turcas

SUSTAINABILITY REPORT I 2023

Contents

Introduction

About the Report

Embracing sustainability at the highest level, at our company, we place sustainable value creation at the heart of our business strategy, work with our stakeholders to improve our long-term sustainable performance, and focus on improving social welfare. Therefore, as Turcas Petrol ("Turcas"), we publish our second sustainability report sharing our efforts from January to December 2023 based on our sense of sustainability.

With our sustainability report, which reflects our performance in environmental, social and governance (ESG) areas for 2023, we intend to provide insight into our sustainability goals for the future and relevant plans; we allow our stakeholders to assess the impact resulting from our activities as well as our goals for monitoring, improving and measuring them.

The report provides limited information about Turcas' operations, as well as the strategies and activities of our subsidiaries, Shell & Turcas Petrol A.Ş. ("Shell & Turcas") and RWE & Turcas Güney Elektrik Üretim A.Ş. ("RWE & Turcas") related to ESG issues, to support sustainable development. In this report, "subsidiaries" refers to the above-mentioned companies unless stated otherwise. For more information about the organisational structure of Turcas, see the Annual Report 2023 at www.turcas.com.tr.

Contact us through our e-mail address for your comments, suggestions, and questions about the report.

This report has been prepared in alignment with our Global Reporting Initiative (GRI)-approved 2022 Sustainability Report, adhering to GRI standards and based on the same principles.

Chairperson's Message

Erdal AKSOY
Chairperson

Dear Shareholders and Stakeholders,

2023 was marked by continued fundamental changes both nationally and internationally. Globally, our agenda was shaped by geopolitical tensions, the Russia-Ukraine and Israel-Hamas wars, supply chain disruptions, the climate crisis, and rising inflation.

In our country, we deeply felt the impact of this challenging period and macroeconomic uncertainties worldwide in all sectors. This year's prominent dynamics were general elections, exchange rate fluctuations, and rising inflation. On the other hand, the earthquakes centred in Kahramanmaraş on February 6 deeply affected every one of us. I pray for God's mercy upon the citizens who lost their lives.

In 2023, we are proud to celebrate the 100th anniversary of our Republic with enthusiasm. As we commemorate Gazi Mustafa Kemal Atatürk, the founder of our Republic, with profound gratitude, we regard it as our solemn duty to uphold his legacy and values. Inspired by our century-long, deep-rooted history and guided by the core values of our Republic, we will strive for continuous improvement in technology, innovation, sustainability, and social equality, with the goal of achieving excellence.

The energy sector is going through a significant transformation process. In particular, investments in renewable energy sources, such as wind and solar energy, have gained great momentum. Energy storage technologies have played a critical role in integrating renewable energy sources. We position our activities in combating climate change, investing in clean energy solutions, and reducing environmental impact at the heart of our business conduct. Aligned with the United Nations' 2030 Sustainable Development Goals, we prioritize creating value for all our stakeholders in environmental, social, and governance (ESG) areas. With the collaboration of the Board of Directors, Senior Management, and all our employees, we are taking significant steps to achieve our established sustainability targets.

I view sustainability as our strategic priority rather than merely a goal. Our sensitivity in this area aligns with our partners' shared vision. Through the steps we take in alignment with our subsidiaries, we aim to create a sustainable impact not only in the energy sector but also across society as a whole. Thanks to our "Women's Energy at Shell" programme implemented within Shell & Turcas, we have continued to play a pioneering role in ensuring gender equality in the sector and have provided employment opportunities for more than 8,000 women since 2018.

We support life without disabilities, driven by our belief in the unifying power of sports. Shell & Turcas initiated a new cooperation with the Turkish National Paralympic Committee (TMPK) sponsorship agreement in this context. Through this strong partnership, we strive to promote the advancement of para-sports and the Paralympics in Türkiye. In line with the principles of Equality, Diversity, and Inclusion, we undertake exemplary initiatives both in Türkiye and internationally.

In this year's report, I am pleased to share Turcas's sustainability progress and future objectives with you. Our report outlines the progress we have made in alignment with evolving global sustainability trends and highlights the significant achievements we have realized along this journey. In line with the principles of transparency and accountability, sharing our sustainability performance with all our stakeholders and communicating our progress in this area remains among our top priorities.

At Turcas, we are determined to continue our efforts for a greener and more livable world within the sustainability principles framework. Driven by the responsibility of being an important investor in the energy sector, we will continue to add value to our stakeholders and society.

I would like to take this opportunity to thank all our stakeholders, Board of Directors, shareholders, and colleagues who have accompanied us during our 93-year journey.

With my sincere regards,

CEO's Assessment

Batu AKSOY
CEO and Board Member

Dear Shareholders and Stakeholders,

The increase in global energy demand, the effects of climate change, and rapid transformation and innovations in the energy sector require us to review and further advance our sustainability strategies continuously. In this Sustainability Report presented for your information, I am delighted to share the important steps taken by our company and our subsidiaries in the environmental, social, and corporate governance fields in 2023.

We deeply feel the pain of the earthquake that struck our country on February 6, 2023. Our Group, along with its subsidiaries, partners, and non-governmental organisations where we are both members, managers, and numerous stakeholders, continued its dedicated efforts to heal the wounds of the earthquake disaster.

In 2023, the 100th anniversary of the Republic of Türkiye, we maintain our vision of becoming Türkiye's sustainable and high-value-generating "Energy Focused Investment Company" by breaking many grounds together with our leading partners. Year after year, we aim to minimize our environmental impact and increase the benefits we offer to society by further strengthening our sustainability commitments. We aim to create value for all our stakeholders and draw a sustainable roadmap for the future.

We continue to prioritise financial sustainability

The financial sustainability of our company constitutes one of the cornerstones of our long-term success and growth strategy. We seize investment opportunities in sustainable projects, monitor risks and opportunities, and maintain our financial stability. In addition, we fulfil our responsibilities towards our stakeholders with our transparent financial reporting and corporate governance approach. We commit to providing transparent reporting about our sustainability performance by enabling our stakeholders to access correct and detailed information. At Turcas, we place our sustainability strategy at the centre of all our operations, integrating it into our corporate culture.

We emphasise energy efficiency

Energy efficiency is considered one of the most critical steps to be taken for a sustainable future. We continue our efforts to enhance energy efficiency in order to reduce our country's dependence on foreign energy, support energy supply security, and contribute to economic development. We also continue to encourage energy efficiency investments to redirect energy consumption by individuals and organisations toward renewable sources and low-carbon energy technologies. As part of the roadmap we have set in line with our sustainability priorities, we aim to realize new investments in energy efficiency and transformation together with our subsidiaries.

We invest in the future

In 2023, our subsidiaries made significant strides in reducing their environmental impact and improving resource efficiency. We upheld our responsibility to the environment and future generations by transitioning to renewable energy sources, waste management, and energy efficiency projects.

Our fuel retail and lubricant subsidiary Shell & Turcas started to offer charging service for electric vehicles all around Türkiye based on an agreement signed with TOGG and its affiliate TRUGO about the quick charging units to be built for electric vehicles around the country. Additionally, we persist in our efforts to supply the electricity needs of many of our stations and certain facilities through solar energy. In 2023, as we celebrate the 100th anniversary of Shell's operations in Türkiye, Shell & Turcas, our partnership with Shell, supports social development with its investments in road safety, innovation, barrier-free living, and gender equality.

With an installed capacity of 800 MW, our Denizli Natural Gas-Fired Combined-Cycle Power Plant, which was built using the latest technology by our power generation subsidiary RWE & Turcas, continues to play a critical role in meeting the increased energy demand of our country. Being able to meet the electric needs of our country by more than 1% when operated at full capacity, our plant remains one of the most efficient natural gas plants of Türkiye, with an efficiency rate of 58% and an electricity generation of 2.9 billion kWh in 2023. We place great importance on our efforts, initiated in 2023, to establish a hybrid solar power plant within our power plant as part of our transition to renewable energy sources.

We care about the welfare of our colleagues

At Turcas, we always prioritise the welfare and satisfaction of our employees, whom we consider our greatest asset in shaping our sustainable future. We believe in the power of equality to create social value and regard diversity and inclusion as our richness. With this awareness, we strive to foster a work culture and environment where employees feel valued, are encouraged to express their thoughts and feelings openly, receive support, have access to equal opportunities, and can grow, and implement inclusive policies and practices.

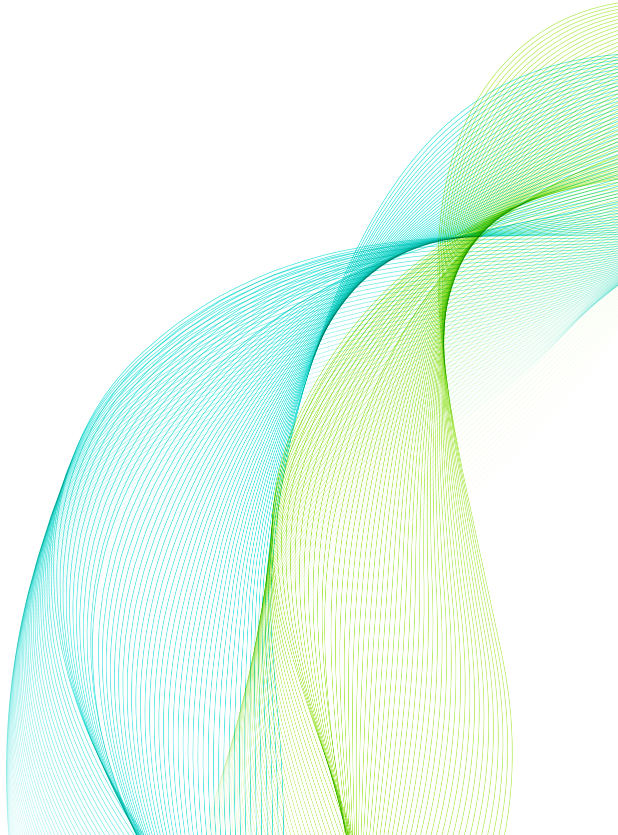
We build strong collaborations

While fulfilling our goals in the field of sustainability, we expand our collaborations to turn them into a social movement and contribute to energy efficiency with innovative solutions. As part of our commitment to contribute to the United Nations Sustainable Development Goals, we aim to achieve these goals by working with governments, local communities, customers, and many external stakeholders.

At Turcas, we support sustainable development by prioritising our sustainability strategies not only in terms of financial and environmental aspects but also social and economic. We are committed to fulfilling our responsibility to leave a more livable world for future generations and strengthening our mission as a strong value-adding partner in promoting sustainability.

I sincerely appreciate our esteemed colleagues and stakeholders diligently helping us throughout our journey on behalf of our Board of Directors and me.

With my sincere regards,



About Turcas

Established in 1931, Turcas is an investment company having subsidiaries with leading energy companies. Turcas' subsidiaries operate in two industries including fuel retail and power generation.

In fuel retail, Shell & Turcas, in which Turcas holds a 30% stake, achieved a net sales revenue of TRY 245.9 billion in 2023 by selling 6,372 Thousand tons of automotive fuel and lubricants from its Shell gas station network consisting of about 1,170 stations around Türkiye as well as its fuel terminals, and lubricant production and marketing activities. Shell & Turcas is a leading company not only in the energy industry but also in the Turkish economy.

In power generation, RWE & Turcas South Power Generation, in which Turcas has a 30% stake, is the owner and operator of 800-MW Denizli Natural Gas-Fired Combined-Cycle Power Plant, and it saw a net sales revenue of TRY 11.5 billion in 2023 by generating 2,859 Million kWh electricity.

Turcas and its subsidiaries employ 2,810 people directly and approximately 15,000 people indirectly.

Establishment	1931
Main Shareholder	Aksoy Girişimcilik Enerji ve Turizm A.Ş.
Listed in	BORSA İSTANBUL (BIST)
Indexes	BIST Corporate Governance / BIST Holding and Investment / BIST 500 / BIST Stars / BIST Financials / BIST İstanbul / BIST All Shares / BIST All Shares-100

Subsidiary	Activity	Area
Shell & Turcas	Retailing, merchandising, marketing and distributing fuel products and greases	Around Türkiye
RWE & Turcas	Natural gas-fired combined cycle power plant	Denizli

Company and Subsidiaries	Number of Employees
Turcas	40
Shell & Turcas *	2,710
RWE & Turcas	60

* Including employees in 100% owned affiliate Shell Petrol.

Vision, Mission, Strategy and Values

For Turcas, energy means "adding value to our country". At Turcas, we have been working to offer value-adding, innovative and environmentally- friendly services and realising leading and innovative projects which contribute to the energy supply safety of our country for 93 years.

Based on the "human and environment-centric sustainable growth principle", which is at the heart of our business strategy, we seize the opportunities in the energy industry by adapting ourselves to the changes and demands in the market and aim to create a sustainable value for all our stakeholders. For all our investments, we consider adding value to the domestic economy and our society as our main responsibility.

Turcas' vision is to be Türkiye's sustainable and high-value-generating "Energy-Focused Investment Company".

Turcas' mission is to adopt the highest standards of ethical behaviour, a highly-qualified human resource and an entrepreneurial perspective to invest in companies that offer the highest quality products and services.

Turcas' strategy is to invest in companies that meet Türkiye's growing energy needs, seize opportunities abroad, and diversify its portfolio with its sectoral experience, international cooperation, and corporate governance approach.

Turcas' principal values - which we preserve, improve upon and instil in our employees - are sustainability, entrepreneurship, cooperation and reputation.

Our Values

Sustainability

We carry out our financial investments by taking into account environmental, social, and governance (ESG) principles, prioritise adding value to the country and society, respect the environment and people, and aim for sustainable success through continuous improvement and learning.

Entrepreneurship

We aim to grow in all parts of our diversified and hybrid portfolio together with our industry-leading partners, adapt to changing and developing conditions without giving up in the face of challenges, and strive with all our strength on the road to globalisation through our innovative ideas.

Collaboration

We believe in equal opportunities, participation, and co-production, and we carry the excitement of achieving success together while accomplishing inspiring work.

Reputation

We act in accordance with the highest standards of ethical behaviour and corporate governance in our business lines. It is our deep-rooted tradition to develop partnerships with leading global players in all our activities. We aim to create value for our country, society, and company shareholders and stakeholders through strong collaborations.

Board of Directors and Senior Management

Sustainability is an important part of doing business in Turcas' culture. This culture starts from the top level, with our Board of Directors. Our joint sustainability vision supports us in internalizing Turcas' environmental, social, and governance understanding and providing our stakeholders and country with a sustainable future.

At Turcas, the Board of Directors provides strategic guidance and supervision to enable strong corporate governance. Consisting of different experiences and specialities, the Board encourages making responsible decisions per our sustainability vision.

Board of Directors – As of 2023 year-end	Role	Committee
Erdal AKSOY	Chairperson	Executive Committee
Banu AKSOY	Board of Directors Deputy Chairperson	Early Detection of Risk Committee & Executive Committee
Batu AKSOY	CEO & Board Member	Executive Committee
M. Timuçin TECMEN	Board Member	Corporate Governance Committee
Matthew J. BRYZA	Board Member	Corporate Governance Committee
Lale ERGİN	Independent Board Member	Corporate Governance Committee & Audit Committee
Emre DERMAN	Independent Board Member	Early Detection of Risk Committee & Audit Committee
Timothy James FORD	Independent Board Member	Corporate Governance Committee

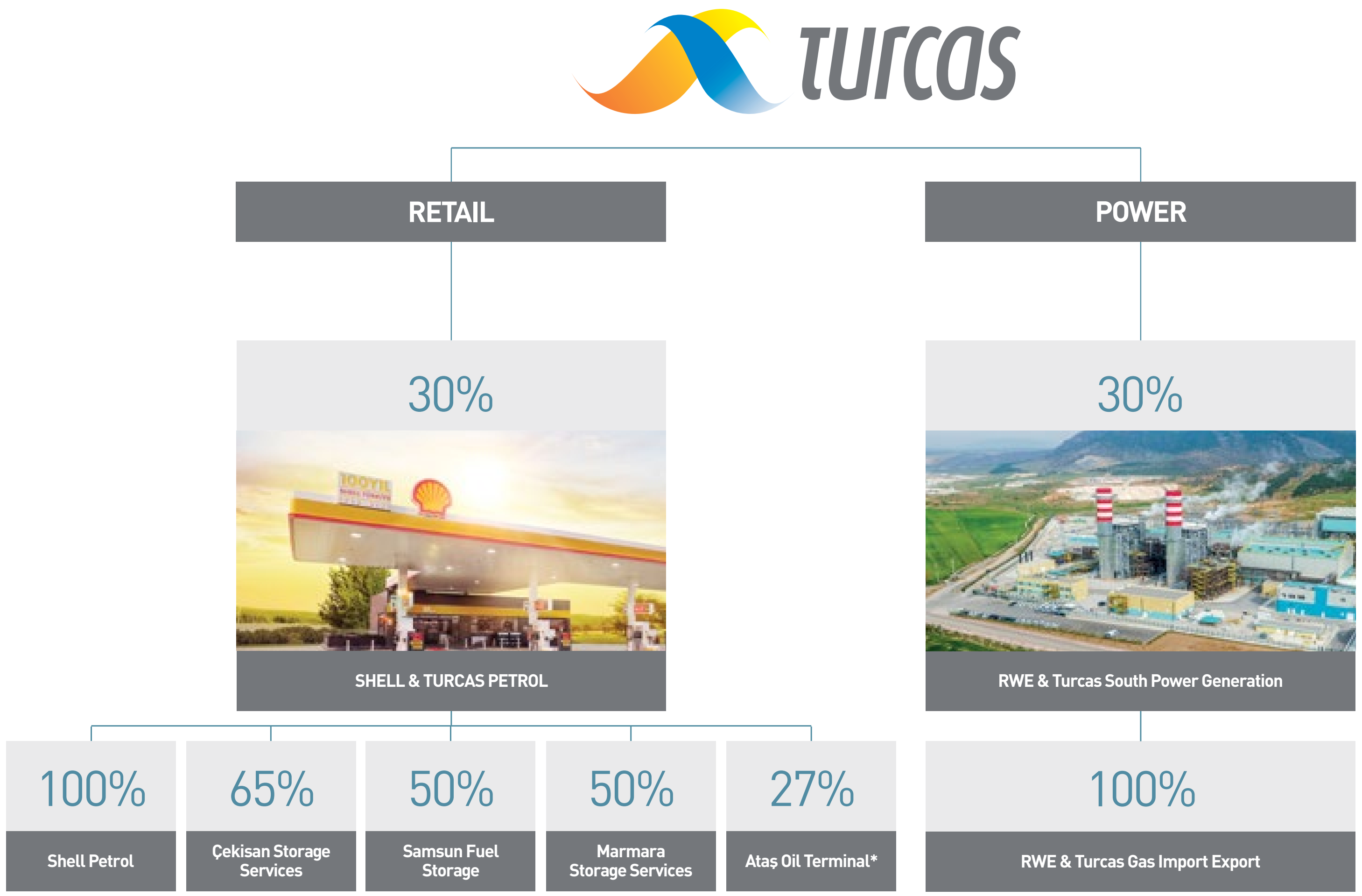
According to our Board of Directors Women Member Policy, we aim to keep the women member percentage at least at 25% in the Board of Directors.

Number of Members	2023	
	Women	Men
Number of Board members	2	6
Number of Audit Committee members	1	1
Number of Executive Committee members	3	3
Number of Early Detection of Risk Committee members	1	2
Number of Corporate Governance Committee members	1	4

Board Member election process at Turcas:
Board Members are elected for no longer than three years by the General Assembly. Based on the relevant clause of our articles of association, at least three Board Members are elected among the candidates nominated by Group B Shareholders, and at least two are elected among the candidates nominated by Group C Shareholders. If Group C Shareholders hold at least forty per cent (40%) of Group A Shares while electing the Board Members at the General Assembly, they will be entitled to nominate and elect at least three (3) Board Members. The remaining Board Members will be nominated and elected by Group B Shareholders.

When electing the Independent Board Members, according to the CMB legislation, the candidates are first assessed by the Corporate Governance Committee (acting on behalf of the Nomination Committee), considering their statements of independence and CVs. After the evaluation, a Nomination Report is prepared, and the relevant report is submitted to the Board of Directors. The Board of Directors assesses the report and nominates its Independent Board Member. Since our Company has been included in the First Group of Companies in Borsa İstanbul as of 1 January 2023 in accordance with the Communiqué on Corporate Governance, the opinion of the CMB is sought for the relevant candidate after the nomination of the Board Member Candidate. Unless CMB delivers a negative opinion, the candidate is submitted to the General Assembly and elected as an Independent Board Member upon the General Assembly's approval.

Group and Shareholding Structure



* Turcas has a 5% share in ATAŞ in addition to Shell & Turcas' 27% share in ATAŞ. Thus, Turcas' total direct and indirect shareholding in ATAŞ is 13.1%.

By 31.12.2023, Turcas' paid-in capital amounts to TRY 255,600,000. The details of the shareholding structure are provided in the following table:

Turcas Petrol Anonim Şirketi Shareholding Structure - 31/12/2023		
Name-Surname / Trade Name of the Partner	**Amount of Shares (TRY)**	**Shareholding Ratio (%)**
Aksoy Girişimcilik Enerji ve Turizm A.Ş.	139,175,891.75	54.45
Free Float (Traded on Borsa Istanbul)	91,244,617.09	35.70
Other Individual and Institutional Investors	25,179,491.16	9.85
Total	**255,600,000.00**	**100**

Subsidiaries and Their Activities

		Companies	Activities	Area
RETAIL (FUEL & LUBRICANTS)	SHELL & TURCAS PETROL (STAŞ)	Shell & Turcas Petrol A.Ş.	Operation of the gas stations that are either purchased or leased for the long term	Türkiye
		Shell Petrol	Operation of fuel stations under dealership licence	Türkiye
		Çekisan Storage Services	Fuel Terminal	Antalya
		Samsun Fuel Storage	Fuel Terminal	Samsun
		Marmara Storage Services	Fuel Terminal	Tekirdağ
		Ataş Oil Terminal	Fuel Terminal	Mersin
POWER GENERATION	RWE & TURCAS SOUTH POWER GENERATION	RWE & Turcas Gas Import Export	Natural Gas-Fired Combined-Cycle Power Plant	Denizli

Retail (Fuel & Lubricants)

Shell & Turcas Petrol ("Shell & Turcas")

With the partnership we established with The Shell Company of Turkey Ltd. (Shell Türkiye) in the retail and commercial sales, marketing and distribution of fuel and lubricants, Shell & Turcas, in which Turcas holds a 30% stake, commenced its operations on July 1, 2006.

It is one of the largest companies in the industry and Türkiye, with approximately 1,170 gas stations nationwide and a turnover of TRY 245.9 billion achieved in 2023. The EMRA data shows that Shell & Turcas maintains its market leadership in direct fuel sales from stations with 21.5% (Automotive Fuels). Shell & Turcas also operates efficiently, with its sales volume 2.5 times higher than the industry average per station.

Shell & Turcas contribute to the Turkish economy in direct and indirect markets. In the direct market, Shell & Turcas stands out with sales to the companies holding Free User Licenses, Private Consumption Tax-free (ÖTV- free) Marine Fuel sales and sales to the marine companies operating along the coastal line. In the indirect market, it cooperates with strong industries that contribute to the Turkish economy, such as logistics, manufacturing, mining, cement, and concrete production and construction.

Derince Lubricant and Grease Production Facility, the biggest lubricant and grease production facility of Shell & Turcas in the Mediterranean Region, carries out various activities, including fuel storage and filling as well as lubricant blending, grease production and port management. The facility reached a record level with its export volume of 37 million litres in 2023.

Derince Lubricant and Grease Production Facility, the regional lubricant production base, exported products to 86 countries in total in addition to domestic sales.

Shell & Turcas Petrol	
Number of Terminals	11
Fuel Product Storage Capacity	~500,000 m³
LPG Filling and Storage Capacity	1,000 m³
Lubricant Sales in 2023	170,000 m³
Total Sales Income (2023)	TRY 245,942,378,000

Terminals and LPG Facilities

Shell & Turcas carries out storage operations at 11 fuel terminals in total across Türkiye, including three terminals operated by itself, four terminals operated jointly, and four leased terminals. The capacity share of Shell & Turcas in those terminals corresponds to ~ 500,000 m³. Moreover, Shell & Turcas also has an LPG filling and storage facility. It has a capacity of 1,000 m³.

ATAŞ Terminal

Turcas is a 5% direct shareholder of ATAŞ (Anadolu Tasfiyehanesi A.Ş.), which started operations in 1962 as an oil refinery in Mersin and continues to operate as a fuel terminal today. As of 31.12.2023, the other shareholders of ATAŞ are BP (68%) and Shell & Turcas Petrol A.Ş. (27%). Turcas' total direct and indirect shareholding in ATAŞ is 13.1%. As a result of investments realized after the decision of the partners to close down the refinery and transform it into a large-scale oil products terminal on the Mediterranean coast in 2004, ATAŞ Terminal today serves as a licensed storage facility.

32% of ATAŞ's total storage capacity, corresponding to the shares held by Shell & Turcas Petrol (27%) and Turcas (5%) cumulatively, is allocated for Shell & Turcas Petrol's use.

Storage Capacity: 577,000 m³

Power Generation

RWE & Turcas South Power Generation

In 2009, Turcas signed a partnership agreement with RWE AG Group to invest in a large-scale power plant based on natural gas, and accordingly, the joint venture Company RWE & Turcas was established. Denizli Natural Gas-Fired Combined-Cycle Power Plant, with 800 MW of installed capacity and a total investment cost of nearly EUR 600 million, bears the capacity to generate about 6 Billion kWh hours of electricity power annually. Boasting load ramp-up/ramp-down flexibility, the plant fully meets the load orders of the system operator TEİAŞ and provides support for network supply security. Since 2013, the plant has created a significant value with its high availability ratio of 91.8%. RWE & Turcas also holds a Spot LNG import license, and it manages the gas procurement and gas sales operations of the Denizli Natural Gas-Fired Combined-Cycle Power Plant. RWE & Turcas Gas Import Export, which was established as a wholly owned subsidiary of RWE & Turcas in 2012 to manage Denizli Natural Gas- Fired Combined-Cycle Power Plant's natural gas procurement operations, still carries out its operations under the Spot Import license that also covers wholesale natural gas transactions.

The validity of the relevant license was extended by 30 years in 2022. Against the backdrop of the developments in the natural gas market, Rwe & Turcas Gas Import Export has been ensuring the gas supply flexibility of Denizli Natural Gas-Fired Combined-Cycle Power Plant, covering a substantial portion of natural gas needs since 2018. RWE & Turcas' paid-in capital is around TRY 1.1 billion, and there is no financial indebtedness in its balance sheet.

RWE & Turcas	
Installed Capacity	800 MW
Natural Gas Consumption (2023)	544 million m^3
Electricity Sales (2023)	2,859 million kWh

Milestones *

2024

- Turcas' Corporate Governance Principles Compliance Rating score increased to 9.65

2023

- The Sustainability Strategy of Turcas developed and the 1st Sustainability Report was issued
- Turcas' Corporate Governance Principles Compliance Rating score increased to 9.60
- Establishment of a Sustainability Subcommittee reporting to the Corporate Governance Committee and formation of sub-working groups

2022

- 100% shares of Turcas Kuyucak Geothermal Power Plant was sold to Albioma SA, a French energy company listed in Euronext Paris

2018

- Turcas Petrol's equity stake in Turcas Kuyucak Geothermal Power Plant rises from 92% to 100%.
- Start of commercial operations at Turcas Kuyucak Geothermal Power Generation under the Renewable Energy Sources Support Mechanism (YEKDEM)

2017

- Turcas Power Generation and Turcas Energy Holding's merger with Turcas Petrol
- Turcas maintains its title as the "Highest Corporate Governance Rated Energy Company in Turkey" Corporate Governance Principles Compliance Rating score increased for eight consecutive years and rose to 9.57
- Launch of commercial operations at the 18 MW installed capacity Turcas Kuyucak Geothermal Power Plant

2016

- Turcas Petrol became part of the Women's Empowerment Principles platform which was established under the partnership of UN Global Compact and UN Women in 2010
- Turcas Petrol increased its equity stake in Turcas Kuyucak Geothermal from 46% to 92%, becoming the majority shareholder
- Eight successful exploratory drillings in Kuyucak, Aydın (with final investment decision for the 18 MW Geothermal Power Plant project) and closure of financing

2015

- Turcas Petrol's paid-in capital increased from TL 225 million to TL 270 million via bonus issue

2014

- Turcas' 18.5% share in STAR Refinery was sold to SOCAR

2013

- A joint venture company was founded with BM Holding for the geothermal power investment in Kuyucak, Aydın license
- Commencement of commercial operations at 800 MW Denizli Natural Gas Fired Combined Cycle Power Plant
- Turcas Petrol received the "Boards Empowered by Women" award presented by Sabancı University Corporate Governance Forum

2012

- STAR Rafineri became the first company to obtain the Strategic Investment Incentive Certificate in Türkiye
- Turcas Petrol's first Credit Rating Assignment by Fitch Ratings, an international credit rating company

2011

- Renaming of SOCAR & Turcas Refinery, an 18.5% subsidiary of Turcas, as STAR Refinery
- Turcas Petrol is recognized for recording the biggest improvement in its Corporate Governance Rating Score within one year
- Groundbreaking of the STAR Refinery

2010

- Construction of 775 MW Denizli Natural Gas-Fired Combined-Cycle Power Plant started with the investment of RWE & Turcas South Power Generation
- Turcas Petrol joins Corporate Governance Index of Borsa Istanbul (BIST)

2009

- German RWE became the new partner of Turcas by acquiring E.ON's stake in the joint venture

2008

- Founding of SOCAR & Turcas Refinery (STRAŞ) joint venture company to build a new refinery with 10 million ton/year capacity within the Petkim complex
- Acquisition of 51% stake in Petkim by SOCAR & Turcas Petrochemicals for USD 2.04 billion

2007

- Establishment of joint venture between Turcas and E.ON of Germany for power generation investments

2006

- Founding of SOCAR & Turcas Energy (STEAŞ) as a joint venture between Turcas Petrol and SOCAR, the State Oil Company of the Azerbaijan Republic
- Commencement of operations at Shell & Turcas, a joint venture between The Shell Company of Turkey Ltd. and Turcas Petrol

1999

- Tabaş and Turcas merged under Tabaş, and the company was renamed as Turcas Petrol in the same year

1992

- Initial public offering of Turcas Petroleum on Istanbul Stock Exchange

1988

- Founding of Turcas Petroleum as a Türkpetrol - Burmah Castrol joint venture

1980

- Founding of Tabaş Petroleum

1967

- Türkpetrol entered the LPG market with its brand

1962

- Commencement of operations at ATAŞ Anadolu Refinery

1958

- Founding of Marmara Petroleum and Refining Corporation as a subsidiary of Türkpetrol

1953

- A collaboration agreement was concluded with Burmah Castrol for lubricants

1941

- Lubricant was produced from olive oil for the first time in Türkiye due to the challenges experienced during the World War II

1931

- Türkpetrol, the first private oil company of Türkiye, was founded

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* Highlighted areas show the steps and developments taken in the sustainability area.

Corporate Governance and Behaviour

At Turcas, we strive to maintain our relations with all stakeholders in accordance with the principles of equality, transparency, accountability, and responsibility. Our goal is to establish successful and sustainable collaborations with both domestic and international investors while having a leading position in our business. With this managerial mindset that puts high quality and performance at the centre, we update our corporate governance structure according to the current requirements.

Our ability to adapt ourselves to innovations enables us to increase our corporate reputation, efficiency, and financial performance, as well as create a common value for all stakeholders.

At Turcas, we designed our corporate governance model based on fairness, transparency, accountability, and responsibility according to the Corporate Governance Principles specified by the Capital Markets Board (CMB). As Turcas, we annually share our corporate governance practices, which are based on active control and ethical conduct mechanisms, with our stakeholders through our Corporate Governance Principles Compliance Reports.

In 2023, our Company was included in the First Group of Companies pursuant to Article 5 (Implementation of Corporate Governance Principles) of the CMB Corporate Governance Communiqué No. II-17.1.

The Corporate Governance Principles Compliance Report and Corporate Governance Information Form are available on the Turcas page on the Public Disclosure Platform (KAP) website.

Turcas' Board of Directors

The purpose of Turcas' Board of Directors is to set strategic targets and establish policies as regards the targets considering the company's vision, mission, and values. In 2023, Turcas' Board of Directors consisted of eight members, including the Chairperson and seven board members.

The Board has five non-executive members, three of which are independent according to the criteria listed in the Corporate Governance Principles. (The number of Independent Members of the Board of Directors increased from 2 to 3 as the Company was included in the First Group of Companies as of 2023 as part of the implementation of Corporate Governance Principles).

Our Board of Directors is well aware of the importance and benefits of having good corporate governance practices in place and places a special emphasis on internalizing the corporate governance principles and applying them with such an approach that is open for improvement and development. Therefore, we arrange our working environment in such a way that ensures all employees participate in the corporate governance processes and strive to establish an active corporate governance culture at Turcas.

Corporate Governance Principles and Policies

At Turcas, we have a management approach based on accountability, responsibility, openness, transparency, and fairness principles. We carry out all our work in our business processes within the framework of this understanding and in line with the principles of corporate governance.

At Turcas, we attach great importance to maintaining the corporate governance practices within the Company as well as developing and improving those principles. We consistently review and develop our corporate governance practices to comply with the regulatory requirements. By adopting those principles, we aim to contribute to a sustainable and responsible working environment.

Thanks to our diligence, we considerably comply with the Corporate Governance Principles issued by the Capital Markets Board, and this achievement has enabled us to be listed in the BIST Corporate Governance Index.

At Turcas, corporate governance is addressed within the framework of
- Relations with Shareholders,
- Public Disclosure and Transparency Policy,
- Duties, Responsibilities, and Rights of the Board of Directors,
- Relations with Stakeholders.

We identify and control the possible risks for our Company by means of the practices realized within the above-mentioned scope. We pay significant importance to conducting Public Disclosure activities properly, ensuring transparency, and providing the shareholders and stakeholders with fair rights. Furthermore, we improve our efforts to strengthen our position in the sustainability field. We strive to ensure that the structure and working conditions of the Board of Directors comply with the corporate governance principles.

Business Ethics at Turcas

At Turcas, the Code of Conduct and Legislative Compliance Policy has been created, and it provides the support needed to carry out all activities according to the code of conduct and in full compliance with the legislation, and it represents Turcas' commitment to doing the right thing, including the respect for others' rights.

Covering all partners, this policy also sets out what we expect from our partners in terms of the code of conduct.

In the event of any non-compliance with ethical rules and legislation in the workplace and our activities, we address the non-compliance within the framework of the Turcas Petrol A.Ş. Code of Conduct and Legislative Compliance Policy and resolve such non-compliance.

As Turcas, we commit to adhere to high ethical standards and comply with the applicable laws for all our activities. All employees, within the scope of our Employee Whistleblowing Policy, are able to report any act that they believe to violate the code of conduct or their concerns directly to the directors or by sending an e-mail to etik@turcas.com.tr or calling the Ethics Hotline 0212 259 00 00 (1202). Any ethics issue reported is assessed by our Ethics Board, consisting of two independent Board Members and the Chief Legal Officer (CLO); investigations and audits are performed about negative conducts or issues reported.

In 2023, no reports were received through the Ethics Hotline.

> *Based on the assessment conducted by Kobirate, a company authorized by the Capital Markets Board (CMB), Turcas' Corporate Governance Rating score was determined to be 9.65 (out of 10).*

The Code of Conduct covers the following matters:

- Conflict of Interest and Gaining No Advantage
- Collaboration with Authorities
- Utilizing the Company's Assets and Resources
- Gifting Policy
- Bribery, Corruption and Misconduct
- Confidentiality and Protecting Information
- Intellectual and Industrial Property
- Representation and Press Relations
- Relations with Public Institutions and Private Institutions/Organisations
- Security and Crisis Management

Our Code of Conduct

Turcas strictly abides by the business ethics and code of conduct in all its processes. Turcas Code of Conduct and Legislative Compliance Policy is in harmony with Turcas' policies, values, and principles.

Pursuant to the Turcas Code of Conduct, our Board of Directors and all employees must behave in accordance with the Business Ethics Rules. All employees carefully avoid any condition or act which creates a conflict of interest concerning the Company's activities and/or leads to unfair competition, and they exercise due care to protect the Company's interest while performing their duties.

As Turcas, we commit that our employees will work and maintain relations with any parties with which they engage in business relations based on the principles detailed below:

- *Honesty:* Accuracy and honesty are Turcas' priority values in all business processes and relations. Turcas acts with accuracy and honesty in its relations with its employees and all stakeholders.

- *Transparency:* Turcas and its subsidiaries are transparent and open in their relationships with their shareholders, all employees, including the board of directors, business partners, auditors, consultants, third parties outside the Company and each other. Turcas provides comprehensible and accurate information timely and entirely in all its activities.

- *Impartiality and Equal Opportunity:* No discrimination can be made within Turcas between employees, customers, suppliers, shareholders and other stakeholders for reasons such as religion, language, race, gender, health conditions, age, marital status, political views, etc. All employees of Turcas treat everyone fairly and equally and avoid biased behaviour. Turcas acts very carefully and impartially when selecting its suppliers. Each individual's contribution to Turcas has a value. Individuals with different backgrounds, talents and ideas who work together exchanging ideas, bring more success to Turcas. Turcas does not accept any kind of discrimination, harassment or bullying. Any action of a discriminating and deterrent nature is included in this.

- *Compliance with Laws and Regulations:* Turcas carries on all its activities in accordance with the national and international laws and regulations; stays at an impartial and equal distance to all institutions and organizations without expecting any benefit; closely follows the laws and regulations; and takes the necessary measures to ensure compliance.

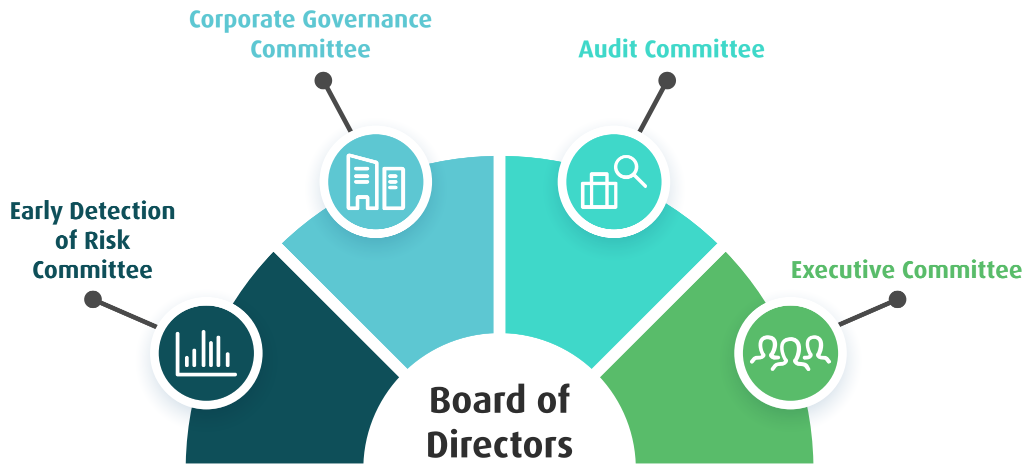
- *Fair Competition:* Turcas undertakes not to violate the principles of fair competition and acts in accordance with the competition legislation in this regard.

- *Accuracy of Records and Transparent Financial Reporting:* All kinds of records which constitute evidence for a commercial activity of Turcas or are about laws, taxes, administration, accounting or operations are kept in full and in accordance with the legislation, and each employee fulfils their respective responsibilities completely. Turcas pays attention to preserving and protecting all information and documents, which are important for corporate memory in accordance with relevant legislation and Company standards.

For other policies treated within the scope of Corporate Governance, please refer below:

- Policy for Female Participation in Board of Directors
- Disclosure Policy
- Donation Policy
- Dividend Policy
- Share Buy Back Policy
- Remuneration Policy
- Personnel Compensation Policy

Committees and Responsibilities



Early Detection of Risk Committee

The purpose of the Committee is early detection of the possible Operational, Financial, and Administrative risks, as well as risks related to ESG matters and Information Systems that may endanger the existence, development and maintenance of the Company, taking necessary measures about risks identified and developing necessary policies to execute risk management processes. Early Detection of Risk Committee reviews the risk management systems at least once a year.

Corporate Governance Committee

Turcas Corporate Governance Committee has been established to assist the Board of Directors by ensuring compliance of the Company with Corporate Governance principles, assigning Board Members and top manager candidates, determining wage, reward and performance evaluation and career planning principles of the Company, monitoring Company's compliance with the Corporate Governance principles, making improvements in this respect, submitting proposals to the Board of Directors, and carrying out studies about investor relations and public disclosure. The Board of Directors is responsible for the execution of the Company's sustainability studies in line with the recommendations provided by the Corporate Governance Committee.

Any resource and assistance needed by the Corporate Governance Committee to fulfil its tasks are provided by the Board of Directors. The Corporate Governance Committee may invite managers deemed as necessary and ask for their opinions. The Committee benefits from independent opinions about their activities when necessary. Corporate Governance Committee also supervises the works performed by the Investor Relations unit. Additionally, the Committee controls any conflict of interest possible to arise among the Board Members, managers and other employees and monitors compliance with the internal regulations that are intended to prevent "insider trading". The Committee ensures that internal regulations are prepared in written format and conveyed to all employees. It also evaluates whether internal regulations and acceptable manners are conveyed to the employees through appropriate communication methods. It determines whether the Corporate Governance Principles are applied, the reasons if they are not applied and the conflicts of interest occurring in case of not complying with these principles properly. It also provides the Board of Directors with suggestions to improve the current practices.

In 2023, the Sustainability Subcommittee was established under the Corporate Governance Committee to carry out sustainability-related activities. This Subcommittee reports directly to the Corporate Governance Committee and indirectly to the Board of Directors. Environmental, Social and Governance working groups have been established under the Sustainability Subcommittee. Detailed information on the activities of the Subcommittee and working groups is provided in the Sustainability section of the report.

Corporate Governance Committee fulfils the duties of the Nomination Committee and the Compensation Committee pursuant to the relevant legislation.

The Board of Directors participates in the remuneration determination process. If needed, it can request market data reports from consulting companies. The Articles of Association specify that the Chairperson and Members of the Board may receive a monthly or annual payment to be determined by the General Assembly or an attendance fee for each meeting. The Company does not provide the Board Members and managers with any loan, credit or any guarantee, including surety. According to the Board resolution no. 2012/3 of 06.03.2012, the Principles of Remuneration for Board Members and Senior Managers were issued in 2012, submitted to the general assembly for approval and declared in KAP. In 2023, the Board Members received TRY 17,687,055.74 as remuneration and TRY 916,123.07 as other payments, and the senior managers received TRY 7,104,862.57 as remuneration and TRY 243,175.98 as other payments.

Audit Committee

Audit Committee is a committee that is authorized for healthy fulfilment of tasks and responsibilities of the Board of Directors and all of members of which consist of Independent Board Members in accordance with the Corporate Governance Principles Communiqué of the Capital Markets Board (CMB). Audit Committee works as affiliated to the Board of Directors for the purpose of auditing the activities directed at Operational, Financial, Administrative and Information Systems of the Company and monitoring the operation and efficiency of the internal control system with a systemic and disciplined approach. Any resources and assistance needed by the Committee to fulfil its tasks are provided by the Board of Directors. The Committee may invite managers as deemed necessary and ask for their opinions.

Our Company has no Internal Audit department. Instead, it procures internal audit services from KPMG, an independent audit and consulting firm. Within the scope of such services, KPMG conducts internal audit activities at all departments/units, and the resulting findings are reported to the Audit Committee. Then, the Audit Committee reports such findings to the Board of Directors. Upon assessing the relevant findings, processes are improved and developed, and risks are minimized.

Executive Committee

The Executive Committee has been established to make innovation a part of the Company culture, to conceive the Company and in-group requirements and the sudden, external changes well, to restructure and enable the business development process for the evolution to become a Company policy.

The Executive Committee periodically makes/procures research (namely, strategic analyses) about internal and external factors as well as competitive advantages according to the dynamics of the industry and determines the weaknesses and strengths through internal analysis. And it determines the opportunities and threats through external analysis. It seeks collaboration alternatives in the industry, strengthens the vertical and horizontal communication infrastructure in the Company, and monitors competitor behaviours as well as economic, political and social changes. It revises the Company's work plans and budget according to external shocks, measures performance, and audits the main competencies, creating a competitive advantage.

Board Committees	Rate of Nonexecutive Directors	Rate of Independent Members in the Committee	Number of Physical Meetings Held by the Committee	Rate of Attendance of Committee Members in Meetings	Number of Activity Reports Submitted to the Board of Directors by the Committee
Audit Committee	100%	100%	4	100%	4
Corporate Governance Committee[1]	80%	40%	4	100%	4
Early Detection of Risk Committee	67%	33%	6	100%	6
Executive Committee	0%	0%	11	100%	11

* All data given in the table shows the situation in 2023.

Risk and Crisis Management

At Turcas, we believe that effective risk and crisis management serves as a basis for our sustainability efforts as a key to the business strategy and value creation. Besides risk identification, assessment and mitigation, we know managing crises efficiently is critical for business continuity. Therefore, at Turcas, we exercise due care for managing the risks by analyzing them with a systematic and holistic approach.

Risk Identification and Assessment

As part of Turcas Corporate Risk Management efforts, the risks that Turcas and its subsidiaries are or may be exposed to as a result of their activities are analyzed; their impact areas, severity levels and owners are defined; methods are identified to control risks and improvement activities are identified to mitigate those risks. Risks are grouped into four categories, namely, Operational, Financial, Strategic, External Environmental, and ESG Risks within the scope of the Corporate Risk Management efforts.

Risks are assessed by the Early Detection of Risk Committee through a detailed risk management study prepared by also considering the impact level of and incidence probability for each risk and they are periodically submitted to the Board of Directors.

The Early Detection of Risk Committee convened 6 times during 2023.

Risk Management

Risk management processes are carried out in the following flow:

i. In coordination with the Corporate Finance and Investor Relations Department, all departments/units of the Company detect, record and categorize their own risks, identify the impact and probabilities, and specify checkpoints and action plans for the relevant risks.

ii. The ESG-related risks and whether the existing risks have an ESG impact and, if so, which specific area-Environment, Social, or Governance-they are associated with are specified.

iii. For each department/unit, the relevant risks analyzed in detail according to Article i are consolidated in a single file.

iv. Those risks listed in a consolidated manner are reviewed periodically and a Risk Heat Map is created by updating their severity, probabilities and other information.

v. That Risk Heat Map is periodically assessed by the Early Detection of Risk Committee and reported regularly to the Board of Directors.

vi. The Board of Directors assesses the reports shared by the Committee, approves the action plans, and takes relevant actions.

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[1] Corporate Governance Committee fulfils the duties of the Nomination Committee and the Compensation Committee pursuant to the relevant legislation.

For the risks categorized as financial risks in the heat map approved by the Early Detection of Risk Committee, sensitivity analyses are performed about foreign exchange risk, cash flow risk, contractual obligations arising from financial borrowing, etc. In sensitivity analyses, contributions are made to the risk analyses and decision-making mechanisms by creating tables about possible results that may arise if the hypotheses prescribed in the basis scenario worsen at different levels.

The Early Detection of Risk Committee will conduct, in line with the recommendations of the Sustainability Subcommittee, the processes of submitting the risks and opportunities about ESG and other matters to the Board of Directors, specifying the role of the Board of Directors in identifying and managing the risks and opportunities, and contacting the stakeholders to support those efforts.

Risk Types	Risk Scope
Financial Risks	i. Impact on the cash flows ii. Impact on the income and expense statement iii. Impact on the credit rating score and appearance
Operational Risks	i. Impact on the expectations of the relevant parties ii. Impact on the processes iii. Impact on the production iv. Impact on the goals/KPIs
Legal Risks	i. Possible impacts of the legal procedures started against the Company ii. Impact on the licenses and permissions
Reputational Risks	i. Impact on the market value ii. Impact on the Company's reputation in the press iii. Impact on Company's reputation in the industry
Human-Focused Risks	i. Impact on the employees ii. Impact on the management
ESG Risk	i. Impact on stakeholders ii. Impact on the environment iii. Impact on society and employees iv. Impact on Company Management and governance structure

Communication with Stakeholders

At Turcas, we are committed to ensuring effective communication with all our stakeholders in line with our Quality Policy. To this end, we interact with our stakeholders, who are directly and indirectly affected by all our processes, through various communication methods and frequencies, incorporating their perspectives into our business and decision-making processes. We know that it is crucial to establish a strong and effective dialog with our stakeholders in order to make all our operations sustainable and to engage them in our sustainability strategy.

As part of our materiality analysis, which we conducted for the first time in 2023 and presented in our 2022 Sustainability Report, we conducted a stakeholder mapping study and identified the issues that Turcas touches and the relevant stakeholders. We evaluated these stakeholders according to their proximity to/ far from Turcas' approach as well as their credibility/impact levels, and we took the opportunity to identify our key stakeholders. In this way, we have also determined the impact of each stakeholder on our sustainability performance. By the end of 2023, there was no change in the study; our stakeholder analysis study is presented below.

Impact Status	Stakeholder Group	Communication Method	Frequency Of Communication
Direct Economic Impact	**Subsidiaries and Business Partners - Shell & Turcas**	E-mail, telephone, regular Management Meetings	Continuously
	Subsidiaries and Business Partners - RWE & Turcas	E-mail, telephone, regular Management Meetings	Continuously
	Investors and Analysts	Financial Statements and Auditor's Reports Analyst's Presentations Financial Assessment Reports Investor's Presentations	According to the reporting obligations set out in the legislation and upon request
	Shareholders	General Assembly Meeting	Organizing a General Assembly Meeting annually with the participation of the shareholders after declaring the annual financial results, then posting the minutes of the meeting on the corporate website
		Public Disclosure Platform (KAP) statements	Announcing the financial statements for each quarter of the year and, if needed, explaining the special situations as public disclosures
		Corporate Governance Principles Report	Annually
		Annual Report	Annually for the Annual Activity Report and quarterly for the Board of Directors' Activity Report, together with announcing the financial statements in KAP
		Guidance Presentation	Annually announcing together with the announcement of the financial results for the previous year (in March) and updated as needed.
	Board of Directors	Annual Strategy Meeting	Once a year
	Employees	Internal Communication Work	Continuously and subject-based
		Employee Loyalty and Satisfaction Survey	Annually
		Strategic Goal-Sharing Meeting	Once a year
	Suppliers	Face-to-face, telephone, e-mail	Periodic reporting and upon request
		E-mail, telephone	If needed
		E-mail, telephone	Subject-based

Impact Status	Stakeholder Group	Communication Method	Frequency Of Communication
Indirect Economic Impact	**Banks**	E-mail, telephone, meetings	If needed and subject-based
			At regular intervals
	Public Institutions, Relevant Ministries and Regulatory Authorities	Meetings and requests for opinion	Upon request
		Official letter, face-to-face, telephone, e-mail	If needed
		Integrated Environmental Information System	Following up and submitting necessary information about regulations, legislations and directives
	Rating and Appraisal Organisations	E-mail, telephone, meetings	Corporate governance rating once a year Credit rating (if required) once a year
	Non-Governmental Organisations	Meetings, face-to-face, telephone, e-mail	If needed
	Media	E-mail, telephone	News is monitored daily.
New Opportunities, Information and Mentalities	**International Organisations and Initiatives**	Meetings and requests for opinion	Upon request
	Think Tanks, Advisors, etc.	Meeting	Once a year
		E-mail, online platform	If needed
		(With an internal audit company) E-mail	Four times a year (3-month intervals) at internal audit committee meetings

> *Key Stakeholders*
>
> *Shell & Turcas*
> *RWE & Turcas*
> *Investors and Analysts*
> *Shareholders*
> *Board of Directors*
> *Employees*
> *Public institutions*
> *NGOs*

Corporate Memberships and Sponsorships

As Turcas, we are members or sponsors of several organisations at both national and international levels. We remain committed to leading the industry by way of our presence and active participation in those platforms.

Our corporate memberships and sponsorships:

TÜYİD Investor Relations Society	Member
Business Council for Sustainable Development Türkiye (BCSD Türkiye)	Member
Women's Empowerment Principles (WEPs)	Signatory
Foreign Economic Relations Board (DEİK) (USA and Chile Business Council)	Member
Business Against Domestic Violence (BADV)	Corporate Sponsor
İTÜ Alumni Association	Corporate Sponsor
First Chance Program with the Vision of Şevket Sabancı (Esas Sosyal)	Corporate Sponsor
Intercompany Mentorship Program for More Women on the Boards of Directors	Board of Directors Chairperson Member
Turkish Industry and Business Association (TÜSİAD)	CEO and Chairperson hold memberships. Supports the working groups.
Endeavor Organisation	The Deputy Chairperson holds membership.
Public Policy and Democracy Studies (PODEM)	Chairperson
Global Affairs Forum (GAF)	Member

Sustainability

As Turcas, we contribute to the success of both Turcas and its subsidiaries in line with our mission and based on our principle of providing environmentally and socially responsible services through our investments and subsidiaries. Therefore, we attach great importance to considering the ESG topics at Turcas when making basic investment and business decisions and work on developing our processes in this regard.

At Turcas, we define the sustainability approach under the following topics:

- Environment Policy
- Quality Policy
- Occupational Health and Safety (OHS) Policy
- Risk Management
- Corporate Governance
- Corporate Social Responsibility

We also adopt a responsible, ethical, and transparent management mentality based on our "human and environment-focused sustainable growth" principle.

At Turcas, we continue our efforts to create an inclusive "Sustainability Policy" that summarizes our strategic sustainability approach and publicly disclose it in 2025.

Turcas' Sustainability Approach

The main purpose of our sustainability approach is to ensure that the companies we invested in continue to operate in a profitable, safe and sustainable manner. As Turcas, we aim for our companies to become resilient, more successful and able to create long-term value by integrating sustainability into our operations and business decisions pursuant to our Quality Policy.

We focus our Sustainability Approach on three essential areas:

Serving as a Model: By walking on the same path with our subsidiaries on sustainability issues, we both support their agenda and aim to integrate the same strategic thinking into our journey. We create our own sustainability goals and KPIs.

Offering Advantage: We consider our sustainability principles in all processes and act according to our framework basics. We aim to structure our sustainability processes to build a foundation for our business model. We switch to advantageous models in terms of environment, society and governance by assessing our current business models from the sustainability perspective. We prioritize sustainable growth in our investment decisions.

Creating Value: At Turcas, we create value by developing practices to contribute to sustainability within the Company and with our key stakeholders. Based on our experience, we strengthen our role as a partner that adds value in ensuring sustainability, and we encourage the transformation in this field.

For us, it is important that the companies we invest in represent profitable, reliable and sustainable operations, and we provide them with necessary assistance in this regard. Accordingly, we focus on ESG matters in our activities and aim to ensure inclusive development in those areas.

Our impacts on ESG are grouped under two topics:

1. Our performance as a company and employer: Through our corporate and employer position, we include sustainability principles in our business and administration methods.

2. Our role as a partner and a shareholder: We play a role in our companies to become resilient, more successful and able to create long-term value by integrating sustainability into our business decisions. We work and collaborate for sustainable development in order to create long-term value for our subsidiaries and shareholders.

Our Sustainability Mission: As an investment Company focused on energy, we work for a sustainable future by adhering to environmental, social and economic sustainability principles, seeking opportunities for investing in low-carbon energy systems and environmentally sustainable power generation, supporting innovations in the energy industry and creating value for our stakeholders. We aim to make our business activities socially and environmentally friendly, supporting economic development and minimising our environmental impact.

Our Sustainability Vision: We aim to play a leading role in a low-carbon future by supporting renewable energy resources, energy efficiency technologies and energy storage solutions in order to become a pioneering investment Company to accelerate the transition to a sustainable energy system, fight against the negative effects caused by the climate change, and create positive impact on the environment, society and economy.

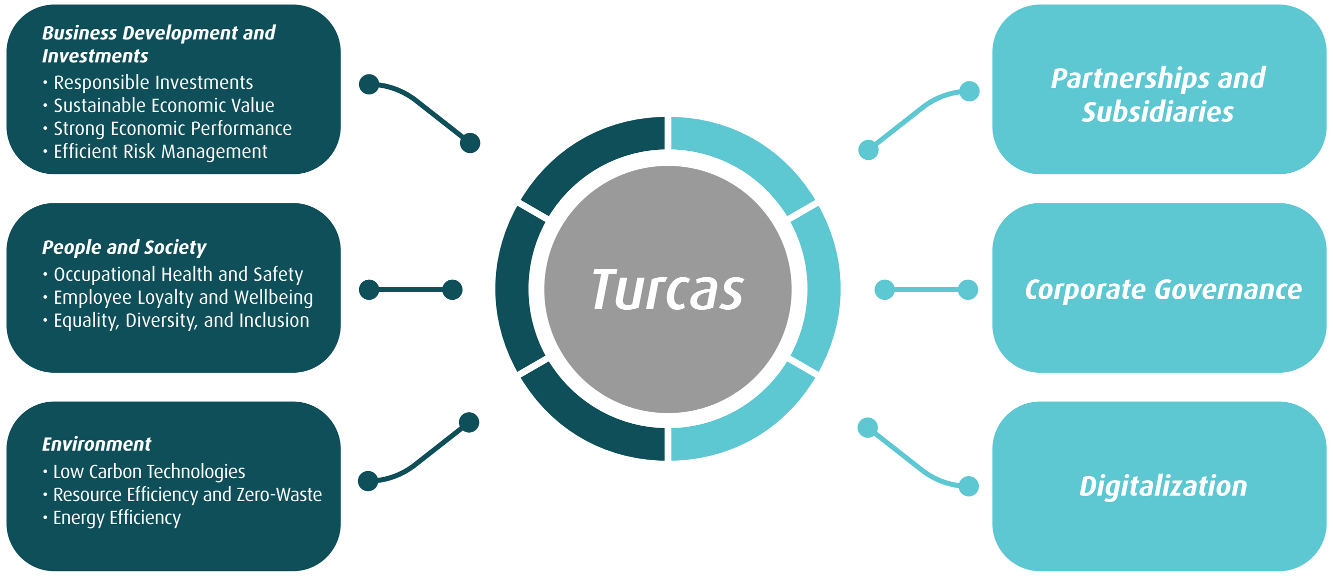
We aim to create value for our investors, stakeholders and future generations by carrying out our business activities according to public needs, offering innovative solutions in the energy industry and ensuring environmental, social and economic sustainability together.

Strategic Focus Areas and Goals

At Turcas, we are committed to ensuring sustainability in all aspects of our business. In this respect, we recognize the importance of identifying clear strategic focus areas and goals to direct our efforts and measure our progress in the forthcoming years.

As a result of the materiality analysis we conducted in 2022, we have identified the expectations of our stakeholders and our Company's material sustainability issues and prepared a strategy matching our mission, vision and values. As Turcas, we aim to contribute to a sustainable future by adapting our actions for sustainability to those focus areas.

In 2023, we focused on addressing the issues identified through the prioritization analysis and worked to improve. The focus areas and facilitators identified at the end of this strategy study will serve as a basis for our future sustainability efforts. While working to increase our positive impact through regular monitoring, reporting and stakeholder participation, we are committed to reviewing and updating our strategic focus areas and goals in an ongoing manner.



■ **Strategic Focus Areas:** Strategic pillars that cover the material topics in Turcas' impact areas.

■ **Facilitators:** Topics that have potential to facilitate the management of Turcas' sustainability material topics.

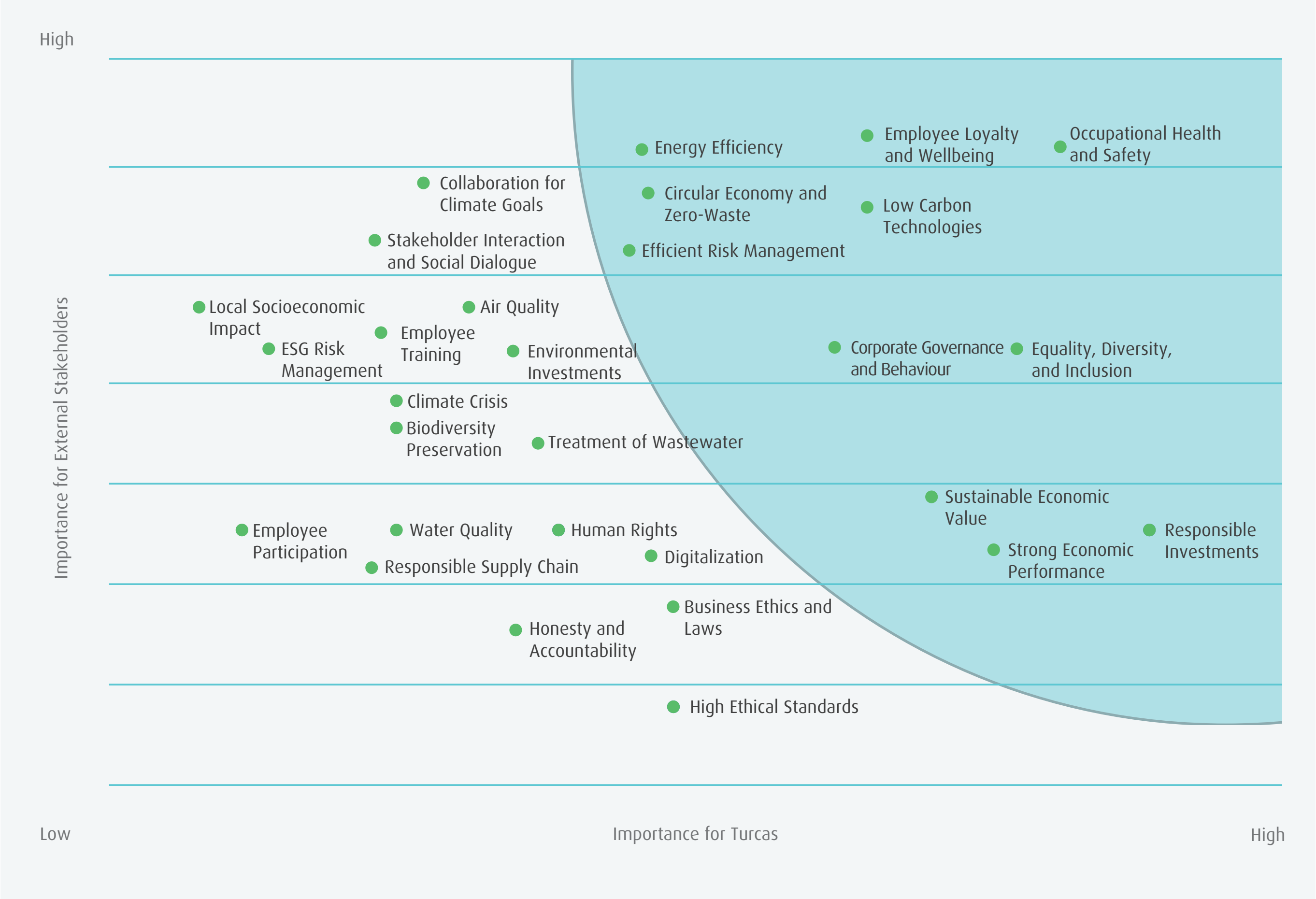
Materiality Analysis

As part of our 2022 sustainability report, which we prepared for the first time, we carried out a comprehensive materiality analysis to identify Turcas' material sustainability topics with the active participation of our stakeholders.

We created Turcas Materiality Matrix 2022 through online surveys and senior management interviews with the participation of our internal and external stakeholders based on the list of matters created by reviewing the industrial trend analyses, gap analyses, global reporting standards and the priorities of our subsidiaries and stakeholders.

Since the 2022 report was published in October 2023 and we conducted a comprehensive materiality analysis, we have not undertaken an additional materiality analysis in this report for 2023. The report has been prepared with a focus on current material topics and the areas of improvement and development in these topics.

Materiality Matrix



Material Sustainability Topics

#	Key Topics	Description
1	**Occupational Health and Safety**	Ensuring a healthy and safe working environment
2	**Responsible Investments**	Adopting sustainable production and consumption patterns in environmental, social and governance areas within the scope of the investments
3	**Low Carbon Technologies and Innovative Solutions**	Investing in R&D and innovation, supporting the entrepreneurial ecosystem and start-ups, building university-industry collaborations
4	**Employee Loyalty and Wellbeing**	Preserving the employee health and well-being, creating a safe workplace and working culture, adopting such practices to increase employee loyalty, motivation and efficiency, protecting employee rights, supporting their personal and professional development along their career path, analyzing and improving employee experience
5	**Equality, Diversity, and Inclusion**	Creating a culture which allows people to make a full contribution irrespective of their race, colour, gender, age, nationality, religion, sexual identity or expression, marital status, citizenship, disability or other legally protected matters
6	**Strong Economic Performance**	Creating financial value, increasing the market share, ensuring sustainable growth, contributing to the domestic economy, becoming a leading and renowned brand in the industry
7	**Corporate Governance**	Addressing all matters related to the effective functioning of governance structures across the Company and the conduct of employees in accordance with ethical and corporate principles internally and externally
8	**Sustainable Economic Value**	Supporting sustainable financial growth, contributing to the national economy, employment and local development
9	**Waste Management and Zero-Waste**	Managing the waste resulting from the materials, products and services used in the operations
10	**Risk and Crisis Management**	Effectively managing the risks and crises that may impact strategy, objectives, and business practices, ensuring the continuity and quality of services provided in times of risk and crisis, managing the supply chain risks, monitoring the credit and market risks
11	**Energy Effciency**	Reducing energy consumption in all activities, spending on new equipment that uses energy efficiently and/or implementing renovation practices that minimise energy use, making energy efficiency investments
12	**Digitalization**	Developing digital tools to ensure managing all business processes more efficiently and quickly and increasing the investments in this field

Contribution to UN Sustainable Development Goals

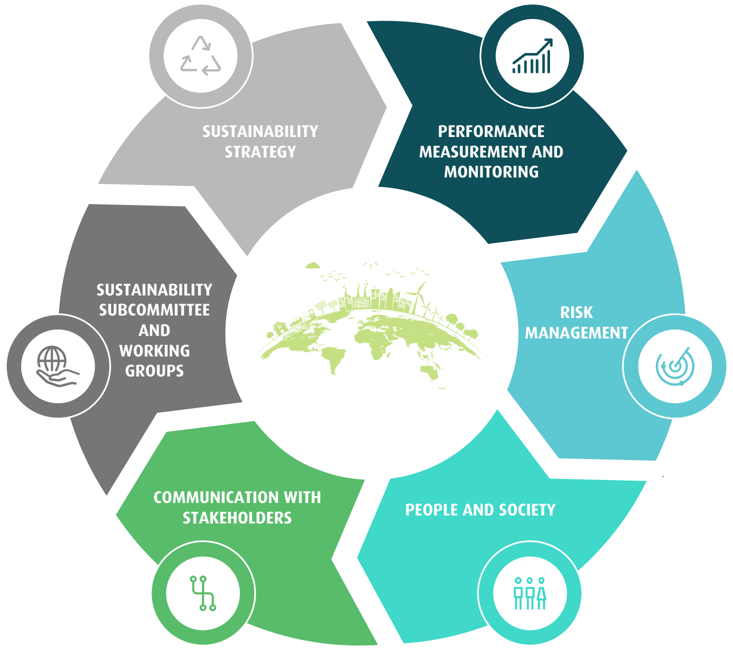
The Sustainable Development Goals (SDGs) set by the United Nations define the global sustainable development priorities and requests for 2030 by highlighting the biggest social and environmental challenges of the world. These 17 main goals specified by the United Nations Development Program (UNDP) provide an extensive global agenda for everyone from governments to local authorities, the public sector to the business world. As Turcas, we believe that we have an important responsibility and role in achieving those goals with our desire to create a common value.

In this respect, we work to adopt and develop a sustainable business model which covers our entire impact area and aligns with specific SDGs.

We created a sustainability strategy considering our material topics that we identified for the first time this year and developed short-, middle-, and long-term goals. Then, we aligned them with the SDGs and specified 14 goals directly or indirectly connected with our sustainability priorities and strategy.

In addition, we consider becoming a signatory to the United Nations Global Compact as an important area of improvement and we plan to achieve this goal in the coming period.

Sustainability Journey



- **Sustainability Strategy:** While identifying our sustainability goals at Turcas, we consider the global trends and the opinions of all stakeholders. We aim to contribute to the UN Sustainable Development Goals and the future with our sustainability strategy.

- **Performance Measurement and Monitoring:** We aim to measure our performance and improve the relevant activities to achieve our sustainability goals. We intend to provide our stakeholders with transparent reports on sustainability by using our measurements to monitor our environmental, social, and governance performance. We set target performance indicators for each material topic and monitor these indicators.

- **Risk Management:** We currently manage all activities that recognize the ESG risks. We work to ensure sustainability for our Company, subsidiaries and partners and achieve long-term success. We regularly review ESG risks and opportunities through the Early Detection of Risk Committee.

- **People and Society:** We aim to spread our goals and the sustainability culture to every point by specifying common goals together with all employees and public stakeholders.

- **Communication with Stakeholders:** We share transparent and accountable outputs about our strategies and efforts with all stakeholders and update our work through feedback and assessments.

- **Sustainability Subcommittee and Working Groups:** The committee and working group structure through which we currently set, implement, and monitor our sustainability goals and submit them for evaluation at the Corporate Governance Committee, Board of Directors, and Senior Management levels. This group comprises representatives from different departments/units, including Finance, Human Resources, Corporate Finance & Investor Relations, Corporate Communication and Marketing, Legal, and Quality, Environment & OHS.

Sustainability Management

Sustainability has been important in Turcas' established corporate culture and business methods for many years.

Sustainability activities are monitored through the Sustainability Subcommittee established in 2023. This Subcommittee reports directly to the Corporate Governance Committee. As shown in the following chart, the Corporate Governance Committee directly works under the Board of Directors, and the Sustainability Subcommittee works indirectly under the Board of Directors.

The activities of the Sustainability Subcommittee on ESG issues are regularly reported in the Board of Directors meetings held 4 times a year through the Corporate Governance Committee. The ultimate responsibility for sustainability issues lies with the Board of Directors. Including the sustainability efforts, the Board of Directors provides any resources and assistance needed by the Corporate Governance Committee to fulfil its tasks.

The CEO is responsible for including the sustainability efforts in the Company's goals and strategies. Regarding the ESG matters, the Board of Directors and senior managers are also involved in developing the organisation's purpose, values, missions, strategies, policies and targets.

Sustainability-related issues are conveyed to the Board of Directors through the regular reporting of the Sustainability Subcommittee's activities by the Corporate Governance Committee at the Board of Directors meetings held four times a year.

Currently, no performance indicators are assigned for the Board of Directors based on ESG matters. Within the scope of our sustainability strategy developed in 2022, we planned to assess the ESG performance of the Board of Directors in the forthcoming period and also took the ESG matters into account in the Board of Directors performance assessment at the end of 2022. In 2023, these issues were reviewed and harmonized with our priorities in the field of sustainability.

Sustainability Subcommittee makes recommendations to the Board of Directors on executing, monitoring, auditing, reviewing, improving and developing policies, targets and practices in this field to ensure and support a more holistic sustainability management in ESG areas.

This Subcommittee operates to provide recommendations to the Board of Directors on issues such as determining Turcas' sustainability approach, creating relevant policies and strategies, implementing action plans and targets, and monitoring sustainability performance. In the coming period, as the Sustainability Subcommittee develops expertise on ESG issues, to improve the Board of Directors' competencies and experience, the transfer of information as recommendations will be carried out by this Sustainability Subcommittee.

The Sustainability Subcommittee has been established to cover all departments/units within the Company related to sustainability. The Subcommittee comprises the Finance Directorate, Human Resources Directorate, Legal Directorate, Corporate Finance and Investor Relations, Information Technologies, Corporate Communications and Marketing, Quality, Environment, and OHS departments. The activities addressed within the scope of the Subcommittee are carried out with the coordination of all relevant department/unit managers.

No specific frequency has been set for the Sustainability Subcommittee meetings. As the Subcommittee is in its first year of operation, meetings are held as frequently as deemed necessary. In 2023, the Subcommittee held three meetings

In 2024, until the date of the report, the Subcommittee held five meetings. Before the Corporate Governance Committee meetings, which are held four times a year, the Sustainability Subcommittee convenes and prepares a presentation summarizing the work of the Subcommittee to be included in the Corporate Governance Committee Presentation. Following the Subcommittee meetings, meeting minutes are prepared and shared with the Subcommittee members for follow-up.

Working Groups:
Three working groups (Environmental, Social, and Governance) have been established under the Subcommittee to carry out sustainability activities in a more focused manner in line with the areas of expertise of those concerned. While forming the Working Groups, participants from the primary responsible department and other relevant departments were identified for each group.

1- Environment Working Group
Group Supervisor: Quality and Environment
Responsible Departments: Quality and Environment, Procurement and Administrative Affairs, Legal, International Trade and Business Development
Material Sustainability Issues under its Responsibility: Low-carbon technologies and Innovative Solutions, Waste Management and Zero Waste, Energy Efficiency

2- Social Working Group
Group Supervisor: Human Resources
Responsible Departments: Human Resources, Corporate Communications and Marketing, Legal, OHS, Quality and Environment
Material Sustainability Issues under its Responsibility: Occupational Health and Safety, Employee Loyalty and Wellbeing, Equality, Diversity and Inclusion

3- Governance Working Group
Group Supervisor: Corporate Finance and Investor Relations
Responsible Departments: Finance & Corporate Finance and Investor Relations, Information Technologies, International Trade and Business Development, Legal, Corporate Communications and Marketing, Human Resources
Sustainability Issues under its Responsibility: Responsible Investments, Strong Economic Performance, Corporate Governance, Sustainable Economic Value, Risk and Crisis Management, Digitalisation

Key Performance Indicators (KPI)

For each material topic identified in the sustainability report, key performance indicators were determined based on working groups as follows.

Environment Working Group

Material Topic	Key Performance Indicator (KPI)	Target	Action Plans
Low Carbon Technologies and Innovative Solutions	Maintaining the traceability of greenhouse gas emissions per employee resulting from electricity consumption	100%	Monitoring monthly electricity consumption
	Reducing greenhouse gas emissions by promoting recycling and reuse	100%	Ensuring recycling of wastes by concluding contracts with disposal companies
	Reducing carbon emissions per employee resulting from domestic water consumption	20 lt/ employee hour	Monitoring monthly water consumption
	Contributing to carbon reset efforts	1 Item	Providing support for the afforestation project
Waste Management and Zero-Waste	Obtaining and maintaining zero waste certificate together with Maslak 42 Management	100%	Avoiding the use of plastic, not buying disposable materials
	Maintaining the traceability of the amount of hazardous and non-hazardous waste	100%	Monitoring with Waste Tracking Form
	Ensuring no environmental complaints are received	0 Item	Not engaging in activities that will cause environmental complaints
	Continuing the implementation of zero-plastic-use practice in offices	0 kg	Avoiding the use of plastic, not buying disposable materials
Energy Efficiency	Raising awareness of employees on energy and resource efficiency	3 Item	Conducting toolbox on employee awareness days and assigning awareness-raising pieces of training through the Digital Training Platform. (Awareness will be raised in orientation pieces of training)
	Using energy-efficient labelled equipment and materials in offices	80%	Analyzing the energy efficiency of the products to be purchased and making the purchase accordingly

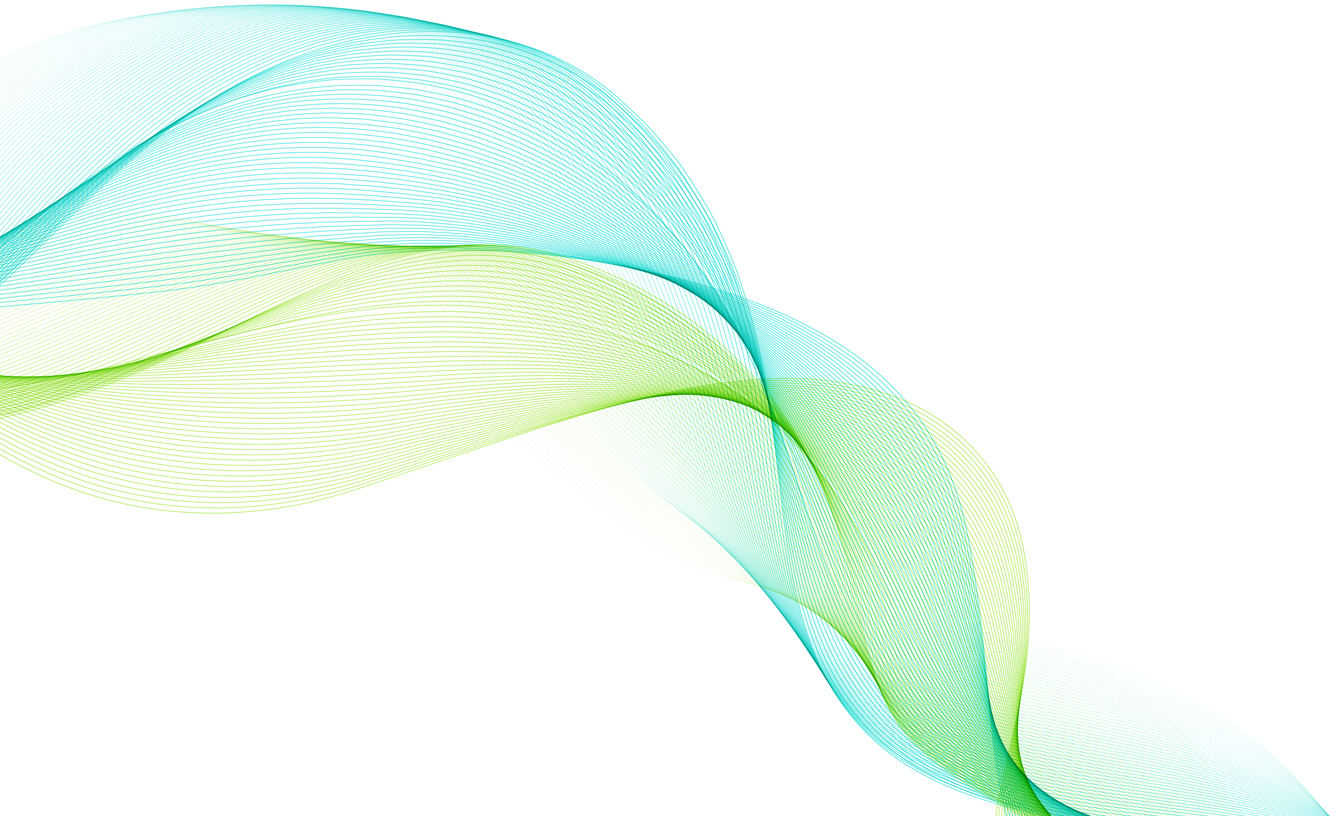
Social Working Group

Material Topic	Key Performance Indicator (KPI)	Target	Action Plans
Employee Satisfaction and Loyalty	Planning and monitoring the implementation of measures to increase employee satisfaction and loyalty	All action plans will be completed by the end of 2024, and their implementations will be reported in the 2024 Report.	- Planning initiatives to promote the adoption and maintenance of corporate values - Measuring employee experience with surveys through the Employee Experience Digital Platform on Communication/Relationships, Teamwork, Innovation and Change, Appreciation and Motivation, Competency Development, and First-Line Manager, and taking action based on the results. - Initiate efforts to create an Employer Brand - Improve best practice in respect of employee health and welfare - Implement planned activities to promote a culture of appreciation and gratitude
Equality, Diversity, and Inclusion	Establishing equality, diversity and inclusion policies and procedures	All action plans will be completed by the end of 2024, and their implementations will be reported in the 2024 Report.	- Establishment of Equality, Diversity, and Inclusion Committee - Publishing Gender Equality and Zero Tolerance against Violence Policies and providing relevant pieces of training to all employees, making it a part of the Orientation Programme - Established policies and obtained technology support to avoid sexist language in verbal and written communications - Obtaining the Equality for Women at Work certificate - Increasing the number of good practice examples
Occupational Health and Safety	Accident Frequency Rate	0%	Tracking the number of work accidents
	Lost Time Injury Frequency Rates (LTIFR)	0%	Tracking the number of work accidents
	Illness Rate	0%	Tracking the number of sick leave days

Governance Working Group

Material Topic	Key Performance Indicator (KPI)	Target	Action Plans
Responsible Investments	Establishing a Responsible Investment Policy and pursuing investment opportunities in line with ESG issues	All action plans will be completed before the end of 2024 and reported in the 2024 Report	1. Establishing a Responsible Investment Policy 2. Revising the Investment Criteria and Principles document 3. Attaining best practice standards by signing on to the UN PRI and Global Compact 4. Identifying development areas by examining the OECD G20 revised principles 5. Identifying and evaluating in detail investment opportunities with positive ESG outcomes by our Company 6. Seeking investment opportunities in compliance with the policy and prioritizing energy efficiency projects 7. Measuring ESG performance of investments
Strong Economic Performance	Creating sustainable economic value through our subsidiaries and new investments	Working on a best-effort basis, both for new investments and in collaboration with subsidiaries.	1. Provide management support (utilising our local experience) and financial support to our subsidiaries in creating economic value and achieving sustainable growth 2. Pursuing new investment projects focused on sustainable growth that will contribute positively to the country's economy 3. Creating long-term and sustainable value by making decisions based on systematic portfolio analysis and efficient capital allocation approach
Corporate Governance	Integration of ESG issues into corporate governance practices	All action plans will be completed before the end of 2024 and reported in the 2024 Report	1. Establishing the Sustainability Subcommittee and related structures and preparing relevant governance documents 2. Monitoring the projects of the Working Groups and reporting them to the Corporate Governance Committee 3. Updating the Sustainability Policy 4. Integrating ESG objectives into the Board of Directors performance evaluation process 5. Responsibility of the CEO for incorporating sustainability efforts into the Company's goals and strategies

Material Topic	Key Performance Indicator (KPI)	Target	Action Plans
Sustainable Economic Value	Increasing the installed capacity of renewable energy sources	Working on a best-effort basis, both for new investments and in collaboration with subsidiaries.	1. Monitoring and supporting the operations and investment projects of our subsidiaries in related fields 2. Prioritising renewable energy and renewable fuel projects in new investments and mergers and acquisitions
Risk and Crisis Management	Integrating ESG issues into risk management processes	All action plans will be completed before the end of 2024 and reported in the 2024 Report	1. Including ESG issues in the ERM system, measuring and reporting these issues 2. Identifying ESG risks and opportunities 3. Determining the responsibilities of the Board of Directors in managing risks and opportunities 4. Establishing the business continuity and crisis management system
Digitalization	Implementing sustainability-oriented improvements in existing and new digitalization and information technologies projects	Completing action plans on digitalization by the end of 2024 and supporting the entrepreneurship ecosystem on a best-effort basis	1. Implementing digital transformation projects (Increasing efficiency with paperless office and digitising total business processes) 2. Supporting the entrepreneurship ecosystem in technology and digitisation



Activities Carried Out

The activities carried out since the establishment of the Sustainability Subcommittee are summarized below:

- Three working groups, namely Environment, Social and Governance working groups, have been established, their members have been determined, 12 priority topics in the field of sustainability have been distributed, and the groups have started their work within the framework of the issues they have been responsible for.

- The Working Groups have determined KPIs, action plans, and responsible persons.

- Our 2022 Sustainability Report was analyzed based on three main criteria and a total of 18 sub-criteria by the Sustainable Development Association (SKD Türkiye) and its project partner PwC Türkiye with the "Reporting Matters" methodology, and then a feedback session was organized. (Reporting Matters aims to help companies make their reported non-financial information more understandable, transparent, and holistic for the reader)

- Efforts have been initiated to revise Turcas' Sustainability Policy and establish a Responsible Investment Policy. These policies will be published after approval by the CEO, Corporate Governance Committee, and Board of Directors.

- The Board of Directors Performance Evaluation Form was reviewed and updated by revising the questions related to ESG. The BoD used the updated form for performance evaluation at the end of 2023.

- Assessment of ESG risks and determination of ESG impacts of existing risks have been added to Risk Management processes.

- Employer Brand, Employer Brand Story and Motto, as well as Employee Value Proposition have been created and communicated to all employees.

- An Equality, Diversity, and Inclusion Committee was established to carry out activities related to Equality, Diversity, and Inclusion, and work has begun to define its working principles.

- "Paris Agreement, United Nations Framework Convention on Climate Change (UNFCCC)" was considered and environmental targets were determined in this context.

- All activities conducted by the Sustainability Subcommittee and the three distinct Working Groups have been reported to the members of the Corporate Governance Committee on a quarterly basis.

Business Development and Investments

Pursuant to our mission, we have adopted the principle of offering environmentally and socially responsible services at Turcas through our investments and subsidiaries. Therefore, we attach great importance to considering ESG topics when making essential investment and business decisions and work on developing our processes in this regard. Thus, we aim to contribute to Turcas's and our subsidiaries' long-term success.

At Turcas, we pursue new investment projects that are focused on sustainable growth and will contribute positively to the national economy, and we continuously explore opportunities for innovative investments in the field of sustainability. We held meetings in 2023 with many international and national companies in relation to investing in innovative companies, and we focused mainly on energy efficiency and renewable energy. We have made analyses and assessments in those fields. We have not made any investment yet, but we were able to grow our knowledge, experience, and network about those innovative matters. From now on, we will prioritize renewable energy and renewable fuel projects in the new investment, merger, and acquisition opportunities we will explore in the energy sector.

Responsible Investments

At Turcas, adding value to our society is our main responsibility in all our investments. We recognize that focusing on ESG integration will also help us further align our business with the widespread expectations of society. Therefore, we consider responsible investments to be a vital part of Turcas' strategy and our commitment to contributing to social welfare. We handle creating value responsibly and, accordingly, the ESG factors at the utmost level to ensure that our investments align with our values. Thus, we increase Turcas' portfolio resilience by identifying the possible risks and negative impacts and enabling our Company to find opportunities to make such investments to bring positive ESG results.

At Turcas, we expect all our subsidiaries to respect human and employee rights, have a strong health, safety and environmental background and follow corporate governance practices in line with our Corporate Governance Principles, Code of Conduct, and Sustainability Policy. According to those expectations, we attempt to redesign our current investment policy to invest in companies that operate responsibly with business plans that are closely connected to our sustainable value creation strategy and to help develop opportunities in this field.

In this context, we have started working to develop a Responsible Investment Policy to direct our efforts in the responsible investment field and be transparent in our approach. We aim to establish our Responsible Investment Policy by the end of 2025. We initiated these efforts by first updating our company's existing Investment Criteria document and including ESG issues among the criteria.

The partnerships and collaborations developed through investments constitute the most important value of Turcas. With our strong partnerships and subsidiary structure developed over the years at Turcas, we have the potential to engage in strong global sustainability strategies and reinforce our experiences in this field through different business investments. We also believe that our current partnerships will guide us in creating and improving the sustainability structure of our future investments.

> ***RWE & Turcas - Hybrid Solar Power Plant***
>
> *In 2023, RWE & Turcas initiated works to invest up to 20 MW Hybrid Solar Power Plant ("Hybrid SPP") at the 800 MW Denizli Natural Gas Combined Cycle Power Plant site operated by RWE & Turcas. RWE & Turcas' Electricity Generation Licence was changed by EMRA in June 2024 to include a 20MW installed capacity Hybrid SPP. We will continue conducting the feasibility study for this investment to reach a final investment decision.*

Sustainable Economic Value

At Turcas, we are committed to creating sustainable economic value by recognizing that economic, environmental, and social welfare are interconnected. We are aware that we must respect future generations and our planet while creating economic value. We identify the basic risks, hazards and opportunities to affect our economic performance. This includes human, reputation, finance, business continuity, OHS, environmental and law-related risks. We aim to increase our long-term financial sustainability by addressing those risks and seizing the opportunities.

Therefore, we consider creating a sustainable economic value at Turcas to be an integral part of our commitment to sustainability. Accordingly, we aim to create a holistic value by assessing not only the financial stability but also the contribution of our activities to the domestic economy, employment and local development.

In 2023, we achieved a strong financial performance through our subsidiaries, maintaining the positive performance of previous years.

> *In 2023, Shell & Turcas' EBITDA and Net Profit amounted to TRY 6,369 million and TRY 723 million, respectively.*
>
> *RWE & Turcas, on the other hand, achieved EBITDA and Net Profit of TRY 1,828 million and TRY 1,245 million, respectively.*

We care about assessing our economic value creation by considering not only our financial performance but also our positive contributions to the environment, society and our stakeholders. In this respect, we prioritize integrating sustainability matters into our decision-making processes to align our economic activities with the principles of long-term applicability, responsible resource management and social welfare.

Intending to integrate sustainability into our business strategy, we endeavour to create economic value by measuring our performance through extensive indicators and paying attention to protecting the environment and supporting social progress. With this approach, we aim to capture all ESG impacts resulting from our activities. For example, we took the first steps towards measuring our environmental footprint, including greenhouse gas emissions, waste formation and other relevant indicators and setting corrective goals in this respect within the scope of our sustainability strategy created for the first time last year and continued these efforts in 2023. We aim to identify the improvement areas by following those measurements and to implement strategies to reduce our environmental impact while preserving economic applicability.

We communicate with our stakeholders, including investors, employees, customers, local communities and NGOs, to understand their expectations and concerns about creating sustainable economic value. Thus, we identify the shared priorities and collaborate to develop sustainable solutions to bring economic value to the top level while addressing the environmental and social challenges.

With our sustainable partnership concept going beyond short-term financial gains, we prioritize creating economic value while minimizing the negative environmental impacts and increasing the social value by adopting innovation and exploring new business opportunities.

Furthermore, we also assess our social and public contributions, such as job creation, community investments, etc., within the framework of our sustainable economic value creation concept. We remain loyal to transparency, continuous improvement and responsible resource management to ensure the long-term welfare of the communities we serve.

Strong Economic Performance

At Turcas, we consider strong economic performance to be a key focal point of sustainability, and we believe that sustainable business practices go hand in hand with long-term financial success.

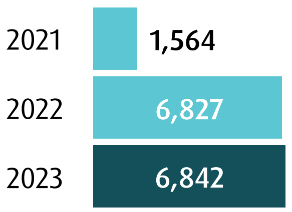
At Turcas, we adopt a comprehensive approach to ensure a strong economic performance that aligns with our sustainability goals. In addition to the strong financial performance, we aim to create value for our stakeholders, contribute to economic growth, and support positive changes in our industry. In this regard, we have a total distributed economic value of TRY 173,369,087, covering such items as employee payments, government payments, social responsibility project spending, membership fees, and business ventures.

For those efforts, we particularly focus on systematic portfolio analysis, effective risk management, and efficient and responsible capital allocation to support sustainable growth, and we prioritize creating long-term and sustainable value over short-term gains. By doing so, we aim to maintain the stability and resilience of our operations. We work to ensure accountability and build trust with our stakeholders through our public disclosure and transparency practices.

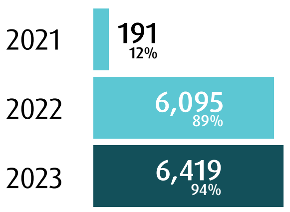
We report our incomes, operational expenses and profits, namely, the key indicators of our financial performance, in order to provide transparent information about our financial position. Those indicators include data about the incomes and profitability of our subsidiaries, cash flow into our Company, etc. By sharing that information, we allow our stakeholders to assess our market position, understand our economic impact, evaluate our financial performance and make informed decisions.

TURCAS PETROL A.Ş.

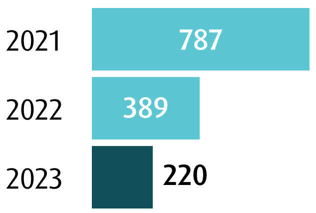
Total Assets (TRY Million)



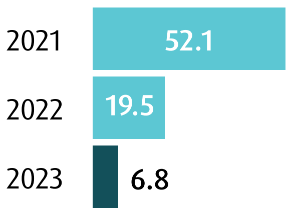
Total Equity (TRY Million) and Ratio of Equity to Assets (%)



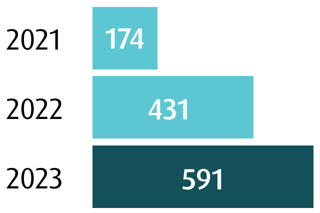
Net Debt (TRY Million)



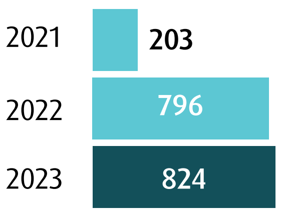
Net Debt (EUR Million)



Share in the Profits Through Investments Valued by the Equity Method (TRY Million)



Operating Profit/Loss before Financing Profit/Expense (TRY Million)



The figures for 2022 and 2023 are inflation-adjusted in compliance with TAS 29 (Financial Reporting in Hyperinflationary Economies).

> *On February 14, 2022, Turcas transferred all its shares in Turcas Kuyucak Geothermal Power Plant, the 100% affiliate of Turcas, to Albioma SA, a French renewable energy company. This transaction not only drew long-term and direct foreign capital investment in Türkiye but also was an important step for our Company in decreasing financial indebtedness. As the project finance credit of Turcas Kuyucak was no longer included in our balance sheet, the consolidated financial indebtedness of our Company decreased from EUR 85 million (by the end of 2021) to EUR 21.2 Million at the end of 2022. In 2023, our foreign currency-denominated indebtedness decreased to EUR 12.3 million (Net Debt: EUR 6.8 million) by year-end, owing to the maturity and voluntary early repayments of loans. Although the maturity of these debts was in June 2025, they were fully repaid by the end of September 2024 through voluntary early repayments, and our indebtedness has been completely cleared.*

We pay attention to improving our innovation and adaptation capacity to adapt to the rapidly changing business environment. We follow up on new opportunities and technological advancements, enabling us to create new income flows and meet market demands. We adapt ourselves rapidly to recent developments.

We remain in active communication with our stakeholders to understand their expectations about our economic performance. We get valuable insights that help us align our financial strategies with their needs by promoting open dialogue and collaboration. For our economic decisions to positively impact all stakeholders, we consider the opinions of our investors, employees, customers and communities.

We pay attention to declaring and paying all taxes duly and transparently within the framework of our strong economic structure at Turcas. We assess all possible risks within the scope of risk management and take issue-specific opinions from tax consultants to reduce our risks.

Additionally, we procure internal audit services from an independent audit firm to comply with the tax governance and control framework. Tax and Accounting practices are also addressed in internal audits. Regarding services, all departments/units go through an internal audit, and all findings are reported to the Audit Committee and then to the Board of Directors. We assess the findings shown in the report and try to minimize the risks by improving and developing the processes. Moreover, we take opinions and guarantees from the consultants in charge of our tax-related declarations.

At Turcas, earnings before tax are TRY 790,399,927 for 2023, and the reported taxes (deferred taxes) amount to TRY 35,974,242.

Environment

According to the UN Framework Convention on Climate Change (Paris Agreement) signed by Türkiye in 2021, the global temperature rise must be limited to 1.5°C to prevent environmental damage. In this respect, many countries and companies, particularly the EU members, began announcing their reduction goals for greenhouse gas emissions and waste management.

Thus, we focus on Low-carbon Technologies and Innovative Solutions, Waste Management and Zero Waste and Energy Efficiency which are included in our sustainability priorities. As Turcas, we expect the companies we invest in to organize their commercial activities and relevant emissions to comply with the UN Framework Convention on Climate Change and the 1.5°C goal and support our subsidiaries for those efforts. As a member of the TÜSİAD Environment and Climate Change Working Group and TÜSİAD Energy Efficiency Working Group, we follow up on national and global developments and carry out such activities that will develop the industry.

To this end:

– We support our companies, subsidiaries, and business partners in realizing their climate goals, minimising their carbon footprint in the value chain, and monitoring their net zero journeys.
– We attempt to make our operations more environmentally friendly and scale up growth through reduced emissions, technology development and improvements.
– We develop collaborations which provide sustainable solutions for clean energy infrastructure.
– We help the businesses we invest in improve their waste management, encourage solutions to solve waste problems and serve zero-waste commitments.
– We support energy efficiency projects and investigate the relevant investment opportunities.

While carrying out our activities at Turcas, we act based on effective and continuous improvement by complying with all legal requirements within the framework of the environmental legislation and our environmental standards and practices. In 2023, we were not penalised due to violating environmental laws.

Based on our Environment Policy,

- We fulfil all obligations arising from the environmental legislation that binds us due to our activities.
- We attach importance to recycling and strive to minimise possible pollution from our activities and prevent them at source.
- We continuously improve our environmental protection performance based on the sustainability principle.
- We reduce our natural resource consumption by efficiently using energy, water and recyclable materials.
- We continue the environmental awareness work for our employees, and sub-contractors act environmentally sensitively.
- We manage and recycle our waste so that they do not harm the environment.

Turcas holds environmental pieces of training to increase our employees' awareness.

2023	Environmental Penalty	-	TRY
2023	Environmental Training	25,96	Hours

A Sustainability Environment Subcommittee was established at Turcas in 2023. The Committee members identified KPIs for these priorities in line with the United Nations SDGs (Sustainable Development Goals) corresponding to the priority topics identified due to the materiality analysis. These KPIs and related actions are regularly monitored and reviewed annually.

Low Carbon Technologies and Innovative Solutions

The energy needs of the world and our country are increasing daily. Due to the negative environmental impact caused by the traditional fossil fuels used to meet that need, the need for low-carbon technologies and innovative solutions also increases. While those technologies play an essential role in meeting energy needs, they are also critical for reducing the negative impact on the environment.

As Turcas, we continue our activities with the experience we have gained as an important actor in the energy investment industry for years, and also look into the investment opportunities in transitioning the future low-carbon economy. We analyze renewable energy investments, hybrid systems and energy storage systems and seize new investment opportunities. We also aim to invest in this field's R&D and innovation opportunities, support the enterprises and the entrepreneurial ecosystem and build university-industry collaborations.

Green Energy Certificate

Shell & Turcas Derince Lubricant and Grease Production Facility made its power consumption carbon-neutral through the IREC certificate in 2022. At Shell & Turcas facilities, IREC certificates corresponding to all consumption are obtained to meet 100% of electricity consumption from renewable energy sources.

CERTIFICATE

for the management system according to ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018

The proof of the conforming application with the regulation was furnished and in accordance with certification procedure it is certified for the company

RWE & TURCAS GÜNEY ELEKTRİK ÜRETİM A.Ş.
Head Office: Emirhan Cad. Barbaros Plaza. No:113 Kat:6
Beşiktaş / İstanbul Türkiye
Plant: Kaklık Mahallesi Organize Sanayi Caddesi No:6
Honaz / Denizli Türkiye

Scope

Generation of electricity

RWE & Turcas' Environment Policy

RWE & Turcas acts based on ISO 9001, ISO 14001, ISO 45001, ISO 50001 and ISO 27001 standards in terms of environmental and energy compliance. As the production includes energy-intensive processes, it commits to reducing energy consumption and costs and ensuring its activities' long-term environmental and economic sustainability. Additionally:

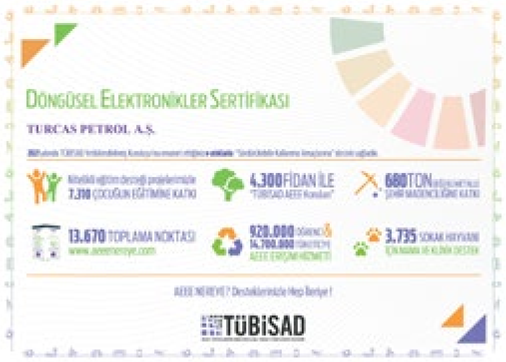
- It complies with the applicable regulations and requirements related to quality, health and safety, environment, information security, energy usage, consumption and efficiency, and fulfils other relevant requirements.
- It works for the health and well-being of its employees, customers, business partners, environment and the general public with Zero Damage.
- It considers energy performance improvements while designing and modifying the facilities, equipment, systems and processes.
- It procures and uses energy-efficient products and services.
- It works to minimize the environmental impacts in all commercial activities with the participation of its employees.

> **Increasing Renewable Energy Use and Transition to Zero or Low-carbon Power**
>
> *Shell & Turcas signed a strategic cooperation with TOGG to provide an uninterrupted experience and high-speed charging station network across Türkiye under the name of Trugo. In this context, 400 stations will be established across Türkiye, and 1,600 vehicles can be charged simultaneously at these stations. Currently, 209 of the 400 stations are in service. In addition, 50 chargers were installed at 45 stations under the Shell Recharge Türkiye brand by the end of 2023. Thanks to the high-speed charging network accessible to all the electric vehicle owners in Türkiye, users' range concerns will be eliminated.*

Waste Management and Zero Waste

Waste management systems are important for the efficient use and protection of natural resources as the basis of sustainable development. We struggle to reduce, recycle, and restore waste and dispose of it under proper conditions using environmentally friendly methods.

Within the Zero Waste Regulation framework issued by The Republic of Turkey Ministry of Environment, Urbanization and Climate Change in 2019, we have installed a zero-waste system at Turcas Petrol Headquarters. We collect and sort the wastes at the source according to the Zero Waste Management System and have them recycled.



DÖNGÜSEL ELEKTRONİKLER SERTİFİKASI

TURCAS PETROL A.Ş.

4.300 FİDAN İLE

680 TON

13.670 TOPLAMA NOKTASI

928.000

14.700.000

3.735

TÜBİSAD

We significantly reduced the consumption of plastic water bottles by putting water dispensers back into use in our office building. By 2024, we aim to zero plastic consumption.

All electronic waste generated within our Company is delivered to TÜBİSAD. The income generated from recycling the valuable materials in this waste is donated to TEGV and contributes to children's education. By doing this, the Company also supports education while protecting the environment.

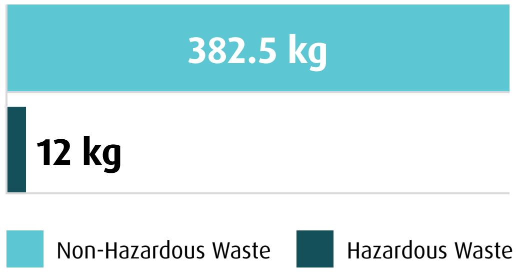
We support the campaign "Bottle Caps Recycled into Happiness" by the Spinal Cord Paralytics Association of Türkiye by collecting the caps of plastic bottles used in our offices and delivered by our employees. We help individuals with physical disabilities to access battery-powered or manual wheelchairs with the income obtained from recycling the caps.

The Bidon Project, launched this year at Shell & Turcas, contributes to recycling by using PCR material in our packaging. The carbon footprint of each pack was reduced by 40% (by using PCR) to 235,854 kg.

The RRBO (Yeniden Rafine Edilmiş Baz Yağ - Re-refined Base Oil) Project contributes to recycling and sustainability by using recycled oil in our products. 2 million litres (1.5 per cent of our base oil need) will be used by 2024.

In 2023, the total amount of waste resulting from our office activities was 394.5 kg, and the types and amounts of waste are as in the table below;

Amount of Waste (kg/year)



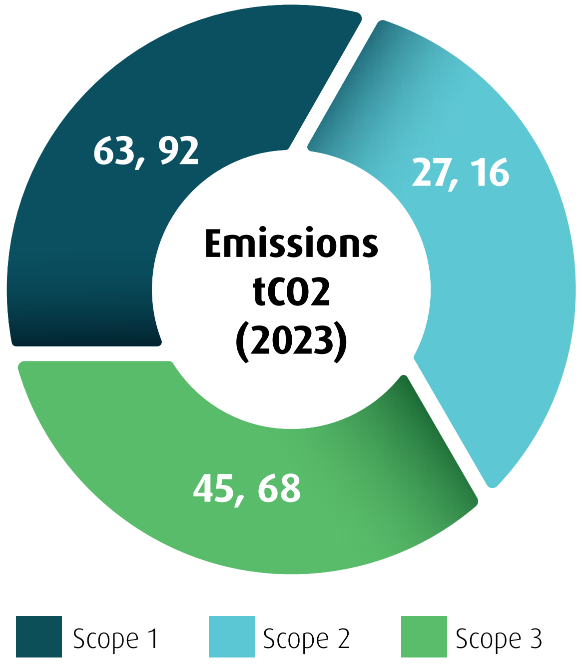
Shell & Turcas' Activities in the Field of Waste Management
We support waste management efforts and attempt to reduce the amount of resources used and switch to using recycled materials.

Shell & Turcas obtained waste management approvals for the Company's retail stations in 2022, intending to build a waste management system for the operations and supply chains. The hazardous waste management approvals were also taken for Company's retail stations. Additionally, the Waste Management Optimization Project was completed at Shell & Turcas Derince Lubricant and Grease Production Facility, saving a total of 60 tons of carbon emissions per year.

Emission Management

At Turcas, we are aware of the relationship between greenhouse gas emissions and climate change, and we conduct our activities in a way that has a minimum negative impact on the climate and environment.

As Turcas, the basic climate and environmental impact resulting from our activities relates to the energy and fuel consumption within our office building. In 2022, we identified the energy consumption points in our Company's operations for the first time to measure and monitor our carbon footprint and environmental impact and collected data from those points. Thus, we calculated the emissions from our Maslak office's activities. In 2023, we initiated mitigation efforts by monitoring and analyzing data from emission points identified based on the previous year's findings.



Energy Efficiency

As Turcas, we observe energy efficiency for the products and services purchased, the new investments and all processes. To this end, we primarily pay attention to monitoring energy reduction actively, optimizing energy use, supporting the transition to renewable energy resources, and realizing those practices to ensure the participation of our employees in the efficiency processes.

Aksoy Plaza, our Company's head office, was designed based on sustainability and high-efficiency principles. In this respect, it was entitled to receive the LEED Gold green office certificate issued by the U.S. Green Building Council (USGBC). Thanks to this technical infrastructure of our office building, we achieve high energy efficiency in our office activities.

However, we believe that ensuring energy efficiency requires the active participation of our employees. We promote and spread the energy-conscious culture by offering awareness activities to improve the energy literacy of our officers. We encourage our employees to identify energy-saving opportunities, suggest improvements and adopt energy-efficiency practices in daily operations.

Beyond our direct activities, we also look into and invest in renewable energy resources to increase the energy efficiency for our indirect activities through our partnerships. We support the transition to renewable energy options such as solar energy in the operational processes within our impact area and help our subsidiaries to reduce their carbon emissions and achieve their net zero goals in their activities.

The Sun powers the Shell Derince Lubricant and Grease Production Facility

Our subsidiary Shell & Turcas started to generate power from solar energy by covering the ceiling of the Shell Lubricant and Grease Production Facility in Derince with 2,774 solar panels. Thanks to the solar panels with a total installed power of approx. 1 MW (905.52 kW), the energy needed for the Derince facility is supplied from the sun by 25%.

With this application pioneering its industry in Türkiye, nearly 500 tons of carbon emission is aimed to be prevented each year.

The I-REC certification enables us to advance our efforts toward carbon neutrality in electricity consumption by sourcing the remaining electricity from renewable energy sources.

People and Society

At Turcas, we are committed to creating working conditions and an environment that prioritise the well-being and satisfaction of our employees.

Beyond their job roles, we see our employees as our greatest asset in shaping our sustainable future. We strive to create a workplace that promotes growth, equality, diversity, and inclusion and respects human rights, and we share our goals and performance transparently.

At Turcas Petrol, our first priority is to respect human rights and to create a working environment and working culture that respects human rights. We respect the human rights of our employees in all our activities, including the prevention of child labour and forced labour in accordance with the International Labour Organisation (ILO) and Turkish Labour Law No. 4857, and fulfil the requirements of the UN Universal Declaration of Human Rights.

All forms of discrimination, inequality, and human rights violations are prohibited in our company. They are addressed within the framework of Turcas Code of Conduct and Legislative Compliance Policy and our Human Resources Policy.

No Employee complaints were received in 2023.

Equality, Diversity, and Inclusion

At Turcas Petrol, we believe in the power of equality to create social value. As we believe that access to equal rights, opportunities, and resources is a fundamental human right, we support the UN Sustainable Development Goals on Gender Equality (5), Decent Work and Economic Growth (8), Reduced Inequalities (10), Quality Education (4), and Partnerships for the Goals (17).

We are committed to embedding equal opportunities in our business and in all our business processes, and we aim to raise employees' awareness of equality in their professional and social lives, making equality our corporate culture.

We aim to carry out all these activities under the coordination of the Equality, Diversity and Inclusion Committee and with the motto **#AwareAndEqual**.

We see diversity and inclusion as our wealth and aim to create an environment where our employees are embraced for their differences, treated with love and respect, and encouraged to speak-up. We manage key human resources processes such as recruitment, career management, employee development, performance management, etc., based on the principles of transparency, equality and fairness, and make these decisions irrespective of race, creed, ethnicity, national origin, religion, gender, marital status, age or disability.

#AWARE AND EQUAL

Gender Equality

We conduct our business in accordance with the principle of non-discrimination based on gender and the implementation of gender equality in our company, and we aim to challenge the established prejudices against gender equality.

We place gender equality, one of the most critical elements of sustainable development, at the centre of all our activities and support the empowerment of women in all areas of life. In line with this commitment, Turcas Petrol A.Ş. became a signatory to the Women's Empowerment Principles (WEPs) in 2016, which was established in partnership with the United Nations Global Compact and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).

We use the Women's Empowerment Principles as a reference in our workplace and activities, and we prioritise the following issues by adopting them as our principles:

- High-level organisational leadership for gender equality,
- Achieving a balanced number of women and men on the Board of Directors, management team, and all other employees,
- Treating all women and men fairly in the workplace,, respecting and promoting human rights and the principle of non-discrimination,
- Consider the welfare of all employees without discrimination,
- Support women through training, courses, and careerdevelopment opportunities,
- Support women entrepreneurs in the sector with the aim of increasing women's employment and empowering women,
- Support partnerships with civil society organisations on gender equality,
- Raising public awareness through the use of social networks to ensure gender equality,
- Highlighting gender equality in corporate communications,
- Measuring and publicly reporting on progress towards achieving gender equality,
- Creating a healthy and safe working environment for all our employees.

> *As a company that prioritises gender equality within the framework of the Women's Empowerment Principles and supports gender equality efforts, we carry out campaigns and advocacy activities in the workplace and in the communities in which we operate. In this context, through our communication activities, Turcas Petrol supports UN Women's campaign in observance of the International Day for the Elimination of Violence against Women on November 25.*

> *The Business Against Domestic Violence Project (BADV), designed by Sabancı University Corporate Governance Forum, aims to raise awareness of violence against women in the business world and to create support mechanisms and methods to make women's participation in the business world more effective and efficient. As part of this project, Turcas Petrol has established and published a policy within the company as part of this project.*

As apart of the "**Intercompany Mentorship Program for More Women on the Boards of Directors**" initiated by WOB Türkiye, prominent leaders from the Turkish business world provide women executives from different companies with mentoring to help them prepare themselves for roles on company boards. As part of the programme, our Chairman, Erdal AKSOY, shares his knowledge and board experience with the participants.

Turcas Petrol actively participates in national and international women's empowerment platforms to ensure gender equality in all areas of life. Turcas Petrol supports the International Day for the Elimination of Violence against Women and Solidarity, which take place every year from 25 November to 10 December, the International Human Rights Day through information seminars for employeesand in cooperation with relevant non-governmental organisations.

Shell & Turcas, the pioneering movement in the fuel industry - "Women Energy At Shell"

We have employed more than 8,000 women at Shell & Turcas gas stations as of the fifth year of "Women's Energy at Shell", launched first in the Turkish fuel industry in March 2018 to encourage women's employment. Women's Energy at Shell, launched to create 5,000 jobs for women, has now become an integral part of the operations by 2023 and has led to a transformation in the industry.

"Women's Energy at Shell" has also received prestigious awards for its contributions to women's employment, including the National Employment Campaign, Sustainable Business Awards - Women's Empowerment, Felis Awards, and Women-friendly Brands awards. "Exemplary Company in Energy Award" was presented by the Ministry of Energy and Natural Resources at the Women Giving Energy to Türkiye Award Ceremony in 2022.

Employee Loyalty and Wellbeing

Turcas Human Resources Policy

At Turcas, Human Resources Management aims to adopt and sustain targeted and innovative human resource practices that support the company's long-term investment strategies and create value for all our stakeholders.

Original Ideas,
Powerful Ventures
#OurStrengthIsYou

As a part of our policy, the brand "**Original Ideas, Powerful Ventures**" has been defined as our Employer Brand. As Turcas employees, "**We build strong bonds based on trust, aim for high performance, and achieve success through our original ideas and powerful ventures**." Our slogan, "**Our strength is you**," represents the values we share, our culture, and the importance we place on human resources. Believing that the value given to human resources and employee satisfaction is at the heart of success, with the motto #WithYouOnYourJourney, Turcas aims to attract people with the appropriate know-how and competency into our company, to continuously support the personal and professional development of its employees, and to develop a corporate culture based on quality standards and efficiency, allowing employees with different perspectives to work together to create value.

In order to achieve our corporate objectives, we are committed to core values on which the business is based on, which we will maintain, develop, and pass on to future generations, being aware of our responsibility to society and being in accordance with our Code of Conduct.

Turcas values the diversity of its employees and potential candidates without discrimination on the basis of race, colour, creed, ethnic or national origin, religion, gender, marital status, age or disability.

Turcas aims to create a rewarding environment that encourages proactive working at every level of the organisation while building a high performaning team. With target-based management and performance assessment, it plans for and conducts its Employees' career and competency development.

In addition to statutory wages, the company offers the following benefits:

- Paid Leave
- Health Insurance
- Personal Accident Insurance (if needed within the scope of duties and responsibilities)
- Marriage Allowance
- Maternity Benefit
- Education Scholarship
- Food and transport

In 2023, the digitalisation of Human Resources practices became a priority agenda item based on employee feedback. In line with the feedback, the Human Resources Department focused on developing digital HR platforms with an employee- and technology-centric approachin parallel with the increased pace of digitalisation across sectors and industries. In addition, implementing projects in line with Human Resources strategic objectives by using digital technologies and strengthening the Employer Brand with all end-to-end experiences have been among our key agenda items.

We set out the working conditions, rights, duties and responsibilities of our company in the Employee Handbook which was prepared by the Human Resources Directorate and came into force with the approval of the Board of Directors.

Examples of Best Practices

- Corporate Culture and Organisation Climate Survey

The purpose of this research is to identify the steps and priorities to strengthen the common understanding of corporate culture and organisational climate, increase employees' job satisfaction,to foster corporate belonging and to increase motivation. The survey also supports the development and implementation of improvement plans.

The Corporate Culture and Organisational Climate Survey is carried out every two years, most recently in September 2022, and the implementation of planned actions was monitored in relation to the results. To measure the employee experience more frequently in the new period, it is planned to conduct pulse surveys on "Strategy, Goals, Loyalty, Motivation, Satisfaction, Communication/Collaboration, Teamwork, Innovation/Change, Competency Development, Appreciation/Motivation, Physical Conditions, Wages and Benefits, First-Line Manager" via the Digital Employee Experience Platform and to implement actions based on the results.

- Internal Customer Satisfaction and Organisational Compliance Survey

The purpose of this research is to identify the steps and priorities necessaryto strengthen the common understanding of corporate culture and organisational climate, to increase employee job satisfaction, to foster belonging and to increase motivation. The research also supports the development and implementation of improvement plans.

The main objective is to achieve high internal customer satisfaction and organisational harmony and to increase efficiency by facilitating internal functioning and relationship management between departments/units.

The process was carried out in 2023 through feedback meetings between departments/units.

Gelişim
Yolculuğunda
Seninleyiz

- Training and Development

We use training/development interviews to identify employees' training needs and ensure planned development in line with these needs. With the motto "We are with you on your growth journey!" creating a learning and developing organisation is one of our top priorities.

In 2023, a total of 474.75 hours of online and classroom training was provided, resulting in an average of 11 hours of training per employee. The total cost of training in 2023 wasTRY 342,392.40.

In order to adapt to the changing world, save time, ensure the effective and efficient management of tasks, and meet the expectations of employees in this regard, the training evaluation and training effectiveness assessment process, along with many of our other processes, has been moved to an electronic platform.

* **Digital Training and Development Platform**

Through our digital training and development platform, we enable employees to quickly and easily access training that supports their professional and personal development, as well as topics they are interested in, providing them with an effective learning experience.

We are constantly developing and updating our digital training and development platform. With the Social Groups and Gamification Module that we have implemented, we are making the learning experience for our employees more fun and engaging. In the Social Groups, our employees interact with each other, while appearing on the Leaderboard by collecting points in the Gamification Module. The Human Resources department rewards employees who are in the top three on the leaderboard each quarter.

* **Online English Learning Platform**

This is a 100% online platform that makes English training practical, fast, flexible, and accessible for employees, offering one-to-one classes, live group classes, exercises, and many other options.

This platform aims to help employees who need to improve skills to make progress in their language skills and to make it easier for them to do their jobs, thereby increasing their efficiency.

In 2023, 18 people actively benefited from the platform by using it for 481.33 hours.

* **Mentoring and Rotation Program**

With the launch of the Mentorship and Rotation Programs, we aim to create and develop a continuous learning environment.

Through the Mentorship Program, we aim to support the development of corporate culture development, accelerate the internalisation of values, promote open communication and collaboration, and enhance motivation and productivity. The Human Resources department will ensure that Mentors and Mentees who volunteer to participate in the program receive the necessary training prior to the program. The target group for mentors in the programme are Level C executives, directors and managers.

The program runs twice a year for 6 months, during which time Mentors and Mentees are expected to have 4-6 meetings of 1 hour each. Meetings are face-to-face and one-to-one, and it is recommended that meetings are scheduled away the office if possible. At the end of the 6 months, new mentor-mentee relationships are established. In addition, training programs have been designed to help develop the leadership/coaching skills of our managers'. In 2023, 42 hours of mentor-mentee meetings were held with 14 people.

With the Rotation Programme, we aim to create opportunities for employees to gain experience and new knowledge/skills in different fields and business lines, contributing to their areas of expertise for a certain period. Other key benefits include opening the door to various career opportunities for employees, improving communication/collaboration between employees and teams, experiencing business processes from the perspective of different business lines, and increasing employee motivation and productivity.

* **Talent Management**

We have created a potential employee map within the company and are continuing to work on identifying the positions (key) and creating a succession mechanism.

We have an Assessment/Development Centre in place for promotion and recruitment processes.

- Employee Wellbeing

We support the health and well-being of our employees through the Employee Assistance Programme, which includes psychological, legal, social and general information services Covering the employees and their first-degree relatives, this Employees Assistance Program provides psychological assistance, legal services, general information and crisis management services on the phone (24/7) and face to face (4 sessions). It is a program designed to protect the health and safety and meet the needs of employees and their families.

It helps prevent personal problems affecting the workplace's functioning and efficiency of the workplace and creates a more creative and productive workforce. It also contributes to achieving a sustainable business by protecting the physical and mental health of the employees and their first-degree relatives.

- Leave Entitlements and Working Patterns for Pregnant Employees, Employees who have Recently Given Birth or whose Spouse has Recently Given Birth, and Employees who have Recently Adopted a Child

We improve our working conditions for pregnant employees, employees who have recently given birth or whose spouse has given birth, and employees who have recently adopted a child to support their physiological and psychological health/well-being.

Pregnant employees are given the opportunity to work remotely 2 days a week from the 5th month of their pregnancy.

There are three different working patterns after childbirth: paid maternity leave, unpaid maternity leave, and part-time working pattern. Employees whose spouses have given birth can also benefit from part-time work to equally share the responsibility of caring for the newborn.

Employees who have recently adopted a child may benefit from paid or unpaid leave options to take on the responsibility of caring for the child and build a a healthy family bond.

We provide ten working days of 'Paternity Leave' to employees whose spouses have given birth to enable them to equally share the responsibility of caring for their newborn.

- Employee Experience Digital Platform

Due to the innovations brought about by the changing world, rapid adaptation to the digital world and changes in applications have become crucial for the continuity of our business operations. Therefore, the Employee Experience Platform was activated in 2022 to adapt to changes and innovations and to strengthen our communication and collaboration.

The Internal Communication Module enables the publication of stories, announcements, and necessary internal company documents, as well as the execution of celebrations for special days and appreciation/recognition gestures.

The Feedback Module, on the other hand, allows you to carry outemployee satisfaction surveys, pulse surveys, 360-degree evaluations, real-time feedback collection, and the operation of the suggestion system.

- Suggestion, Appreciation and Rewarding System

With the Suggestion, Appreciation and RewardSystem, we aim to ensure communication and cooperation within the company, share suggestions, support the participative approach in improvement activities and ensure process efficiency, increase employee identification and motivation, and develop a sense of environmental and social responsibility.

* ***Suggestion Wall***

Employees can share their suggestions on the Digital Employee Experience Platform, which the Human Resources Department manages.

This is where the suggestions that can be implemented with quick solutions are shared. The suggestions received are conveyed to the relevant department/unit managers by the Human Resources Department and assessed by the relevant manager regarding their efficiency, applicability, costs, etc.

If a suggestion is decided to be put into practice, the person who made that suggestion is informed, and that suggestion is posted on the Digital Employee Experience Platform by the Human Resources Department.

* **Energetic Ideas**

After evaluating the suggestions made within the framework of the Energetic Ideas, those suggestions that are deemed to make a positive contribution to the effective and efficient management of the company's business processes, the cost optimization and the employee experience as well as the people who made those suggestions and the actions to be taken regarding the suggestions are shared with the company's employees on the Digital Employee Experience Platform, and the continuity of the system is ensured.

The suggestions are assessed under three main categories:

- Energetic Ideas to "Create Difference"
- Energetic Ideas to "Develop Collaboration"
- Energetic Ideas to "Add Value to Life"

* **To Be Noticed**

Exemplary conduct and behaviour are rewarded, which create efficiency based on the Company's vision, mission, values and basic competencies and make a distinct/measurable contribution to the company. We have an "Appreciation and Rewarding" system in place to notice and appreciate such conduct and behaviour and reward them as soon as possible.

In this respect, the manager appreciates the employee showing the above-mentioned exemplary conduct and behaviour in writing and rewards each employee showing exemplary conduct and behaviour at most twice a year according to the specified budget.

The rewarded employees are announced within the company by the Human Resources Department as assisted by the relevant manager, and their awards are given by the department/unit manager within the team and/or in an organisation to be attended by the employees of the relevant Directorate.

It is crucial for spreading the appreciation culture that the managers and all other employees recognize the employee showing exemplary conduct and behaviour "instantly", either verbally or by using the "Gestures" available on the Digital Employee Experience Platform.

- Education Scholarship

At Turcas Petrol, as part of our corporate social responsibility, we attach great importance to contributing to the education of young people, whom we see as the guarantee of our future, through various educational support projects. In order to create sustainable value in the field of 'Quality Education,' we provide educational scholarships to the children of our employees studying at high school, associate degree, or undergraduate level, provided their gross monthly income is below certain threshold.

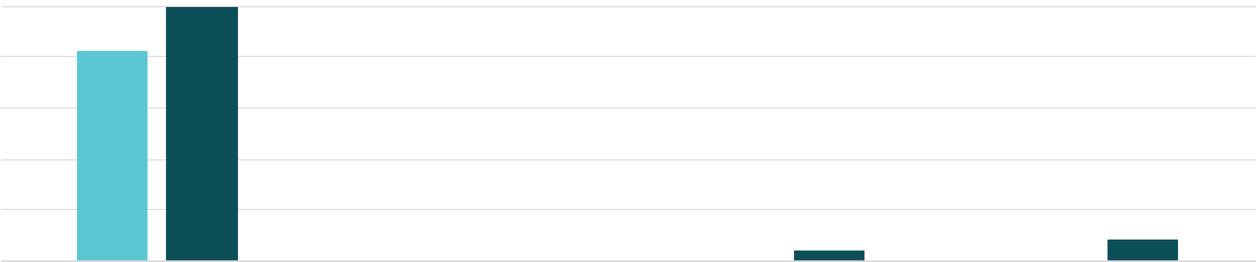
In 2023, we granted educational scholarships totalling TRY 91,500.00.

- Internal Communication

At Turcas Petrol, we have established the Internal Communication Group under the corporate identity of Synergetic Movements to carry out activities that will support the corporate culture, improve communication, motivation, and corporate loyalty of employees, strengthen teamwork, and ensure efficiency in business processes. An "Employee Representative", elected through democratic methods to receive the expectations of our employees and share them with the team, has been taking part in the Internal Communication Group, which has started to carry out its activities since 2014. The members of the group are selected from among our employees who have the experience, knowledge, and skills to add value to the creation and development of projects.

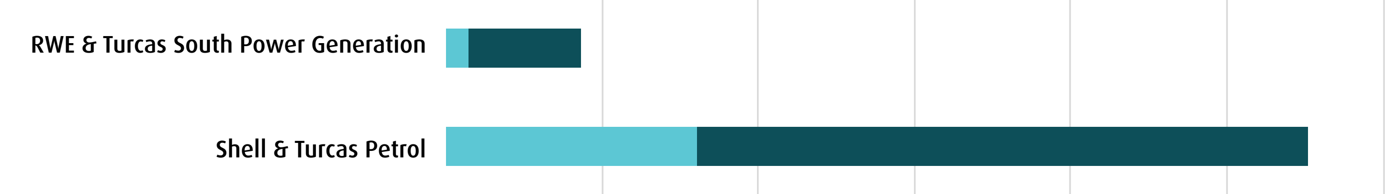
The expenditure for internal communication activities in 2023 amounted to 289,400 TL.

Turcas Petrol - Number of Employees by Gender (2023)



	White-collar Employees	Blue-collar Employees	Number of Disabled Employees	Number of Foreign Employees
Women	18	0	0	0
Men	22	0	1	2

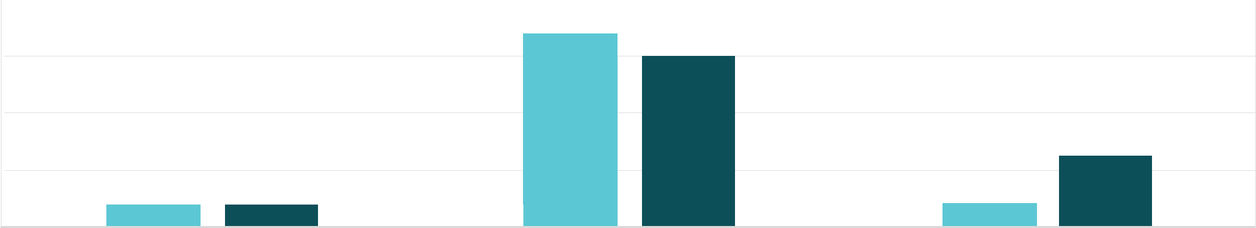
Subsidiaries - Number of Employees by Gender (2023)



	Shell & Turcas Petrol *	RWE & Turcas South Power Generation
Women	807	10
Men	1.903	50

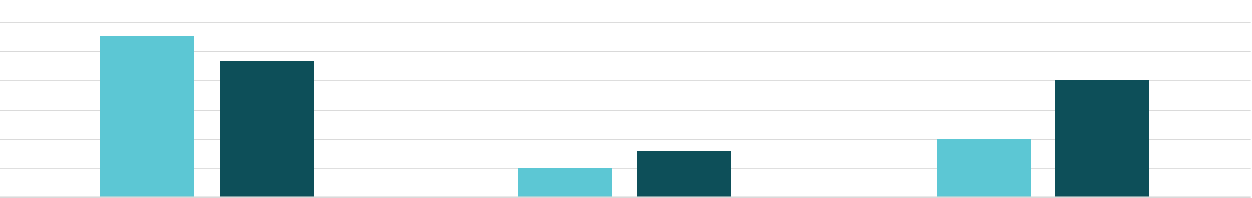
* Including employees in 100% owned affiliate Shell Petrol.

Turcas Petrol - Employees by Age Group (2023)



	< 30 years	30 to 50 years	> 50 years
Women	1	16	1
Men	1	13	8

Turcas Petrol - Employees by Employment Duration (2023)



	Working for 0-5 years	Working for 5-10 years	Working for 10 years and more
Women	13	2	3
Men	8	5	9

Employee Turnover	2023
Employee turnover (%) - Blue-collar	0
Employee turnover (%) - White-collar	23.18
Job leaver turnover (%) - Women (Number of women job leavers / Total number of women employees)	5.1
Employee turnover (%) - Men (Number of male job leavers / Total number of male employees)	3.8

Number of Employees Assessed for Their Performance	2023	
	Women	Men
Number of employees measured for their progress in achieving the goals[2]	12	12
The rate of the employees assessed by senior managers based on the goals measured systematically	0.5	0.5
Number of employees promoted	1	3

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[2] It refers to a process where the employees and their managers have pre-defined, measurable goals specified at least once a year and monitored systematically.

Occupational Health and Safety

As Turcas, we observe and track the health and safety of our employees and take all necessary measures to ensure the safety of our working areas.

In accordance with the Turcas Petrol Occupational Health and Safety Internal Directive and Occupational Health and Safety Specifications prepared and published by the OHS Board, we have defined the responsibilities related to Occupational Health and Safety within Turcas and determined the OHS risks as a result of the risk analysis studies. Within the scope of the Directive, we have identified the current risks, revealed the OHS risks, and determined the OHS Audits, OHS pieces of training for employees and the responsibilities of the managers, and completed these efforts in accordance with the principles set out in the Occupational Health and Safety Law no. 6331 and the relevant legislation. We have been conducting regular OHS risk analyses at Turcas for 7 years, and these risk analyses, which use the Fine-Kinney method, are updated when deemed necessary. In 2023, a total of 335 person/hours of OHS training (occupational health, occupational safety, emergency team training, safe driving training, first aid training, overseas travel training, and on-the-job orientation training) were provided.

Number of People Attending Occupational Health and Safety Training	40
Occupational Health and Safety Training Hours	337

In 2023, there was one accident at work without injury. There were no incidents that could lead to occupational diseases. In our company, Occupational Health and Safety performance targets have been established to achieve zero accidents resulting in lost workdays. Accordingly, we provide all employees with OHS training upon hiring them and at regular intervals, and we record those training sessions in their personnel files. All OHS documents are posted in our Integrated Documentation Management System. In addition, the Social Working Group established the Occupational Health and Safety performance targets for 2023, which are regularly monitored. Additionally, OHS videos are available in the public folder and are accessible by all employees, and other documents in use are physically available on the notice boards placed within our working area. For example, to keep a record of near-misses, employees complete a "Near-Miss Notification Form" via the Integrated Management System Program or the OHS board and submit it to the OHS Specialist.

The health and safety committee meets quarterly because our workplace is classified in the low-risk area. Before the meeting, the board members are notified of the place, time, and agenda by e-mail. If deemed necessary, the Board may meet earlier/more frequently. There is 1 Employee Representative on the OHS Board. The Head of Quality, Environment and Occupational Health and Safety works directly under the Human Resources Director, and the HR Director reports directly to the CEO as the responsible authorized person (Employer's Representative).

In accordance with legal requirements, our company has an occupational health physician and complies with employee health requirements.

OHS Data	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Total Employees	18	27	17	25	18	22
Total Working Hours	1,992	1,992	2,016	2,016	28,492	35,216
Number of Accidents	-	-	-	-	1	0
Number of Near-Miss Events	-	-	3	3	0	1

Near-Miss Incidents: Causes and Preventive Measures Taken

Near-miss Incident	Action(s) Taken
A blind spot at the exit of the system room corridor leading to the main corridor and the risk of collisions.	Installing a mirror to eliminate the blind spot in the area was considered; however, a warning sign was placed in the relevant area instead to provide the necessary information.

Complaint and Feedback Mechanism

Complaint Management is designed to receive and transparently evaluate stakeholder complaints and feedback, take action to resolve complaints and increase overall satisfaction.

The purposes of the Complaint and Feedback Mechanism are as follows:

- Managing possible social and environmental impacts led by our activities,
- Taking opinions from the employees and other stakeholders about possible social and environmental impacts led by our activities,
- Ensuring a communication channel with the affected or relevant stakeholders (suppliers, public, employees, etc.) in certain phases of our activities (feasibility, project, construction, administration, etc.),
- Responding to the complaints and feedback in writing (verbally if applicable),
- Following up and recording all complaints and feedback raised.

On the basis of the complaints and feedback received, data is specified and collected about the feedback, the reasons contained in the complaint category are analyzed, the most suitable solution or action is determined and put into practice, the necessary monitoring activities are specified, the persons providing feedback and complaint are informed, and the records of such complaints are filed and assessed.

All Department/Unit Managers, particularly the Quality, Environment and OHS Unit and the Corporate Communication and Marketing Department, are responsible for Complaint Management within the scope of their duties as set out in their job definition.

Social Investment

From the year our Company was established until today, we have paid attention to meeting all stakeholders' needs and expectations and continue our activities by increasing our positive impact on society and the environment. Together with our stakeholders, we support ethical practices and social initiatives, aiming to contribute to a sustainable and inclusive future. In line with the UN Sustainable Development Goals, we are committed to consistently improving our corporate social responsibility efforts, encouraging long-term partnerships and contributing to positive change for a better world.

At Turcas, we consider the Corporate Social Responsibility Principle as the basis of sustainable growth within the framework of our business strategy, and we hold ourselves primarily responsible for adding value to our society in all our investments. Examples of our Corporate Social Responsibility work grouped under the titles of education, equality and collaborations are as follows:

1- Quality Education

- ITU Alumni Association Scholarship Grant: Within the framework of the educational support projects, we provide the İstanbul Technical University Alumni Association with scholarship support.

We make applicable contributions within our power generation subsidiary RWE & Turcas based on the corporate compliance principles of the main partner, RWE. We provide primary and secondary education institutions in Honaz, Denizli, where our power plant is established, with several contributions in kind, aiming to support qualified education. We also attempt to serve sustainable development through advanced waste management systems and possible green energy projects.

2- Partnerships for the Goals

First Chance Program with the Vision of Şevket Sabancı

Since 2021, we have been supporting the First Chance Program with the Vision of Şevket Sabancı, designed by Esas Sosyal and started in 2016. According to the research conducted about youth employment, lack of experience and reference is the most significant challenge the youth faces after graduation from university. Notably, youth who graduate from "lesser-known" state universities are found to suffer more from the inequality of opportunity. With this vision, we support young people who have graduated from less well-known state universities in transitioning from school to work.

The program was granted the Silver Stevie Award in the category "Diversity, Equality and Inclusion" of the Communication branch at the 9th Stevie International Business Awards, the Diversity and Inclusion Award at 8th Sustainable Business Awards, the UNDP Special Award at 20th Golden Compass Awards, 4th PRIDA Communication Awards in the "Leader Communication" category, Gold Award in the Youth Employment Strategies category, and Silver Award in the Diversity and Inclusion category at the 13th Globee International Business Awards.

Accessible Service Area

Shell & Turcas works with the goal of "Reducing Inequalities" within the scope of sustainable development objectives and continues collaborating with relevant non-governmental organisations.

Shell & Turcas aims to facilitate the lives of disabled guests visiting its stations and offer them a barrier-free visit experience with the "Accessible Service Areas" it created at its stations in 2017, a first in the sector. With "Accessible Service Areas" available at more than 850 stations, guests with disabilities can receive accompaniment support from station employees, from shopping in the market to the restroom, or they can receive service and make payments without getting out of their vehicles.

Plastic Cap Collection Programme

Shell & Turcas carries out a "plastic cap collection" in cooperation with the Spinal Cord Paralytics Association of Türkiye (TOFD). Business partners, guests, and company employees support this programme and the collected plastic caps are donated to TOFD to purchase wheelchairs. The program, actively participated in by lubricant distributors across Türkiye, allows Shell & Turcas' guests to contribute by bringing the plastic caps they collect to the stations designated as collection points by TOFD.

Deli2go Sandwiches Turn into Support

Shell has introduced a new initiative to its permanent actions for Barrier-Free Life by allocating a portion of the revenue generated from deli2go sandwiches to support the Spinal Cord Paralytics Association of Türkiye. The guests, therefore, meet with delightful flavors while contributing to "Barrier-Free Life" simultaneously. A total of TRY 415,000 was donated in three years.

Turkish National Paralympic Committee Sponsorship

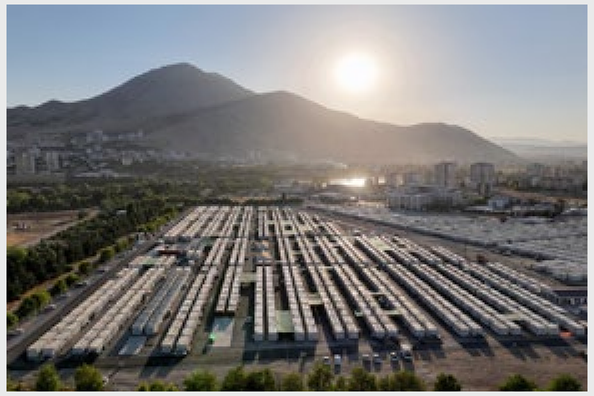
In 2023, Shell & Turcas signed a sponsorship agreement with the National Paralympic Committee (TMPK) of Türkiye, and strengthened its commitment to support development in the field of sports and life without disabilities. TMPK contributes to social transformation by leading Paralympic athletes in successfully representing Türkiye. It is planned to ensure the development of disabled sports and Paralympics in Türkiye and to spread the social impact created to a wider audience through this partnership.

Shell İLERİDE Youth Social Investment Programme

Launched in 2023 in collaboration with Bilim Virüsü (Science Virus), a new generation learning initiative, the Shell İLERİDE Youth Social Investment Program aims to provide students studying in the 2nd and 3rd year of universities with new century competencies and support their preparation for the business world.

At the end of the program, which consists of a Learning Module, Business Simulation, and Project Generation Module, participants are encouraged to produce innovative solutions to social issues. In the first year of the program, 100 university students came together with expert trainers and received eight different trainings: design-oriented thinking, creativity and innovation, presentation and storytelling, analytical thinking, learning to learn, communication and teamwork, sustainability competencies, and digital competencies.

Through the Business Simulation, they had the opportunity to develop solutions to real-life challenges encountered in the business world. Participants formed teams in the Project Generation Module and designed their projects in Affordable and Clean Energy, Reduced Inequalities, Sustainable Cities and Communities and Climate Action from the United Nations Sustainable Development Goals. At the end of the program, three projects selected by the jury through evaluation were provided with seed funding for implementation. The İLERİDE Program will continue in 2024.



> ***We heal our wounds together***
>
> *Together with our subsidiaries, colleagues, business partners, and the civil society organisations we are members of and manage, we worked hand in hand to heal the wounds of the earthquake disaster. In addition to providing tents and food packages to the earthquake zone through Sarıyer Municipality, Turcas Petrol also provided various non-governmental organisations with financial support. Moreover, we donated containers to the DEİK Living City project initiated by the Foreign Economic Relations Board (DEİK), of which we are a member, in the Elbistan district of Kahramanmaraş province.*
>
> *We continued supporting the region with our* ***Shell & Turcas*** *dealers and lubricant distributors. We sent more than 2,000 fuel tankers to the region in cooperation with our dealers to meet fuel, lubricant, and energy needs. Furthermore, with 16 village tankers and five mobile stations, we have ensured the fuel supply to regions where services are not available and transportation is difficult. With the coordination of AFAD, we provided TRY 25 million of fuel support for the search and rescue operations of official institutions, hospitals, soup kitchens, teams carrying food, and the activities of non-governmental organisations such as AKUT, GEA, TEGV, TOG, and Ahbap in the region. Under the Ministry of Transport and Infrastructure coordination, we undertook the ro-ro ship's fuel needs that transported 65 trucks carrying emergency supplies from İstanbul to İskenderun Port. With the coordination of the İstanbul Metropolitan Municipality, we provided fuel support to the Osmangazi and Orhangazi ships that arrived at the İskenderun Port to meet the shelter and evacuation needs of the people in the region. Generators, blankets, sleeping bags, sleeping bags, food aid, hygiene products, and essential supplies, which are the primary needs of the earthquake region, were delivered to the citizens by Shell & Turcas through AFAD and Governorships. Shell Turkey is also launching programs offering social and emotional support for children, youth and women at 20 sites across six regions, which will run for 2 years. The programs are carried out in cooperation with TEGV, TOG, and TKDF.*
>
> *At* ***RWE & Turcas****, we provided material aid to earthquake-affected regions through AFAD. Our valued partner, RWE, provided the Turkish Red Crescent with financial support based on the region's needs. We will continue to contribute to projects that bring benefits and develop new initiatives driven by our sense of responsibility towards our society.*

Digitalization

Rapid technological development is now an important power in all industries. While the advancements in the digital world are rapidly changing how we work and communicate, companies are increasingly adopting cloud computing, big data analysis, blockchain and similar technologies for more reliable, sustainable and efficient business processes. As Turcas, we are aware of the potential created by digital transformation for addressing the problems and opportunities in all our processes. We integrate our innovative vision into all our processes, including business development, investments, environment, people, and society, in parallel with the accelerated digitalisation throughout the industries. We consistently develop our digital processes to meet all requirements in necessary fields and adapt to the innovations.

With this vision, we have initiated the digital transformation in Turcas by implementing several digitalisation projects in recent years. We also improved the technological adaptation for our business processes in 2023 by maintaining the trend we had in the previous years and strengthening our efforts in this field.

We aim to follow new technological trends and implement solutions suitable for our company in the short-, medium-, and long-term while observing safety and data integrity. We consistently develop our digital processes to meet the requirements and adapt to innovations in every field we need. With digitalization, secure data storage has become more critical than ever. Technological devices make users' lives easier while also bringing security threats along with them.

We have reinforced our efforts to ensure that the entire architecture covering our infrastructure, systems, and applications that we use for cybersecurity becomes redundant, accessible, and secure, as well as to ensure the continuity of this security. We implemented a central data backup project that will increase the accessibility of systems in case of external shocks such as natural disasters.

We continue to undertake digital technology investments and projects that will increase the continuity and efficiency of our operations, as we do every year. As part of our digital transformation efforts, projects focused on operational sustainability and business continuity, such as digitising business processes, were implemented by the NOC (Network Operations Centre) and SOC (Security Operations Centre). These projects enable our company to monitor all systems and infrastructure applications 24/7 and intervene promptly in case of any security problems.

As part of our cyber security efforts, we manage Phishing reporting and intervention and simulation processes. We also effectively manage processes related to in-house security awareness, periodic training and briefings, phishing email tracking, reporting, central quarantining, and security measures at the DNS layer. With the email archive application, we ensure the security and organisation of our email communication.

This application ensures our data security and business continuity by managing the processes of archiving and, when necessary, quickly accessing and backing up e-mails. We are improving the existing Disaster Recovery Centre infrastructure at our data centre in Ankara, ensuring our corporate infrastructure's business continuity and geographical redundancy.

Digitalization and Sustainable Technologies

An increased accessibility architecture with a centralised authentication structure has started to be used. Workflow applications were digitised, and development projects were carried out. The Integrated Management System Program projects continue to be implemented and developed. The archiving project has been implemented, aiming to store electronic mail consistently and securely in different environments and save space in the data centre by digitally eroding deleted items' data. Fax receiving and sending operations have been transitioned to electronic media, enabling received faxes to be accessed and sent from anywhere. Faxes are archived digitally instead of in physical folders. The management of printing devices within the organisation has been centralised to work more efficiently and securely and reduce costs and environmental impact.

Our company has digitised the workflow processes previously managed on paper through the ERP Program, aiming to save time and labour while ensuring the seamless operation of these processes. In this way, business processes are monitored from end to end, ensuring they are carried out as planned and per the specified criteria. Approvals traditionally given on printed documents or by e-mail have been transferred to the digital environment, ensuring both a more sustainable process management and paper and time savings while managing the budgeting, financial affairs, and human resources processes more quickly and effectively. All documents are monitored through the Integrated Management System Program, and our corporate memory is strengthened by preventing data loss. In 2023, based on employee feedback, we focused on digitising and transitioning our HR platforms to an online system, thereby enhancing operational efficiency.

Performance Indicators

Governance

Tanım	2023	
	Women	*Men*
Number of Members on the Board of Directors	2	6
Number of Members in the Audit Committee	1	1
Number of Members in the Executive Committee	3	3
Number of Members in the Early Detection of Risk Commit-tee	1	2
Number of Members in the Corporate Governance Commit-tee	1	4

Board Committees	Rate of Nonexecutive Directors	Rate of Independent Members in the Committee	Number of Physical Meetings Held by the Committee	Rate of Attendance of Committee Members in Meetings	Number of Activity Reports Submitted to the Board of Directors by the Committee
Audit Committee	100%	100%	4	100%	4
Corporate Governance Committee[3]	80%	40%	4	100%	4
Early Detection of Risk Committee	67%	33%	6	100%	6
Executive Committee	0%	0%	12	100%	12

* All data in the table shows the current situation by the end of 2023.

Economic Performance

Operating costs	101,042,801 TRY
Employee wages	35,916,579 TRY
Benefits to the employees	7,166,176 TRY
Payments to the government	28,315,500 TRY
CSR spending, payments to the trade associations and business ven-tures, and sponsorships	928,030 TRY
Total Distributed Economic Value – 2023	173,369,087 TRY
Earnings before tax	790,399,927 TRY
Reported taxes (Deferred tax amount)	35,974,242 TRY

Environmental Performance

2023	Environmental Penalty	0	TL
2023	Environmental Training (Person Hours)	25.96	Hours

Waste Type	Amount of Waste (kg/year)
Hazardous Waste*	12
Non-Hazardous Waste	382.5
Total	394.5

* Wastes harmful to human health and the environment are dealt with under this definition. Electronic wastes, toner cartridges, and waste batteries are considered hazardous waste in Turcas.

	Scope 1		Scope 2		Scope 3	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**
Emissions (t CO2e)	282.24	63.92	20,835.72	27.16	132.93	45.68

Scope 1		Scope 2		Scope 3	
Gasoline	7,725.98 lt	Electricity	39,422.99 kWh	Shuttle service	150,000 km
Diesel	11,309.7 lt			Road Travel	15,609 km
Natural Gas	6,757.8 m^3			Air Travel	47,077 km
Cooling Gases (R410A)	0 kg			Wastes	0.729 tonnes of paper 0.2 tonnes of glass 530.6 m^3 water/ wastewater

Social Performance

OHS Trainings	2023
Number of participants	40
Total of OHS training hours	337

OHS Data	2021		2022		2023	
	Women	*Men*	*Women*	*Men*	*Women*	*Men*
Total Employees	18	27	17	25	18	22
Total Working Hours	1,992	1,992	2,016	2,016	28,492	35,216
Number of Accidents	-	-	-	-	1	-
Number of Near-Miss Events	-	-	3	3	-	1

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[3] Corporate Governance Committee fulfils the duties of the Nomination Committee and the Compensation Committee under the relevant legislation.

Turcas Petrol - Number of Employees by Gender	**2023**		
	Women	***Men***	***Total***
Number of white-collar employees	18	22	40
Number of blue-collar employees	-	-	-
Number of Disabled Employees[4]	-	1[5]	1
Number of Foreign Employees	-	2	2

Subsidiaries - Number of Employees by Gender	**2023**	
	Women	***Men***
Shell & Turcas Petrol	807	1,903
RWE & Turcas South Power Generation	10	50

Turcas Petrol - Employees by Age Group	**2023**			
	Blue-collar		**White-collar**	
	Women	***Men***	***Women***	***Men***
< 30 years	0	0	1	1
30 to 50 years (including those aged 30 and 50)	0	0	16	13
< 50 years	0	0	1	8

Turcas Petrol - Employees by Employment Duration	**2023**		
	Women	***Men***	***Total***
Working for 0-5 years	13	8	21
Working for 5-10 years	2	5	7
Working for 10 years and more	3	9	12

Employee Turnover	**2023**
Employee turnover (%) - Blue-collar	0
Employee turnover (%) - White-collar	23.18
Job leaver turnover (%) - Women (Number of women job leavers / Total number of women employees)	5.1
Employee turnover (%) - Men (Number of male job leavers / Total number of male employees)	3.8

Number of Employees Assessed for Their Performance	**2023**	
	Women	Men
Number of employees measured for their progress in achieving the goals[6]	12	12
The rate of the employees assessed by senior managers based on the goals measured systematically	0.5	0.5
Number of employees promoted	1	3

Maternity/Parental Leave Metrics by Gender	**2023**	
	Women	Men
Number of employees taking maternity/parental leave	2	2
Number of employees returning to job after the maternity/parental leave ends	0	0
Number of employees returning to their job after the maternity/parental leave and continue to work at least for 12 months	0	0

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4 Included in the total number of employees.

5 Within the legal limits.

6 It refers to a process where the employees and their managers have pre-defined, measurable goals that are specified at least once a year and monitored systematically.

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