASIS OF REPORTING

GENERAL BASIS OF PREPARATION

The Sustainability Report was prepared on a consolidated basis for SOCAR for the period of 1 January 2025 – 31 December 2025, aligning with the financial report. Unless otherwise stated, the subsidiary undertakings included in the scope of the reporting are limited to those defined in the “About the Report” section. The Report has been published annually since 2011, initially with reference to the Global Reporting Initiative Standards. Over time, the reporting approach evolved to be fully in accordance with GRI requirements and was subsequently enhanced through the incorporation of Sustainability Accounting Standards Board guidance to support the identification of material topics and the disclosure of sustainability-related information.

ORGANIZATIONAL REPORTING BOUNDARIES

The disclosures in the Report might not cover all subsidiaries globally due to the limited information available and materiality considerations. Any limitations to the scope or changes in the reporting approach have been highlighted and commented on within the main text. External assurance procedures were limited to the list of indicators as provided in the assurance report attached to this Report.

SOCAR Azerbaijan adopts the operational control approach for consolidating the information related to its sustainability performance. This approach ensures comprehensive reporting of all operations where SOCAR has full authority to introduce and implement operating policies, control manufacturing and production processes.

Included Entities and Operations:

Upstream, midstream, and downstream operations under SOCAR’s control within Azerbaijan, including:

- Refining, petrochemical, and gas processing assets
- Distribution, export terminals, and related infrastructure
- Administrative headquarters and R&D facilities.

Exclusions:

- Joint ventures (JV) and affiliates operated/ not operated by SOCAR are excluded from operational boundary reporting unless otherwise noted.
- Data from subcontractors and temporary operations are excluded, unless explicitly stated otherwise.

DATA SOURCES AND SYSTEMS

Emissions and energy: Data on fuel consumption, electricity usage, and GHG emissions are sourced from facility-level systems, including on-site meters, procurement records, energy management software, and environmental logs.

Occupational health and safety (OHS) and HR: Occupational health and safety data are captured through the internal incident tracking system, and employee-related metrics are sourced from the SAP and DEP Human Resources Information System.

Waste and water management: Hazardous and non-hazardous waste amounts are tracked through SAP EHS modules and verified with internal reports/ contractor information. Water withdrawal data is based on readings from certified meters and government reporting platforms.

Expenditure and payments: Expenditures made for procuring materials and services, social expenditures, and other payments are recorded in and sourced from the SAP system.

Compliance and grievance mechanisms: Information on compliance procedures, ethical guideline breaches, grievance handling and resolution processes, as well as the number of non compliance and grievance cases, is sourced from internal reports in accordance with the internal policies in force.

DATA VALIDATION AND STATEMENTS

Disclosures within the Report have been made as advised by the definitions and requirements set out in GRI and SASB Standards, and any differences or omissions have been explicitly stated in the Index table. All data underwent a multi-step validation process, including cross-checks with source records (e.g., invoices, environmental reports, records, and permits) and internal consistency reviews. While some figures have been provided based on approximate or rounded values due to the timeframe or technical limitations, control and validation procedures confirm the overall accuracy of the data. Any forward-looking statements have been made based on the latest developments as of the reporting period, as well as expectations and considerations as defined in the Company’s risk mapping.

Indicators within the limited assurance scope were selected based on the results of the double materiality assessment and their relevance to key stakeholder groups. The assurance procedures included analytical reviews, document sampling, recalculations, and reconciliation of reported data with source documentation, such as invoices, reports to the management, and regulatory filings. Site-level data were consolidated centrally, and consistency checks were performed across entities and reporting periods.

Data Reporting Criteria for Assured Indicators

Indicator	Calculation approach	Assumptions & Estimation Techniques	Standards / Frameworks
Scope 1 GHG emissions (operational control boundary)	Combustion, flaring, venting, and fugitive emissions converted to CO2e using emission factors and GWP values.	Fuel density was determined based on composition analysis for each entity Leak detection system was supported by satellite recordings and Methane AI tool Unmetered or incomplete inputs were estimated based on historical asset data	GHG Protocol, IPCC AR5 (2014), ISO 14064-1, GRI 305-1, SASB EM-EP-110a.2, EM-MD-110a.1, EM-RM-110a.1
Scope 2 GHG emissions (operational control boundary)	Purchased electricity consumption from third parties multiplied by national grid emission factor (location-based approach)	Calculations made with emission factor from Azerbaijan's 4th National Communication to the UNFCCC	GHG Protocol Scope 2 Guidance, UNFCCC Country Report, GRI 305-2
Other atmospheric emissions	Data from internal reports collated via satellite-based measurement mechanism (including CH4, SOx, NOx, VOCs, CO2)	Monthly average estimations made to yearly results in case of year-end information unavailability	GRI 305-6, 305-7, SASB EM-EP-120a.1, EM-RM-120a.1, EM-MD-120a.1
Upstream Scope 1 emissions intensity (operational control boundary)	Direct GHG emissions from owned or controlled assets associated with upstream activities are divided by production volume	Scoping made to facilities owned or operated, production allocation is based on energy content or mass	GHG Protocol Scope 1 Guidance, ISO 14064-1, GRI 305-4
Upstream methane intensity (operational control boundary)	Total upstream methane emissions from owned or controlled upstream assets divided by natural gas and associated gas production volume	Scoping made to upstream facilities owned or operated, production allocation is based on energy content or mass	GHG Protocol, OGMP 2.0, ISO 14064-1
Energy consumption	Data from supplier invoices and aggregated monthly utility meter readings were consolidated	Estimations using generator runtime and average consumption rates based on previous records	GRI 302-1

Data Reporting Criteria for Assured Indicators

Indicator	Calculation approach	Assumptions & Estimation Techniques	Standards / Frameworks
Water withdrawal	Information collected from water meters or treatment plant logs	Monthly average estimates from prior periods utilized in case of incomplete/unavailable information	GRI 303, SASB EM-EP-140a.1, EM-RM-140a.1
Waste	Weight of the waste collected and disposed, based on the disposal approach, and waste intensity per production volume	Volumes from transfer receipts or mass approximations from shipment or packaging	GRI 306, EM-RM-150a.1
Employment records	Data extracted from SAP and ratio calculations	Head count estimations based on year-end records	GRI 401, 402
Training hours	Aggregation from HR systems (hours logged per employee)	Where training time is logged per session, average attendance used	GRI 404
OHS indicators	Information collected from incident reports prepared internally and reported to the relevant ministry	Estimations made on total hours worked and employee numbers	GRI 403, EM-EP-320a.1, EM-RM-320a.1
Procurement expenditure on local suppliers	Procurement expenditure amounts sourced from SAP system, as grouped	Purchase orders placed and contractual agreements	GRI 204
Compliance and grievance mechanisms	Reports on grievances received and resolved, fines paid for cases of non-compliance with laws and regulations, training sessions conducted and attended on compliance-related matters.	Reference to payment amounts, internal logs and correspondence	GRI 2-25, 2-27, 205-2

DATA PREPARATION AND KEY CALCULATIONS FOR ASSURED INDICATORS

ENVIRONMENTAL INDICATORS

SCOPE 1 GREENHOUSE GAS EMISSIONS

Scope 1 emissions include direct greenhouse gas emissions from combustion, venting, flaring, and fugitive sources across upstream, midstream, and downstream operations. In the upstream and midstream segments, emissions are limited to combustion, venting, and fugitive sources. In the midstream segment, fugitive emissions also include infrastructure components such as tanks, valves, and pipelines, while in the downstream segment, flaring occurs as well.

Monthly input data is submitted by all assets. Emissions are calculated through SOCAR's established internal model and expressed as carbon dioxide equivalent (CO₂e), using a methane global warming potential (GWP) factor of 28, in line with IPCC AR5.

Emissions were calculated using the following general formula:

$$\text{Emission Amount (tons CO}_2\text{e)} = \text{Activity Data} \times \text{Emission Factor} \times \text{Global Warming Potential}$$

Key Combustion Emissions

Input data for combustion sources includes:

- Associated Gas (Nm³)

- Natural Gas (Nm³)
- Diesel (tons)
- LPG
- Gasoline

$$\text{Mass (kg)} = \text{Volume} \times \text{Density}$$

Density values are determined based on the gas composition and are obtained through laboratory analysis or standard references.

Fugitive emissions were estimated from leaks in oil and gas systems, including infrastructure such as tanks, pipelines, and valves. Since January 2025, methane quantification has been enhanced through Methane AI, a measurement and analytics platform that integrates satellite imagery, mobile sensing, and extrapolation models to improve the accuracy of methane emission estimates.

SCOPE 2 GREENHOUSE GAS EMISSIONS

Scope 2 emissions cover indirect greenhouse gas emissions from the generation of purchased electricity consumed by SOCAR's operations. These emissions were calculated in accordance with the GHG Protocol Scope 2 Guidance (location-based method) and the national grid emission factor reported in the Republic of Azerbaijan's Fourth National Communication to the UNFCCC.

The calculation was based on facility-level electricity consumption data, gathered from monthly utility invoices and internal metering systems. The following formula was used:

$$\text{Scope 2 Emissions (tons CO}_2\text{e)} = \text{Electricity Consumption} \times \text{Emission Factor}$$

The emission factor applied for the reporting year was defined as, in line with the Fourth National Communication to the UNFCCC:

$$\text{Emission Factor} = 0.53 \text{ tons CO}_2\text{/MWh.}$$

This factor represents the average grid emission intensity for the Azerbaijan national electricity mix. In cases of incomplete monthly data, estimates were derived using previous periods with comparable operational profiles.

Electricity consumption was monitored across all operational entities falling under SOCAR's control, and adjustments were made to ensure completeness and consistency across reporting periods.

UPSTREAM SCOPE 1 EMISSIONS INTENSITY

Upstream Scope 1 emissions intensity measures the amount of direct greenhouse gas emissions generated from upstream operations relative to the volume of production. It captures all direct emissions under operational control - including fuel combustion, flaring, venting, and fugitives - and expresses them per unit of production output. The metric provides a normalized view of operational carbon efficiency by linking actual emission sources to production activity.

$$\text{Upstream Scope 1 Emissions Intensity} = \frac{\text{Total Upstream Scope 1 Emissions (tons CO}_2\text{e)}}{\text{Total Upstream Production}}$$

UPSTREAM METHANE INTENSITY

Upstream methane intensity measures methane emissions generated from SOCAR's upstream operations relative to the mass of methane within the volume of natural gas and associated gas produced. The indicator is calculated as the ratio of total upstream methane emissions (tonnes of CH₄) to the methane content of upstream gas production (tonnes of CH₄). Methane emissions are quantified using a combination of direct measurements, drone and satellite monitoring, and AI-assisted analytical methodologies, covering key upstream emission sources such as venting and fugitive emissions.

$$\text{Upstream Methane Intensity (\%)} = \frac{\text{Total Upstream CH}_4 \text{ Emissions (tCH}_4\text{)}}{\text{Methane Content of Upstream Natural Gas and Associated Gas Production (tCH}_4\text{)}}$$

$$\text{Methane Content of Upstream Natural Gas and Associated Gas Production (tCH}_4\text{)} = \frac{\text{Total Produced Gas (m}^3\text{)} \times \text{Average Volume of Methane in Produced Gas Volume (\%)}}{\text{Methane Density of the Produced Gas (tCH}_4\text{/m}^3\text{)}}$$

SOCIAL INDICATORS

Workplace safety and human capital performance disclosures for employees and contractors are reported separately. Lost Time Injury Rate (LTIR), Lost Time Injury Frequency Rate (LTIFR) and fatality rates for both groups are calculated in accordance with the statistical requirements and guidelines of the GRI 403 9 standard:

OCCUPATIONAL HEALTH & SAFETY

Lost Time Injury Rate (LTIR)

(Total number of lost time injury incidents ÷ Total hours worked) × 200,000

Lost Time Injury Frequency Rate (LTIFR)

(Total number of lost time injury incidents ÷ Total hours worked) × 1,000,000

Fatality Rate

(Number of fatalities ÷ Total hours worked) × 1,000,000 or 200,000

HUMAN RESOURCES MANAGEMENT

Employee records undergo assurance procedures to verify the accuracy of gender allocation. The turnover rate is calculated to assess employee satisfaction and the effectiveness of the company's HR management practices. For consistency and comparability across entities, the turnover rate for each entity is calculated using the standard formula below, unless an entity provides an alternative method accompanied by a clear justification.

Turnover Rate (%)

Number of dismissed employees ÷ [(Opening headcount + Closing headcount) ÷ 2] × 100

GOVERNANCE INDICATORS

Procurement expenses on local suppliers (%)

As one of the largest state companies in the country, procurement practices and expenses allocated to local suppliers hold particular importance. For this purpose, data from SAP and other recording systems are collected, consolidated, and cross-checked against prior year records to ensure accuracy and consistency. After the completion of all data quality checks, the total expenditures allocated to local suppliers - excluding intercompany transactions - are calculated, and their ratio to the overall procurement of materials and services is determined.

Procurement expenses on local suppliers = Total amount allocated for local suppliers ÷ Total amount allocated for procurement expenses × 100

ABBREVIATION

AGMR	Advancing Global Methane Reduction	CHP	Combined Heat and Power	EU	European Union
AI	Artificial Intelligence	CIC	Caspian Innovation Center	GHG	Greenhouse Gases
ASTM	American Society for Testing and Materials	CISO	Chief Information Security Officer	GRI	Global Reporting Initiative
BEPS	Base Erosion and Profit Shifting	CLM	Contract Lifecycle Management	H&S	Health & Safety
BCM	Business Continuity Management	CSRD	Corporate Sustainability Reporting Directive	HDPE	High-Density Polyethylene
BOE	Barrel of Oil Equivalent	EEOI	Energy Efficiency Operational Indicator	HSE	Health, Safety, and Environmental
BPM	Business Process Modeling	EFRAG	European Financial Reporting Advisory Group	IBP	Integrated Business Planning
BTC	Baku-Tbilisi-Ceyhan	EMS	Environmental Management System	IMO	The International Maritime Organization
BU	Business Unit	ESG	Environment, Social, Governance	IOGP	International Association of Oil & Gas Producers
CCUS	Carbon Capture Utilization Storage	ESRS	European Sustainability Reporting Standards	IPCC	Intergovernmental Panel on Climate Change
CDO	Chief Digitalization Officer	ETED	Energy Transition, Environment and Decarbonization	ISMS	Information Security Management System

ISO	International Organization for Standardization	MRV	Monitoring, Reporting and Verification	PU	Production Union	SOAR	Security Orchestration, Automation, and Response
IT	Information Technology	NDC	Nationally Determined Contribution	QSRs	Quarterly Strategic Reviews	SOCAR	State Oil Company of Azerbaijan Republic
JV	Joint Venture	NGO	Non-Governmental Organization	R&D	Research and Development	TANAP	Trans-Anatolian Natural Gas Pipeline
KPI	Key Performance Indicator	eNPS	Employee Net Promoter Score	RMC	Risk Management Committee	TAP	Trans Adriatic Pipeline
LDAR	Leak Detection and Repair	OECD	Organization for Economic Co-operation and Development	RMD	Risk Management Department	TCFD	Task Force on Climate-related Financial Disclosures
LIMS	Laboratory Information Management System	OGCI	Oil and Gas Climate Initiative	SAP	Systems Applications and Products	TURKAK	Turkish Accreditation Agency
LTI	Lost Time Incident	OGDC	Oil&Gas Decarbonization Charter	SASB	Sustainability Accounting Standards Board	UAV	Unmanned Aerial Vehicles
LTIR	Lost Time Injury Rate	OGMP	Oil&Gas Methane Partnership	SCP	South Caucasus Pipeline	UN	United Nations
LTIFR	Lost Time Injury Frequency Rate	OHS	Occupational Health and Safety	SGC	Southern Gas Corridor	UNFCCC	United Nations Framework Convention on Climate Change
MDG	Master Data Governance	PQ	Pre-qualification	SDGs	Sustainable Development Goals	WMC	Waste Management Centre
MFR	Melt Flow Rate	PT	Proficiency Testing	SLA	Service Level Agreement		



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