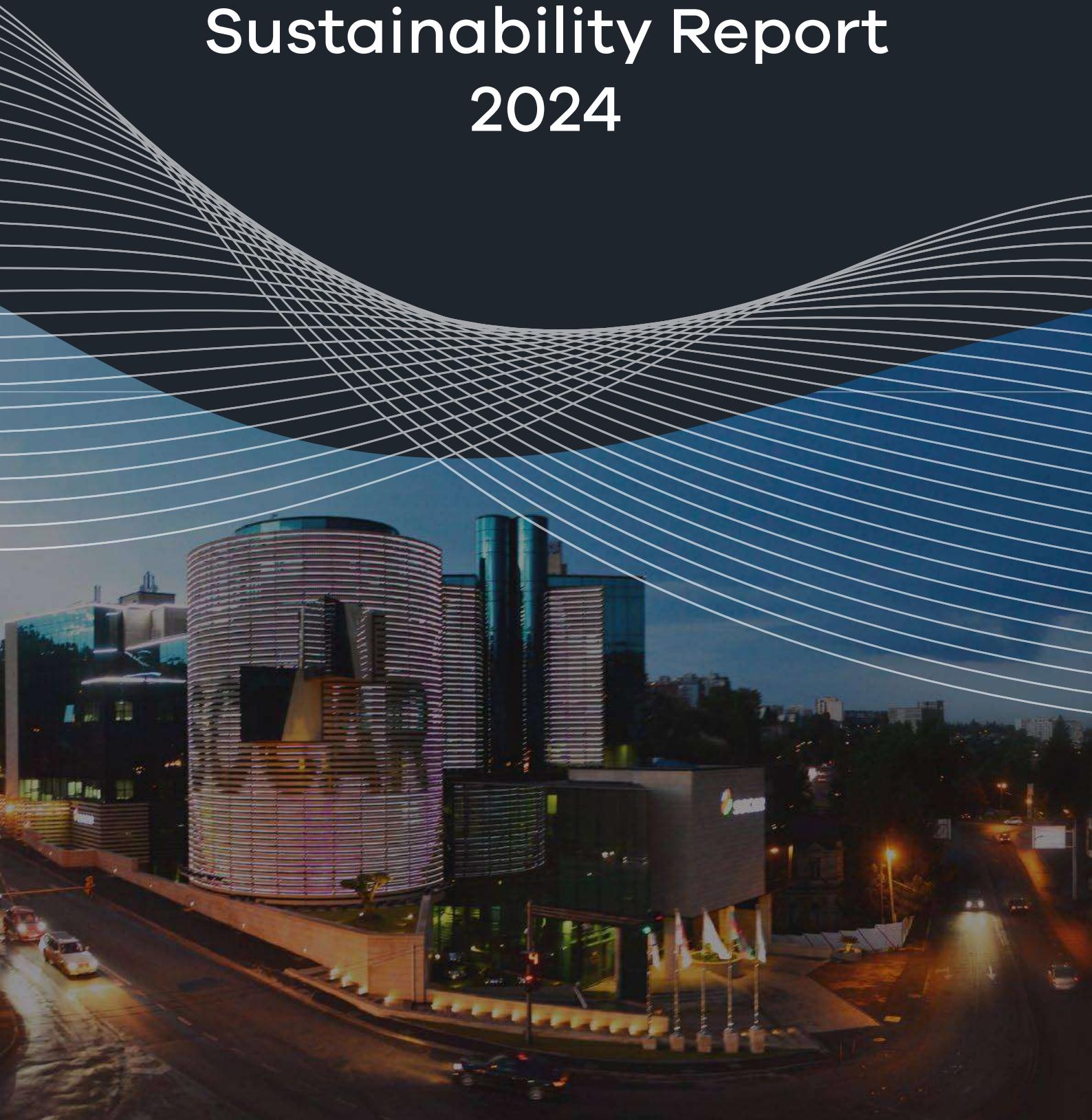




# **SOCAR Energy Georgia**

## Sustainability Report

### 2024





# First Standalone Sustainability Report

**SOCAR Energy Georgia**

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# Message from the General Director

## Powering Lives, Responsibly

SOCAR Energy Georgia (SEG) is the Georgian holding subsidiary of the State Oil Company of the Azerbaijan Republic (SOCAR). Operating in Georgia since 2006, SEG is active in the downstream oil and gas sector through its two major subsidiaries: SOCAR Georgia Petroleum and SOCAR Georgia GAS.

Our mission is to contribute to Georgia's energy security by leveraging our experience in supplying oil products and natural gas and in operating gas distribution infrastructure, supported by modern technology and know-how.

Building on this mission, our corporate strategy combines business resilience with the energy transition. We continually review and optimize our operations, invest in modern technologies, and pursue innovations that enhance efficiency, safety, and environmental performance across our fuel retail, logistics, and regional gas distribution network.

With a long-standing presence in Georgia and a firm commitment to quality and reliability, we strive to ensure that people and businesses receive the energy they need to power their lives—today and through the transition ahead.



**Mahir Mamedov**  
General Director,  
SOCAR Energy Georgia

I am pleased to present SOCAR Energy Georgia's first standalone Sustainability Report, outlining results and achievements attained by the Company during 2024. With this report, developed with reference to the GRI Standards, we are doing more than just publishing the numbers—we are building a new habit of transparency, and bringing sustainability into our day-to-day decisions. Until now, our performance formed part of the SOCAR Global consolidated reports. Today, we can speak in our own voice about what and how exactly we do in Georgia.

We operate at two crossroads now. As part of the global SOCAR Group, performing in 13 countries, we continue to work to the highest international standards. And as a Georgian company, our work is embedding responsible business practices in the market, thus supporting the country's European path. This report reflects the fusion of global discipline and local responsibility. It rests on a simple idea – the way we deliver energy matters as much as the energy we thus deliver.

The world today expects increasingly more from the energy companies, and so do our stakeholders. We fully appreciate the scale of our role in this segment, and we are determined to live up these expectations. SOCAR Energy Georgia is among the largest employers, taxpayers, and revenue generators in the sector. And along with this level of reputation, there comes equal level of responsibility – contribute to fair, inclusive growth and to energy security, and manage sustainability risks inherent to the energy sector.

Our responsibility can be measured in substantiated outcomes. Safety First is not a mere slogan – it is the essence of how we work. In 2024, we recorded zero fatalities and a recordable injury rate 0.07 per total 200,000 man-hours worked. We invested nearly 70mln GEL in gas infrastructure, and connected 109 new towns and settlements to our gas network; We contributed into the country's economy over 12mln GEL in taxes and statutory payments. Almost 80mln GEL was spent with contracted local suppliers, and quality jobs were secured for 4,167 employees across Georgia, with women accounting for 28% of our workforce.

We continued our active social investments focused on five key priorities we exercise wherever we operate – social integration of the persons with disabilities, safety, women empowerment, youth, and environmental protection.

Operationally too, the year 2024 was tight and demanding. We purchased 245km, and rehabilitated 133km gas pipelines across the country, and commenced rehabilitation and expansion of both oil depots we operate. We serviced 55% of national gas customers, and reached the mark of 13% of national fuel sales. In the environment of the fluctuating market, we stayed resilient, generating over 2 billion GEL in revenues and supporting Georgia's economy.

In 2024, we continued to strengthen the culture and system that guide the way we work. We further sophisticated our Corporate Values and brought them to life through the new Code of Ethics, while the upgraded risk management framework and the formed Management Council further sharpened the oversight and decision-making efficiency. To embed integrity in everyday practice, we introduced a package of Group policies,

focused on anti-corruption, conflict of interest, and competition compliance, and made sustainability reporting a disciplined, annual habit. We joined the UN Global Compact to formalize our commitment to responsible business, and this report illustrates our first Communication on Progress (COP), asserting our support to the Ten Principles on human rights, labor, environment, and anti-corruption.

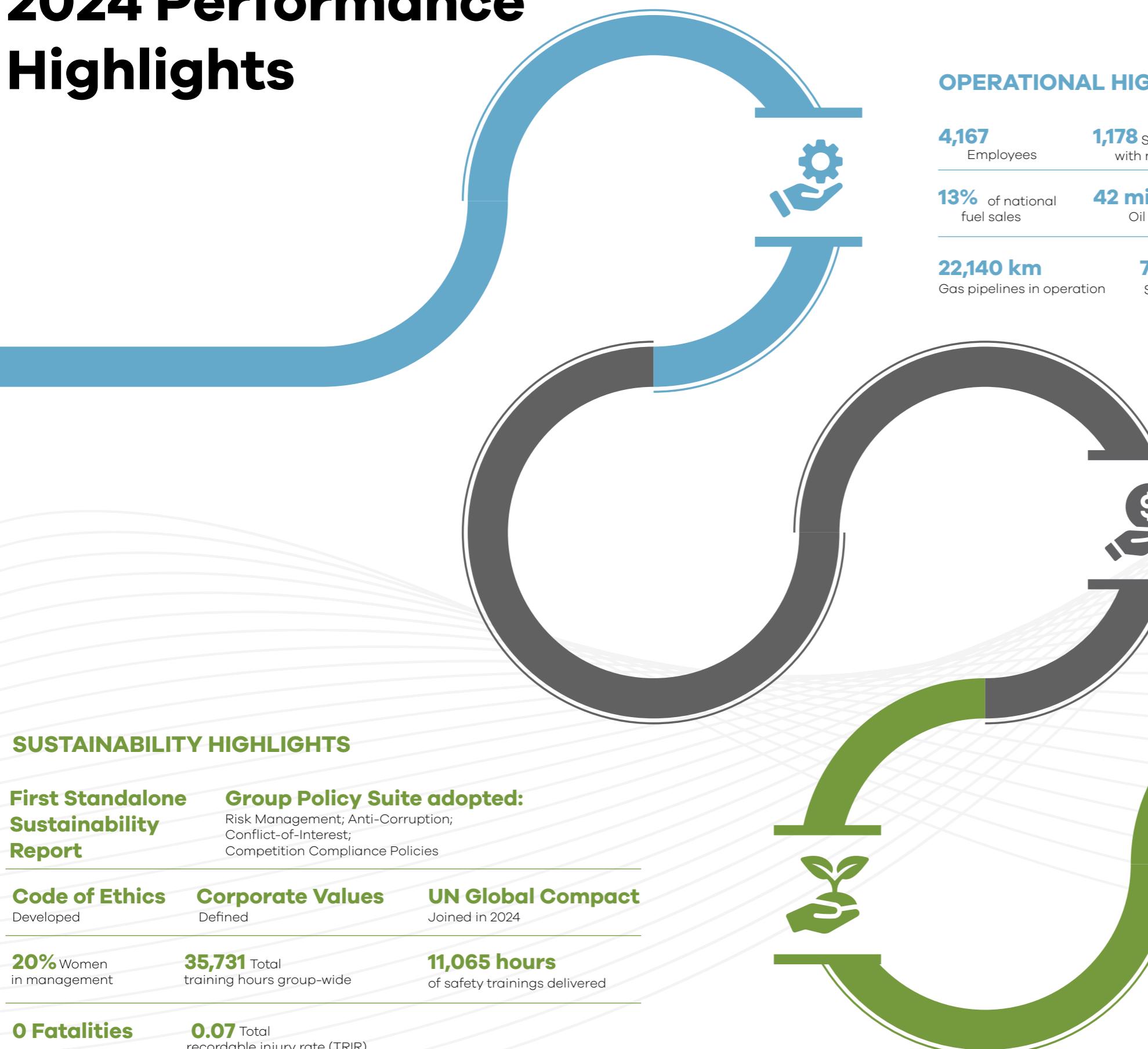
Of course, there is still a lot more to do, and we are perfectly aware of it! We are candid about the gaps pending to be addressed, and we are committed to improving our policies, performance, and governance system year by year. The purpose of this report is not merely to inform – it is to help us find the ways towards better performance, and what we can do differently to make the progress more visible. Our portfolio is predominantly energy, and we are to continue development of our core business. At the same time, building on our role in accessibility and security of energy, we intend to contribute to the just and equitable energy transition in Georgia, and to embed stronger operational standards across the sector.

Finally, I want to thank my colleagues from SOCAR Energy Georgia whose committed efforts made the 2024 results possible; we are grateful to our customers, partners, suppliers, and communities for their trust and cooperation. And as the years come by, we will keep demonstrating that reliable energy and responsible practice can move forward together.

**Mahir Mamedov**  
General Director,  
SOCAR Energy Georgia



# 2024 Performance Highlights



## OPERATIONAL HIGHLIGHTS

<b>4,167</b> Employees	<b>1,178</b> Settlements served with natural gas	<b>55%</b> of national gas consumers
<b>13%</b> of national fuel sales	<b>42 million liters</b> Oil storage capacity	<b>107</b> Filling stations
<b>22,140 km</b> Gas pipelines in operation	<b>70</b> Way Mart Stores	

## FINANCIAL HIGHLIGHTS

<b>2.04 billion GEL</b> Total revenue	<b>79.7 million GEL</b> Spent on local suppliers
<b>104.9 million GEL</b> Employee wages and benefits	<b>68.6 million GEL</b> Invested in capital expenditures

### Notes:

- Employee headcount as of 31 December 2024 includes SEG, SGP, and SGG. Total number of the employees of all SOCAR subsidiaries in Georgia exceeds 5,500.
- Market share figures refer to 2024 national totals.
- TRIR calculated per 200,000 hours worked in line with GRI 403-9.
- CapEx excludes operating costs and includes asset purchases such as pipelines, stations, metering, equipment, vehicles, and intangibles
- All financial figures are rounded.

# Introduction

## In this section

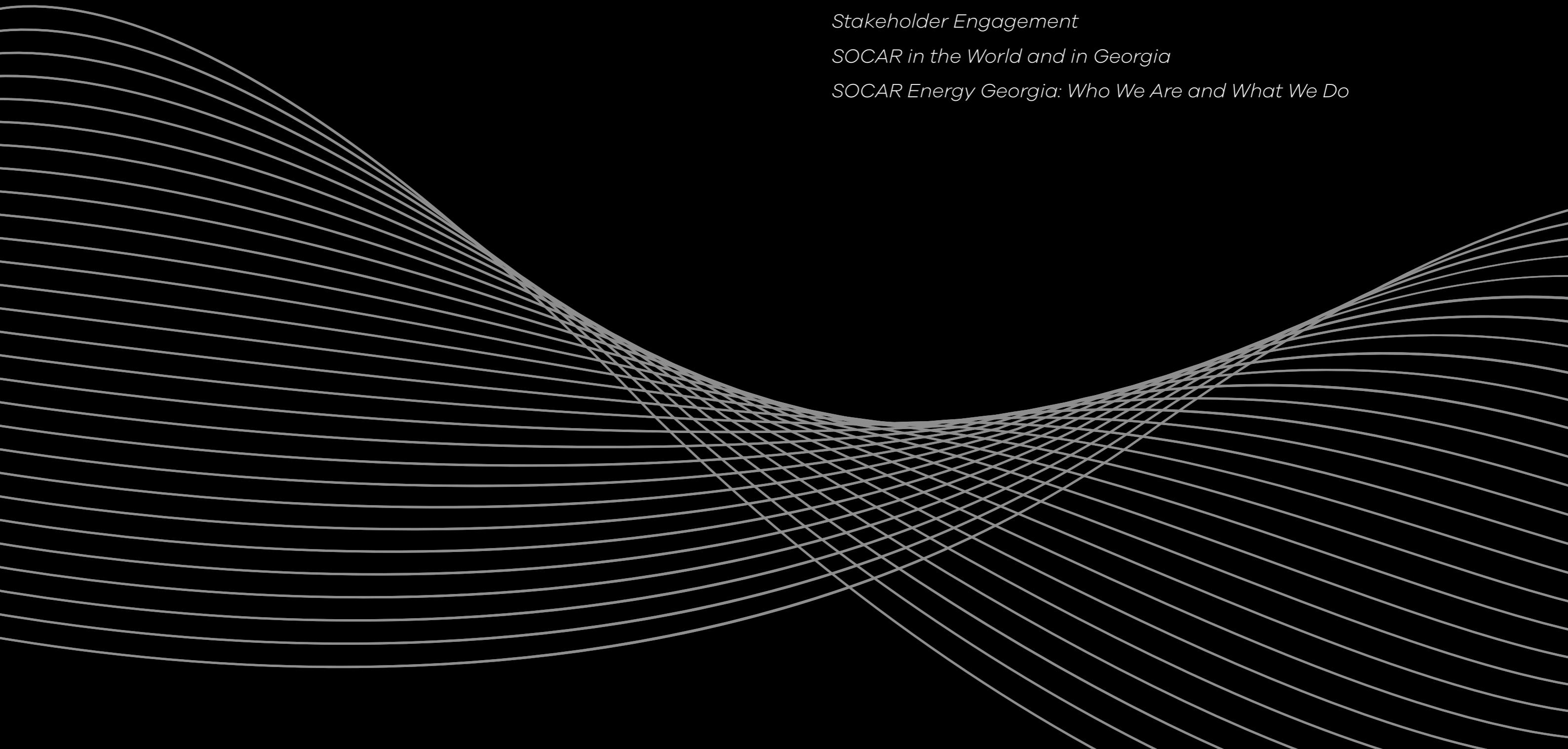
*About this Report*

*Focusing on Material Topics*

*Stakeholder Engagement*

*SOCAR in the World and in Georgia*

*SOCAR Energy Georgia: Who We Are and What We Do*



# About this Report

## OUR REPORTING PRACTICES

This report marks a significant milestone for SOCAR Energy Georgia, as it is the company's first standalone sustainability report. In previous years, SOCAR Energy Georgia contributed relevant information to the sustainability reporting process of its parent company, SOCAR Global, which has been publishing consolidated sustainability reports for several years. As a result, key aspects of SOCAR Energy Georgia's environmental, social, and governance performance were historically included within the global-level disclosures.

However, 2024 represents a pivotal year for SOCAR Energy Georgia. The company has actively embarked on its own sustainability journey, recognizing the importance of transparent, localized, and stakeholder-specific sustainability communication. The decision to prepare this first independent report reflects a deepening commitment to sustainable business practices, accountability, and continuous improvement at the national level. This report sets the foundation for SOCAR Energy Georgia's ongoing efforts to measure, manage, and communicate its sustainability impacts and progress.

## REPORTING PRINCIPLES AND SCOPE OF THE REPORT

This Sustainability Report is prepared with reference to the GRI Standards (2021), including the GRI Sector Standards for the Oil and Gas Sector (GRI 11: Oil and Gas 2021), to ensure sector-specific relevance and completeness. The content is also informed by the IPIECA-API-IOGP Sustainability Reporting Guidance for the Oil and Gas Industry.

The report covers the period from January 1 to December 31, 2024, which fully coincides with SOCAR Energy Georgia's financial reporting cycle.

As this is SOCAR Energy Georgia's first standalone sustainability report, the company acknowledges that it has not yet been able to fully respond to all requirements under each GRI disclosure. In some cases, data collection systems are not yet fully in place. Nevertheless, the company made every effort to cover as many relevant disclosures as possible, guided by the principles of transparency, materiality, and completeness. The intention is to gradually strengthen internal processes and progress toward full alignment with the GRI Standards in future reporting cycles.

The scope of this report covers the performance of SOCAR Energy Georgia's two major subsidiaries:

- SOCAR Georgia Petroleum, including its subsidiary S Market LLC (trademark Way Mart)
- SOCAR Georgia Gas, including its subsidiary Telavi Gas

These companies represent the core operations of SOCAR Energy Georgia in Georgia's downstream oil and gas sector.

The third subsidiary, SOCAR Georgia Security, is not included in this report. As a small-scale entity whose sole function is to provide internal security services to the Group, it is considered to have immaterial sustainability impacts. Two minor subsidiaries of SOCAR Georgia Petroleum: SGP\_Samtredia LLC and Obieqtli LLC — are also excluded from the scope on the grounds of their very limited and immaterial activities.

In addition, the report covers the performance of LLC SOCAR Energy Georgia (Head Office).

Data presented in this report reflects the performance of SOCAR Georgia Petroleum and SOCAR Georgia Gas to the extent possible at this stage. Where certain indicators or data sets do not yet fully cover all operations or time periods, this is clearly indicated in the relevant sections of the report.

The report was prepared by SOCAR Energy Georgia with advisory support from the Centre for Strategic Research and development of Georgia (CSRDG).

To support reliability and accuracy, the report underwent extensive internal ver-

ification and was approved by company management.

The report has not been externally assured for this reporting cycle.

## GLOSSARY OF ENTITIES REFERENCED IN THIS REPORT

**SOCAR Energy Georgia Holding (the Group, SEG Holding)** — comprises SOCAR Georgia Petroleum (SGP), SOCAR Georgia Gas (SGG), and the Head Office. Unless stated otherwise, references to SEG Holding or the Group cover the

combined activities of SGP, SGG, and the Head Office.

**SOCAR Energy Georgia (Head Office)** — an independent legal entity employing 100+ staff. Provides strategic oversight, coordination, and support services for the Group's operations in Georgia.

**SOCAR Energy Georgia (SEG)** — when used without further specification, refers collectively to SGP, SGG, and the Head Office.

## Entities Covered in 2024 Report

### INCLUDED ENTITIES

- SOCAR Georgia Petroleum (incl. Way Mart)
- SOCAR Georgia Gas (incl. Telavi Gas)
- LLC SOCAR Energy Georgia (Head Office)

### EXCLUDED ENTITIES (IMMATERIAL FOR 2024 SCOPE)

- SOCAR Georgia Security — internal security services; small-scale; immaterial sustainability impacts
- SGP\_Samtredia LLC — very minor activities; immaterial
- Obieqtli LLC — very minor activities; immaterial

**Note:** Entities are consolidated under the operational control boundary for 2024.

## FORWARD-LOOKING STATEMENTS DISCLAIMER

This report may contain statements that constitute forward-looking information or expectations regarding future events, performance, strategies, or objectives of SOCAR Energy Georgia and its subsidiaries. Such statements are based on current assumptions and expectations of management and are subject to risks, uncertainties, and external factors that may cause actual results to differ materially from those expressed or implied. The terms "aims," "expects," "plans," "intends," "believes," "projects," "targets," and similar expressions are used to identify such forward-looking statements. SOCAR Energy Georgia undertakes no obligation to update these statements to reflect future developments or circumstances. Readers should not place undue reliance on these statements and should consider them in light of the uncertainties inherent in forecasting future outcomes.

## INVITATION TO PROVIDE FEEDBACK

**SOCAR Energy Georgia welcomes feedback, questions, and suggestions regarding the content of this sustainability report. Stakeholders are encouraged to share their views or request additional information.**

**Please send your questions or comments to:**

**Levan Dundua**  
Business Communications Manager  
l.dundua@socar.ge

**UNITED NATIONS SDGS AND THE UN GLOBAL COMPACT: OUR FRAMEWORK**

The SDGs are a universal set of 17 goals adopted by UN member states to end poverty, protect the planet, and ensure prosperity and peace by 2030. They provide a shared language and measurable targets for governments, business, and civil society. For companies, the SDGs help translate global challenges—such as climate change, decent work, innovation, and responsible consumption—into concrete priorities for strategy, investments, and day-to-day operations.

Private sector action is essential to achieving the SDGs. By integrating sustainability into core decisions, businesses can reduce negative impacts and amplify positive outcomes for people and the environment.

**UN Global Compact (UNGC)**

The UN Global Compact is the world's largest corporate sustainability initiative, mobilizing companies to align their strategies and operations with ten universally accepted principles in the areas of human rights, labour, environment, and anti-corruption, and to take actions that advance societal goals.

The multi-year strategy of the UN Global Compact is to drive business awareness and action in support of achieving the Sustainable Development Goals by 2030.

SOCAR Energy Georgia joined the UN Global Compact in 2024. We are committed to making the Ten Principles part of our culture and daily operations and to using the SDGs to guide our sustainability efforts across our operations.

Since joining the initiative, SOCAR has been actively engaged in the activities of the UN Global Compact Network Georgia—participating in forums and meetings, joining local Action Platforms, and taking part in capacity-building and learning programs such as UNGC Accelerators.

This Sustainability Report serves as SOCAR Energy Georgia's first Communication on Progress (CoP). It discloses how our activities and progress align with the UNGC Ten Principles and contribute to the SDGs.


**SUSTAINABLE DEVELOPMENT GOALS**


# Focusing on Material Topics

To determine the content of this report and identify material sustainability topics, SOCAR Energy Georgia applied a multi-source, pragmatic approach. The materiality assessment process was coordinated by an external sustainability consultant in close cooperation with SOCAR Energy Georgia's internal team. While a full-scale materiality assessment was not conducted during the reporting year, the company grounded its topic selection in both internal and external references, ensuring a reasonable and representative view of key impacts, risks, and opportunities.

In the first place, SOCAR Energy Georgia relied on the GRI Universal Standards (2021) and the GRI Sector Standards for Oil and Gas (GRI 11: 2021). Additional frameworks and guidance consulted included:

- The UN Global Compact Ten Principles
- MSCI ESG Industry Materiality Map
- European Sustainability Reporting Standards (ESRS)
- SASB Standards

Topics were prioritized based on their relevance to stakeholders, potential environmental and social impacts, and alignment with strategic business priorities.

In addition, the company reviewed a range of supporting resources, including:

- Internal market research findings
- Results of customer and client polls
- Ongoing dialogue with key stakeholders
- Publicly available surveys and reports produced by Georgian research institutions and regulatory bodies

This preliminary process lays the foundation for more formalized stakeholder-inclusive materiality assessments in future reporting cycles.

Based on this collection of sources, SOCAR Energy Georgia defined and grouped its material topics for the purpose of this report. The material topics identified for this report are presented below, grouped into three broad categories for clarity:

**GOVERNANCE AND ECONOMIC IMPACT**

- » Business ethics and integrity
- » Relations with authorities and legal compliance
- » Anticorruption and anticompetitive behaviour
- » Innovation, technology and data security
- » Economic value creation and financial sustainability

**ENVIRONMENTAL RESPONSIBILITY**

- » Climate change (incl. renewable energy)
- » Air emissions and pollution control
- » Waste
- » Water and effluents
- » Biodiversity
- » Emergency preparedness and critical incident management

**SOCIAL AND STAKEHOLDER IMPACT**

- » Health, safety and security
- » Employee wellbeing
- » Protecting and developing our workforce
- » Non-discrimination and equal opportunities
- » Customer experience and product quality
- » Supporting and developing local communities
- » Responsible supplier relations

# Stakeholder Engagement

Stakeholder engagement is a cornerstone of SOCAR Energy Georgia's sustainability approach. The company recognizes that transparent, ongoing dialogue with its stakeholders is essential for understanding external expectations, identifying emerging risks and opportunities, and aligning business practices with the broader public interest. SOCAR Energy Georgia aims to build trust-based, long-term relationships with all key stakeholder groups, ensuring that their views are considered in strategic and operational decisions.

To support this, the company undertook an internal stakeholder mapping process in 2024, coordinated by the sustainability team and supported by external consultants. The list of key stakeholders

was defined based on input gathered through over 20 interviews with senior and middle management representatives, reflecting their perspectives on the company's most relevant relationships and communication needs.

Stakeholder engagement is conducted through a variety of formal and informal mechanisms — ranging from regulatory consultations and audits, to customer satisfaction surveys, social projects, and one-on-one meetings. The table below outlines SOCAR Energy Georgia's primary stakeholder groups and the main methods of engagement used with each.

Stakeholder Group	Engagement and Communication Methods	Stakeholder Group	Engagement and Communication Methods
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>- Group meetings, conferences, workshops</li> <li>- Site tours of oil terminals</li> <li>- Visits to SOCAR Offices abroad</li> <li>- Individual meetings</li> </ul>	<b>Local Communities</b>	<ul style="list-style-type: none"> <li>- Hotline</li> <li>- Website and social media</li> <li>- Social initiatives</li> <li>- Participation in local events</li> </ul>
<b>Suppliers and Contractors</b>	<ul style="list-style-type: none"> <li>- Tenders</li> <li>- On-site visits and inspections</li> <li>- Direct communication via email and phone</li> <li>- Personal meetings</li> </ul>	<b>Shareholders</b>	<ul style="list-style-type: none"> <li>- Annual reports</li> <li>- Informational meetings</li> </ul>
<b>Retail and Corporate Customers</b>	<ul style="list-style-type: none"> <li>- Social media</li> <li>- Client portals and mobile app</li> <li>- Hotline</li> <li>- Satisfaction surveys</li> <li>- Service/product evaluation forms</li> <li>- Marketing communications; meetings</li> </ul>	<b>Trade Unions</b>	<ul style="list-style-type: none"> <li>- Personal meetings</li> <li>- Phone and email communication</li> <li>- Participation in sectoral conferences and panels</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>- Email (including monthly newsletters) &amp; SMS</li> <li>- Internal Facebook group</li> <li>- Hotline</li> <li>- Team-building activities</li> <li>- Trainings</li> <li>- Internal briefings and surveys</li> <li>- Workshops</li> </ul>	<b>Industry Peers and Competitors</b>	<ul style="list-style-type: none"> <li>- Participation in industry associations</li> <li>- Conferences and panels</li> <li>- Market research</li> <li>- Direct meetings</li> </ul>
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>- Personal meetings</li> <li>- Formal consultations</li> <li>- Participation in legislative discussions via business associations</li> <li>- Regular reporting and audits</li> </ul>	<b>Media</b>	<ul style="list-style-type: none"> <li>- Site visits to oil terminals</li> <li>- Press releases</li> <li>- Use of online platforms and social media</li> </ul>
<b>Local Authorities</b>	<ul style="list-style-type: none"> <li>- Meetings regarding permits and social projects</li> </ul>	<b>Business and Sectoral Associations</b>	<ul style="list-style-type: none"> <li>- Working meetings and consultations</li> <li>- Participation in conferences and panel discussions</li> </ul>
		<b>NGOs / Civil Society Organizations</b>	<ul style="list-style-type: none"> <li>- Personal meetings</li> <li>- Participation in events and panel discussions</li> <li>- Collaboration through social projects</li> </ul>

# SOCAR in the World and in Georgia

## THE STATE OIL COMPANY OF THE REPUBLIC OF AZERBAIJAN (SOCAR)

The State Oil Company of the Republic of Azerbaijan (SOCAR) is a fully state-owned national oil and gas company, established in 1992 and headquartered in Baku, Azerbaijan. SOCAR plays a strategic role in the global energy sector by offering the rich oil and natural gas resources of Azerbaijan—one of the world's most resource-abundant countries—to international markets.

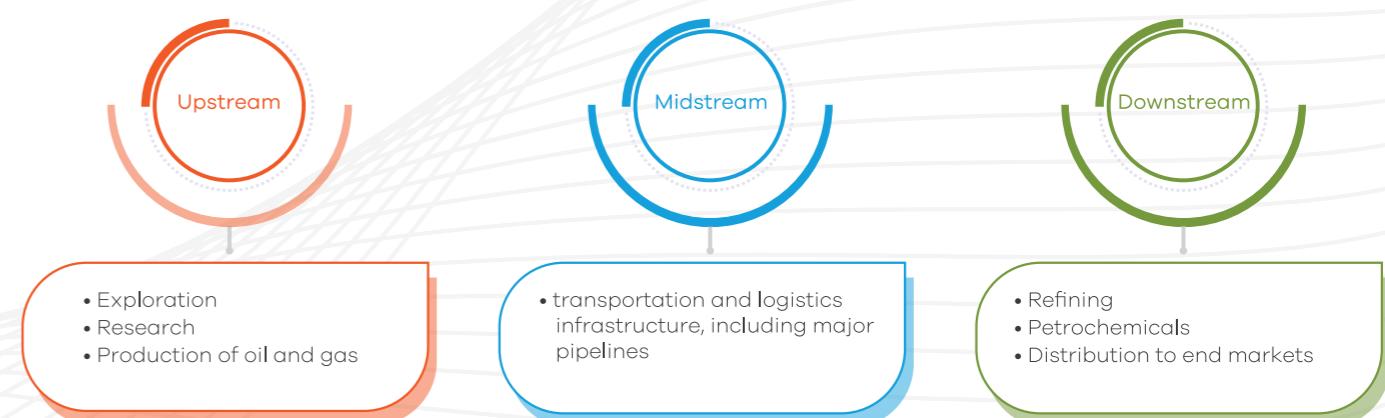
As an integrated energy company, SOCAR operates across the full value chain of the oil and gas industry. Its business activities include the exploration and development of oil and gas fields, production, processing, and transportation of oil, natural gas and condensates, as well as the marketing and distribution of crude oil, natural gas, petroleum and petrochemical products. It also ensures the supply of natural gas to domestic consumers in Azerbaijan.

SOCAR's operational model is structured around three core streams:

- Upstream – exploration, research, and production of oil and gas
- Midstream – transportation and logistics infrastructure, including major pipelines
- Downstream – refining, petrochemicals, and distribution to end markets

To support this model, SOCAR maintains a broad and robust infrastructure.

## SOCAR'S OPERATIONAL MODEL IS STRUCTURED AROUND THREE CORE STREAMS:



The company has specialized entities and facilities responsible for oil and gas production, processing of raw materials into final products, and delivery to consumer markets. It also operates geological and exploration units to strengthen production sustainability and resource reserves, as well as oil and gas pipelines and associated facilities to manage the transportation of extracted resources.

SOCAR has rapidly expanded its global presence through strategic investments

and partnerships. Its international operations encompass the transportation and processing of oil and gas, and the sale of oil, fuel, and lubricants in foreign markets. The company operates in 13 countries and has established representative offices and international trading companies in key locations including Singapore, Vietnam, Nigeria, and Switzerland. It has acquired assets in Turkey, Georgia, Ukraine, Romania, Switzerland, and Greece. SOCAR also operates petrol stations in seven countries: Azerbaijan, Georgia, Turkey, Romania, Austria, Switzerland, and Ukraine.

Guided by a clear strategy, mission, and vision, SOCAR is committed to delivering economic, social, and environmental value. Sustainability is a core principle embedded in the company's operations. In 2022, SOCAR achieved zero associated gas flaring for the first time—a major environmental milestone—and has committed to reaching net-zero carbon dioxide emissions by 2032.

## SOCAR IN GEORGIA

SOCAR Global has an extensive presence in Georgia and plays a significant role in the country's energy sector. Its operations in Georgia span midstream and downstream activities, including natural gas distribution, petroleum product supply, storage, and strategic energy transit infrastructure. Through multiple subsidiaries, SOCAR contributes to both the national energy supply and the region's energy connectivity.

**SOCAR Energy Georgia:** The company's first foreign subsidiary — and its first entry into Georgia — was SOCAR Energy Georgia, established in 2006.

This entity manages the import, sales, and distribution of petroleum products and natural gas across the Georgian market. Under its full ownership are three core daughter companies: SOCAR Georgia Gas, SOCAR Georgia Petroleum, and SOCAR Georgia Security, which together represent the backbone of SOCAR's operational footprint in Georgia.

In addition to SOCAR Energy Georgia and its subsidiaries, SOCAR Global also owns or controls the following entities operating in Georgia:

**JSC Sakorggazi:** A major natural gas distribution company operating under Georgian law. It holds a large distribution license covering the regions of Imereti, Kartli, and Kakheti.

**JSC SOCAR Georgia Gas Distribution:** Registered under Georgian law. The company's primary activity is the wholesale supply of natural gas to various categories of consumers in Georgia. All commercial gas sold by the company is fully procured from SOCAR Georgia Gas.

**LLC SOCAR Gas Export-Import:** Established in 2011 under Georgian law. Its primary business activity is the wholesale trading of natural gas.

**LLC SOCAR Black Sea Oil Terminal:** This company was established in accordance with Georgian legislation and has been operational since 2008. It is fully owned and controlled by SOCAR. The terminal's primary function is the transhipment, storage, and loading of crude oil and petrochemical products.

### SOCAR Midstream Operations LLC – Georgian Branch:

Established in 2020, this branch represents the local presence of SOCAR Midstream Operations LLC, registered in Azerbaijan. Its primary function is to support and manage SOCAR's role as technical operator of the South Caucasus Pipeline (SCP), one of the four segments of the Southern Gas Corridor exporting gas from Azerbaijan to Turkey and Europe via Georgia.

### SOCAR Energy Georgia Representative Office in Georgia

In addition to its commercial presence, SOCAR Global contributes actively to the social and cultural development of Georgia through its representative office in Tbilisi, which regularly funds and implements community-focused projects across the country. These initiatives primarily support the Azerbaijani ethnic minority and broader Georgian society through education, culture, social inclusion, and public welfare programs.

In 2024, SOCAR's representative office in Georgia implemented a diverse range of social, educational, and cultural initiatives:

#### COMMUNITY INFRASTRUCTURE AND PUBLIC SPACES

- SOCAR funded the rehabilitation of two public parks in Tbilisi and Rustavi, which included landscaping, infrastructure repair, and general cleanup.
- Restoration works were also carried out on culturally significant monuments located in the Tbilisi Botanical Garden.

#### SUPPORT FOR MINORITY EDUCATION AND INTEGRATION

- SOCAR continued to fund ethnic Azerbaijani students enrolled in Georgia's 1+4 education program, a government initiative that enables minority students to learn Georgian for one year and then pursue university studies. In 2024, SOCAR supported nearly 1,000 Azerbaijani students from socially vulnerable and remote regions.
- Additionally, 22 high-achieving students received special academic achievement awards.

- A new modern kindergarten was opened in the ethnically Azerbaijani-populated village of Iormughanalı, fully funded by SOCAR and handed over to the Sagarejo Municipality.

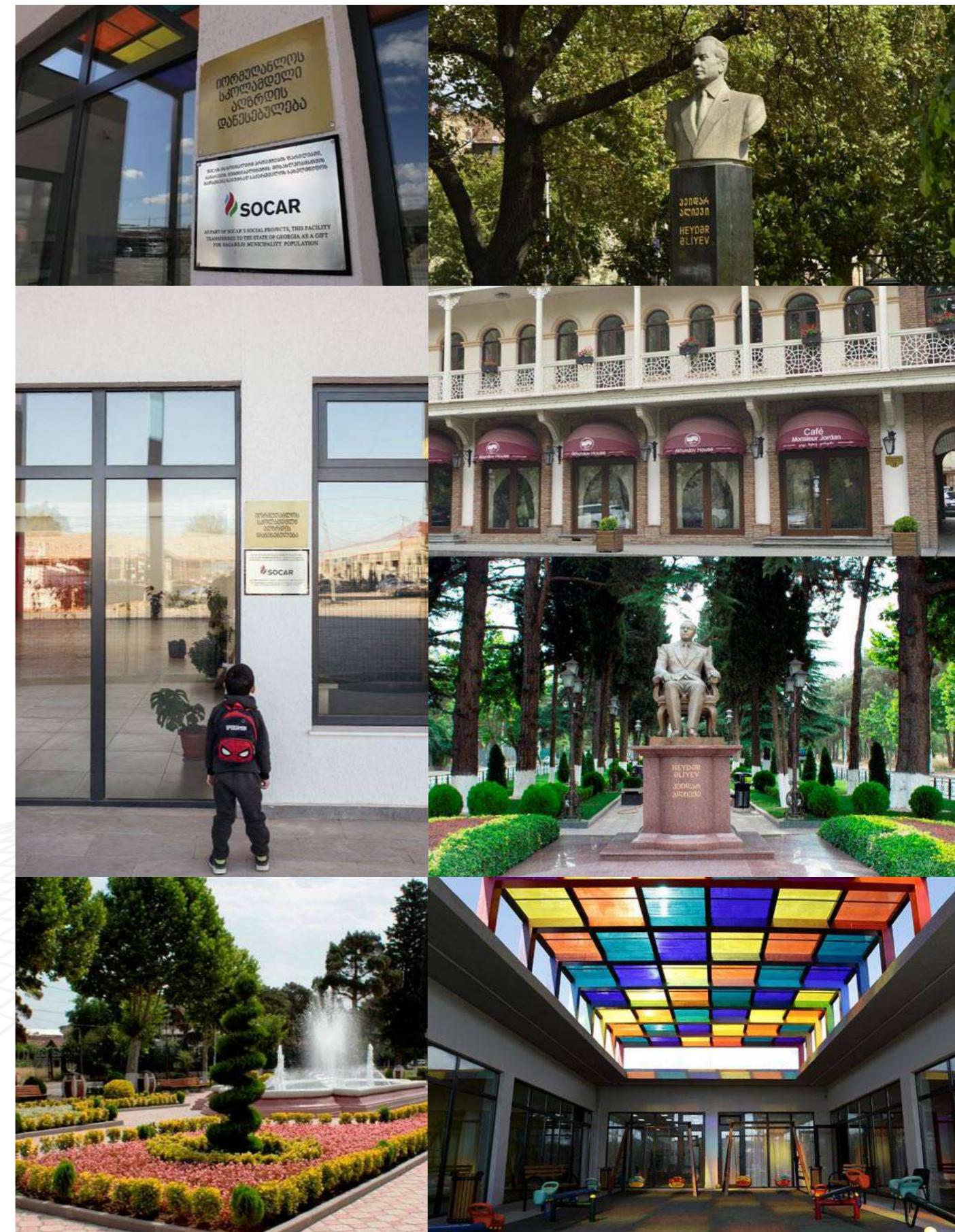
#### SUPPORT FOR CULTURAL AND EDUCATIONAL CENTERS

- SOCAR continued supporting the Mirza Fatali Akhundov House-Museum in Tbilisi, which includes a literary café and free-access library dedicated to Azerbaijani-Georgian cultural ties.
- Continued support was provided to the "Tea House" Youth Center in Marneuli, offering integration and creative programs (e.g., chess, dance, knitting, IT) for local youth.
- The Dmanisi Educational Center received continued funding for cultural and creative activities, including dance, music, and chess.
- SOCAR maintained support for the Heydar Aliyev Foundation – Georgia Branch, which plays a notable role in cultural and educational cooperation.

#### HUMANITARIAN SUPPORT

- SOCAR has long provided free natural gas supply to religious institutions of various faiths in Georgia, including the Georgian Orthodox Church, Muslim communities, and others. Annual funding for this program exceeds 1 million GEL.
- In 2024, the representative office also offered direct medical financial assistance to six individuals in urgent health situations.

These projects demonstrate SOCAR Global's long-standing commitment to inclusive social development, education, cultural preservation, and humanitarian support in Georgia.



# SOCAR Energy Georgia: Who We Are and What We Do

## SOCAR ENERGY GEORGIA (GROUP) — OVERVIEW

### WHO WE ARE

SOCAR Energy Georgia LLC (SEG) is the Georgian holding company of the SOCAR Group headquartered in Tbilisi. Incorporated in 2006 as a limited liability

company, SEG conducts the import, sale, and distribution of petroleum products, and distribution of natural gas in Georgia's retail and wholesale markets, and operates a regional natural gas distribution network in Georgia.



### Mission

Contribute to Georgia's energy security by leveraging our experience in supplying oil products and natural gas and in operating gas distribution infrastructure, supported by modern technology and know-how.



### Vision

Develop as a leading energy holding through energy transition, innovation, and digitalization.

### OWNERSHIP

As of 31 December 2024, SEG's shareholders were:

- State Oil Company of the Azerbaijan Republic (SOCAR) 91.835%
- Intersun Holding FZE 8.165%

Change in ownership structure: During the reporting period (4 April 2024), SOCAR acquired a 16.33% stake from the non-controlling shareholder Eventus General Trading FZE; prior to that date the structure was SOCAR 75.505%, Intersun 8.165%, Eventus 16.33%

### GROUP STRUCTURE

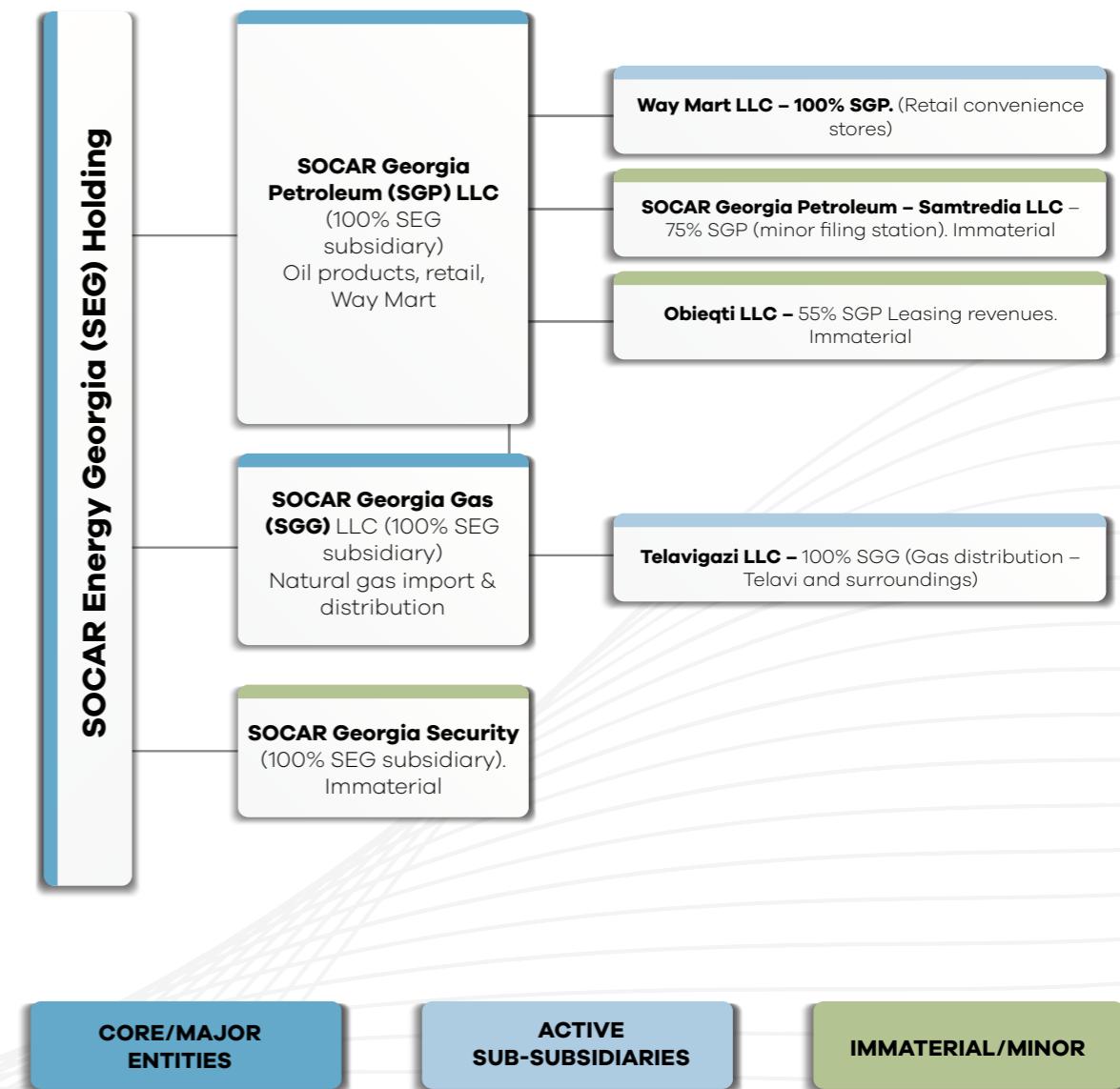
SEG has two principal operating subsidiaries:

- SOCAR Georgia Petroleum (SGP)** — imports and supplies refined oil products and operates a retail network with associated convenience retail (Way Mart).
- SOCAR Georgia Gas (SGG)** — imports/ supplies natural gas and operates regional distribution networks.

Several other minor or dormant companies exist within the perimeter, where activities are immaterial to sustainability topics, they are outside the scope of

this report as referenced in the chapter "About this Report." Detailed operating profiles for SGP and SGG follow in the next sections.

SEG Head Office provides strategic oversight and coordination across the SOCAR Energy Georgia Group's operations in the country, ensuring reliable energy services and disciplined governance across subsidiaries.



CORE/MAJOR ENTITIES

ACTIVE SUB-SUBSIDIARIES

IMMATERIAL/MINOR

**Note:** The Chart includes only active entities. Dormant or inactive companies within the Group are excluded for clarity.

### MEMBERSHIPS

SOCAR Energy Georgia Holding (SEG) is a member of following associations:

- The Business Association of Georgia (BAG)
- The Oil and Oil Products Importers Association
- Women for Tomorrow
- UN Global Compact

# Key Milestones in Georgia

## 2006-2008

2006

SEG established as SOCAR's first group company outside Azerbaijan

2007

First SOCAR fuel station opened

2008

Oil terminal inaugurated (10 million tons of oil capacity).

2008

Started gas distribution and supply operations through purchase of shares of 29 municipal distribution companies.

## 2009-2018

2018

Investment obligation for gasification by 2018 fulfilled

2018

First EV charger installed at the filling station

2013

Expanding gas supply operations to Sakorggazi license areas thus doubling number of consumers nationwide

2012

Acquisition of pipeline assets in Ajara

## 2019-2023

2019

Solar panels introduced at stations for own use

2022

SGG household subscribers exceeded 800,000

2023

SGG distribution license expanded (+3,266 km, ~55k potential customers)

## 2024

2024

First consolidated Sustainability Report produced

# SOCAR Georgia Petroleum: Corporate Profile, Activities and Value Chain

## OUR PLACE IN GEORGIA'S ENERGY MARKET

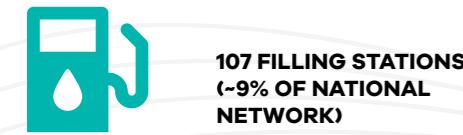
Operating in Georgia since 2006, SOCAR Georgia Petroleum (SGP) is one of the country's largest suppliers of refined oil products. The market is competitive—around 50 importers and roughly 1,300

retail stations operate nationwide. A handful of 5–6 major brands account for about half of sales, with SGP among them; the remainder is served by numerous unbranded stations.

By year-end 2024, SGP's share of national fuel sales was approximately 13%

(~9% retail and ~4% wholesale). We serve ~30,000 customers daily and operate 107 filling stations across Georgia—around 8% of the national network—providing reliable access to transport fuels and related services.

## MARKET SHARE & FOOTPRINT (2024)



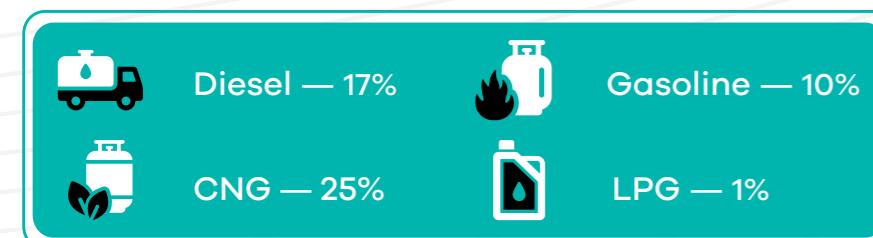
## PRODUCTS AND PORTFOLIO

SGP imports and sells four fuel types:

- Gasoline (multiple octanes)
- Diesel
- Compressed natural gas (CNG)
- Liquefied petroleum gas (LPG).

In 2024, SOCAR Georgia Petroleum held significant market shares across major fuel categories: approximately 17% of national diesel sales, 10% of gasoline sales, 25% of CNG sales, and 1% of LPG sales.

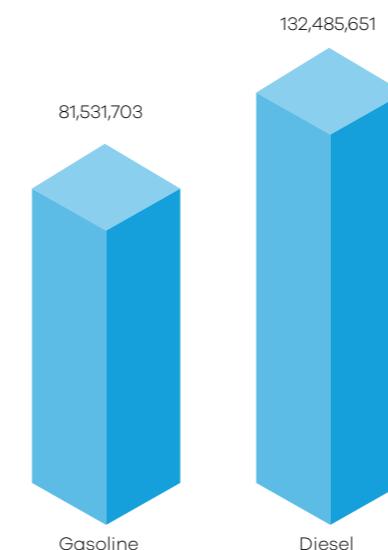
## MARKET SHARE BY PRODUCT (2024)



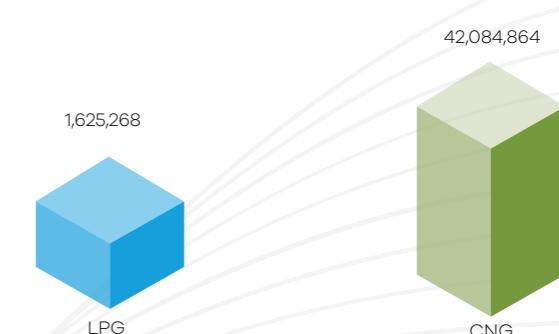
These shares were underpinned by substantial absolute sales volumes: approximately 81.5 million liters of gasoline, 132.5 million liters of diesel, 1.6 million liters of LPG, and 42.1 million m<sup>3</sup> of CNG sold in 2024. Together these volumes illustrate the scale and diversity of our portfolio across Georgia.

## FUEL SALES BY PRODUCT CATEGORY (2024)

### Liquid Fuels (liters)



### Compressed Natural Gas (m<sup>3</sup>)



To differentiate our gasoline, all grades are blended with a nano-additive package sourced from BASF Petrochemicals. Diesel is available with or without nano-additives, providing customers with a choice on performance and price.

### Nano-additives in SOCAR fuels: Cleaner Performance through Technology

Nano-additives are ultra-fine compounds blended into fuel to support cleaner combustion, improve efficiency, and help keep fuel systems clean. Potential benefits:

- **Efficiency:** promote more complete combustion and lower fuel use
- **Emissions:** reduce smoke, CO, and unburned hydrocarbons
- **Performance:** improve octane/cetane stability for smoother operation
- **Engine care:** enhance lubricity, helping reduce injector and pump wear

We also sell a small range of lubricants and oils through our stores. This accounted for <0.1% of SGP's 2024 sales.

## SCALE AND OPERATING FOOTPRINT

**Retail network: 107 filling stations nationwide** (35 in Tbilisi; 72 across the regions). The network is mostly company-owned (only 10 sites are leased)—and its geographic spread provides coherent countrywide coverage, from primary transit routes to major cities and regional hubs. This footprint ensures reliable access to SOCAR fuels and services across Georgia with consistent standards.

Each filling station stores products in dedicated tanks—typically three gasoline grades and two diesel grades, plus LPG where installed—amounting to ~500 tanks across the network.

**Fuel depots and terminals:** SGP operates two primary depots—in Tbilisi (Kizikhi depot) serving eastern Georgia and in Samtredia serving western Georgia—and maintains a legacy facility at Alexeyevka (Tbilisi) that is minimally used and planned for closure. Storage capacities are ~10 million liters at Kizikhi depot (half gasoline, half diesel) and ~32 million liters at Samtredia.

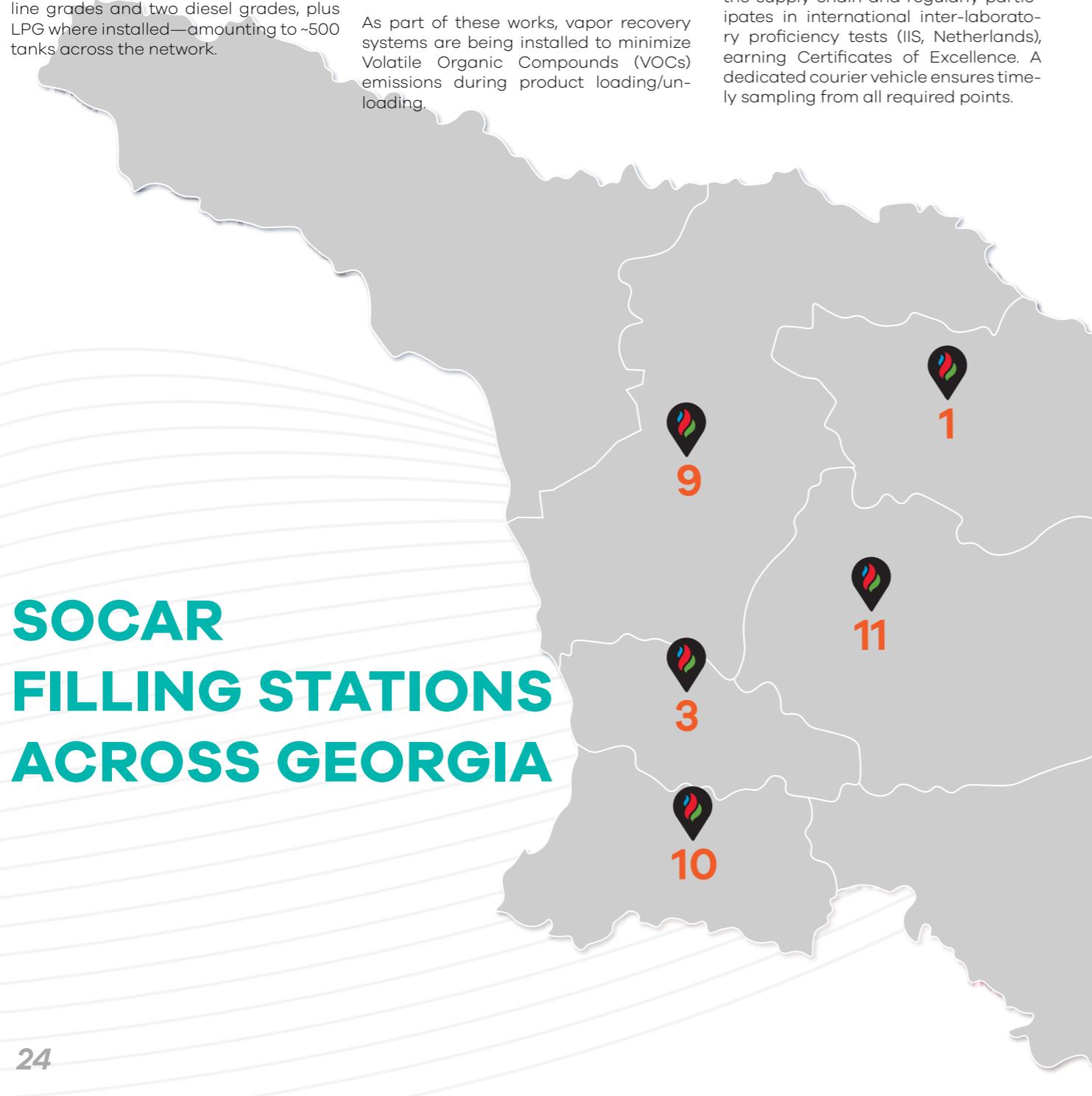
In 2024, SGP began reconstruction and capacity upgrades at both main depots, including a new 7-million-liter tank at Kizikhi.

As part of these works, vapor recovery systems are being installed to minimize Volatile Organic Compounds (VOCs) emissions during product loading/unloading.

- **Service centers:** 13 customer service centers (3 in Tbilisi; 10 in regions) support corporate and retail clients.

- **Warehousing:** Three warehouses serve technical equipment and the Way Mart supply chain.

- **Accredited testing laboratory:** SGP is the only oil company in Georgia with its own accredited fuel-testing laboratory (est. 2009; ISO/IEC 17025 since 2014, latest re-certification 2022, with annual surveillance). The lab conducts protocol-based sampling and testing across the supply chain and regularly participates in international inter-laboratory proficiency tests (IIS, Netherlands), earning Certificates of Excellence. A dedicated courier vehicle ensures timely sampling from all required points.



## CUSTOMER REACH AND CHANNELS

SGP serves customers through three routes:

**Retail** — individuals refueling at stations and shopping at our on-site convenience stores;

**Direct-to-Corporate (B2B)** — fleets and project sites supplied at stations or via bulk deliveries;

**Wholesale** — sales to independent operators.

In 2024, our network handled nearly 5.7 million point-of-sale transactions in fuel, reflecting ~7% year-on-year growth and steady utilization of the station footprint. During the same period, the total number of loyal customers exceeded 106,000, underscoring the strong base of repeat clients engaged through our loyalty programs.



5.7 MILLION POS  
TRANSACTIONS  
IN FUEL



106,000 LOYAL  
CUSTOMERS



+7% VS. 2023

## VALUE CHAIN AND LOGISTICS



- Sourcing countries (2024):** Gasoline was sourced primarily from Romania (~53%), while Diesel was sourced mainly from Azerbaijan (~94%). During the second half of 2024, a temporary production interruption in Azerbaijan reduced diesel availability. SGP adjusted its sourcing mix—adding limited volumes from alternative origins—to maintain continuous supply for customers while meeting all legal and quality requirements.

**CNG** — Natural gas is supplied via pipeline from SOCAR Azerbaijan into Georgia's transmission system and is compressed on-site into CNG at our stations.

**LPG** — a very small portion of our portfolio—is procured from various importers who deliver directly to stations.

**Suppliers are selected on the basis of specifications compliance, reliability, and regulatory/sanctions compliance.**

- Import and primary transport:** gasoline and diesel from Europe and Russia arrive by sea via Poti port or Kulevi terminal and are transloaded to rail for delivery to SGP oil depots in Tbilisi (East Georgia) and Samtredia (West Georgia); supplies from Azerbaijan arrive by rail directly to oil depots.

- Depot operations:** gasoline and diesel are offloaded and stored in dedicated tanks to preserve quality and traceability.

- Secondary distribution:** from depots, SGP uses its own tanker fleet to supply stations nationwide, operating separate logistics for gasoline and diesel to prevent cross-contamination.

- Retail & corporate supply:** All four fuels are sold retail at stations. Corporate clients either refuel at stations (fleet vehicles) or receive direct depot deliveries (e.g., for construction/industrial sites).

#### BEYOND FUEL: WAY MART MARKETS (CONVENIENCE RETAIL)

Way Mart, SGP's convenience subsidiary, operates on station forecourts and offers a wide range of everyday products. By end-2024, the network comprised 70 stores (29 in Tbilisi; 41 in regions) and contributed about 7% of SGP group revenue.



#### ENABLING NEW MOBILITY: EV CHARGING

SGP was the first company in Georgia's oil & gas sector to install EV chargers (2018) and has expanded steadily since. By the end of 2024, we operated 19 chargers across 15 locations. In line with growing EV adoption, plans for 2025 include installing six additional chargers at existing stations and opening one fully EV-dedicated site.



2017 — FIRST EV CHARGER INSTALLED



2024 — 19 CHARGERS ACROSS 15 LOCATIONS



2025 (PLANNED) — 6 CHARGERS, 1 EV-ONLY SITE

#### WHAT SETS SGP APART

SGP combines national scale, robust infrastructure, and operational discipline across the full downstream value chain. Our dual-depot model enables secure, flexible supply to both retail and corporate clients. A broad station footprint, complemented by service centers and Way Mart stores, gives customers convenient access to fuels and everyday products across Georgia. Investments in depot modernization and vapor recovery reflect our commitment to responsible operations, while our early move into EV charging supports the country's evolving mobility needs.

# SOCAR Georgia GAS: Corporate Profile, Activities and Value Chain

#### OUR PLACE IN GEORGIA'S ENERGY MARKET

Operating since 2007, SOCAR Georgia Gas (SGG) sits at the heart of Georgia's gas system, in a market where natural gas is the dominant source of final energy. In 2024, 99.5% of national demand was covered by imports and just 0.5% by domestic production; Azerbaijan remained the principal source, meeting roughly 74% of Georgia's needs through several contracts.

The Georgia's gas sector is organized around two roles—suppliers, who sell gas commercially, and distributors, who operate the physical networks. Outside

Tbilisi, SGG uniquely combines both functions: it is one of the country's largest importers/suppliers and simultaneously the principal operator of regional distribution networks, a position that makes it pivotal to both the commercial supply and the physical and safe delivery of gas across most regions.

Georgia's natural gas supply market includes both retail and wholesale segments. The market itself has no organized exchange, so wholesale trading happens through bilateral contracts. Suppliers import natural gas (or purchase small amounts of domestically produced gas) and resell it to other suppliers, while at the retail level suppliers

deliver gas directly to end-users. This does not preclude a single supplier from operating simultaneously in both market segments.

Thirty suppliers were active in 2024—eighteen only at retail and ten at both wholesale and retail—with SOCAR-affiliated companies dominant across both levels.

By year-end, SGG held about 52% of wholesale market share (excluding Shah Deniz volumes, local production, and direct sales by the Georgian Oil and Gas Corporation) and about 40% of retail supply (including deliveries within Sakorggazi's service area).

#### SOCAR GAS SHARE OF GEORGIA'S NATURAL GAS MARKET, 2024



**Note:** Wholesale market share excludes Shah Deniz volumes, local production, and direct sales by the Georgian Oil and Gas Corporation. Retail market share includes supply within Sakorggazi's licensed area.

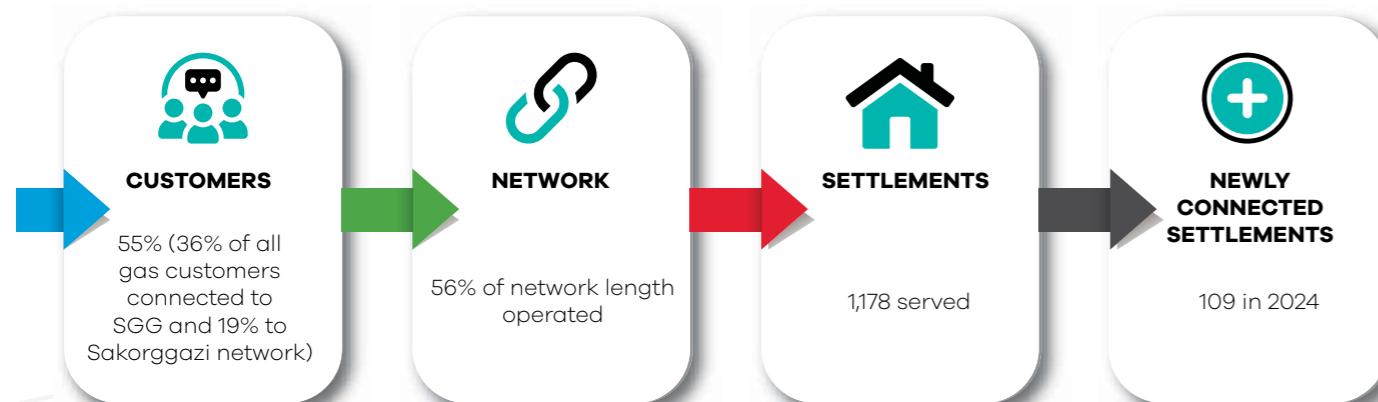
Distribution and supply (regulated households) is a natural monopoly regulated by the Georgian National Energy and Water Supply Regulatory Commission (GNERC), with open-ended licenses. As of 31 December 2024, eighteen distribution licensees operated in Georgia; three large operators—Tbilisi Energy, SGG and Sakorggazi—accounted for

roughly 90% of all distributed gas. SGG and Sakorggazi together own and operate around 77% of the distribution network length and collectively cover virtually all regions outside the capital.

By the end of 2024, SGG supplied gas to over 55% of all gas consumers nationwide (~19% of consumers are connected

to the distribution network operated by the Sakorggazi) and operated roughly 56% of the distribution network. Its footprint covered 1,178 settlements across Georgia, including 109 newly connected during the year.

## KEY DISTRIBUTION FIGURES, 2024



*Note:* Market overview is based on the Georgian National Energy and Water Supply Regulatory Commission (GNERC) 2024 report (pp. 84–102; Annexes 6–9, pp. 187–192)



## ACTIVITIES AND PORTFOLIO

### Core activities

- Import, wholesale and retail supply of natural gas to household and non-household (commercial/industrial) customers within SGG's licensed service areas across Georgia's regions.
- Construction, rehabilitation and operation of gas distribution networks.

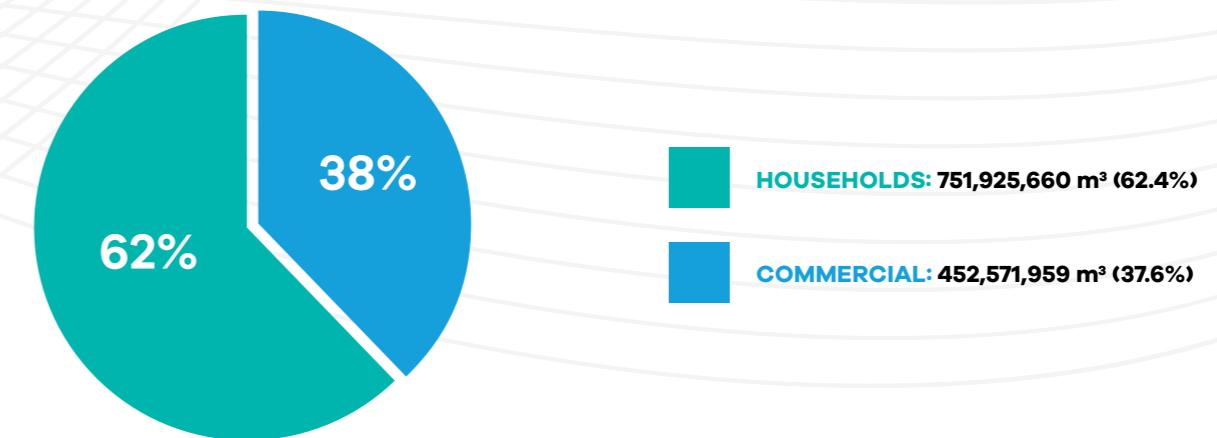
## VOLUMES OF SUPPLIED GAS (2024)

### NATURAL GAS SOLD (2024)



### RETAIL SALES BY CUSTOMER TYPE (2024)

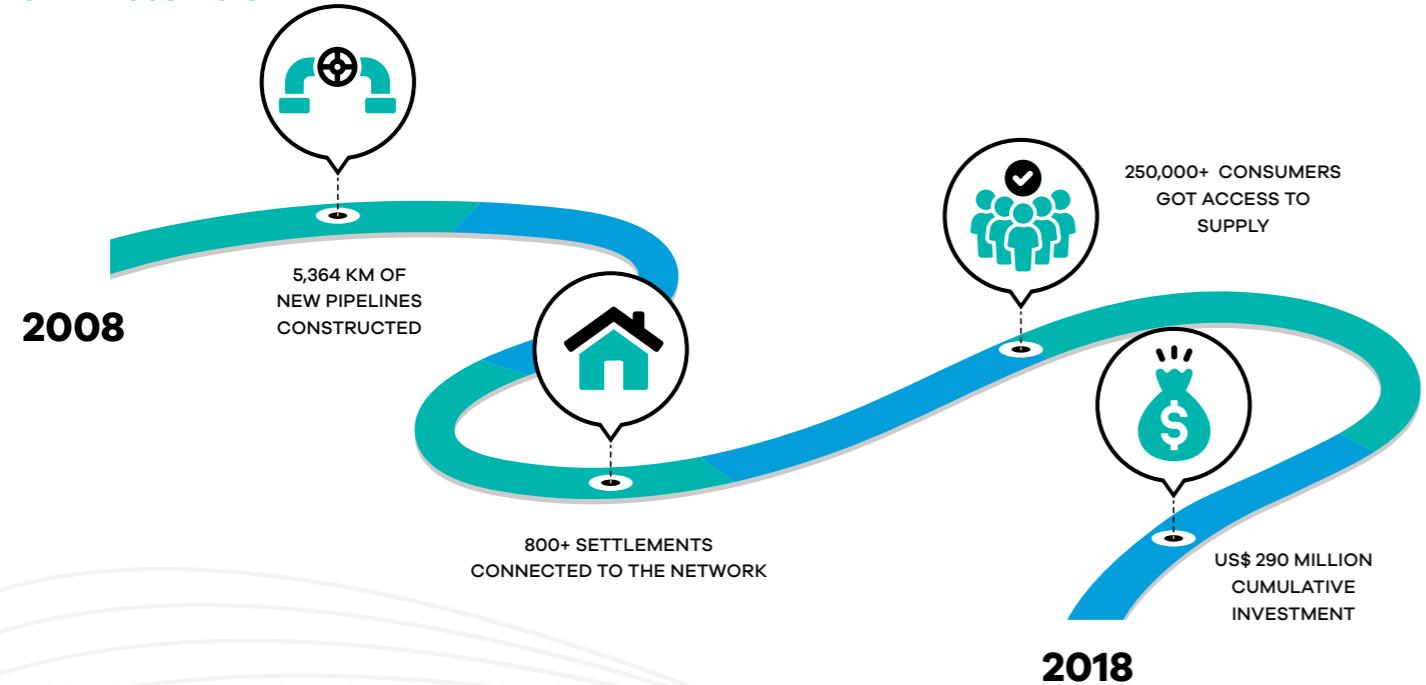
TOTAL 1,204,497,619 m³



## 2008–2018 NETWORK EXPANSION PROGRAM

Following its 2008 acquisition of regional assets, the company undertook a state-backed obligation to expand networks and connect new customers by 2018.

### OVER 2008–2018:



### POST-2018 NETWORK OPERATING MODEL

Since completing that obligation, SGG's operating model has shifted: with limited exceptions it no longer builds new medium-pressure lines for greenfield gasification, but instead purchases state-built pipelines through privatization and assumes their operation. Each year SGG agrees its investment program with GNERC and executes the maintenance works including rehabilitation through subcontractors.

In 2024, SGG also purchased 245,018 linear meters of state-constructed medium-pressure pipeline located in Imereti, Guria, and Samegrelo. The network was transferred by the state with the obligation that SGG ensure gas supply to the connected subscribers.

In 2024, new pipeline investment project was launched to construct the Sairme feeder line, designed to enable future

gas supply to the Sairme resort area—an important destination in western Georgia—well known for its mineral springs—and expanding the company's licensed service area accordingly. This project is being implemented in parallel with the state program of Sairme Resort Modernization; approximately 32 km were completed during the year.

### NETWORK SCALE & MODERNIZATION (AS OF 31 DEC 2024)



## CORE TECHNICAL ASSETS AND INFRASTRUCTURE

- **Medium- and low-pressure pipelines**
- **Gas distribution stations** (local distribution nodes, distinct from PRSSs)
- **Metering base** (integral to the operating cycle and infrastructure).
- **Warehousing:** 40 warehouses (3 in

Tbilisi; 37 in regions) for inventory and consumables.

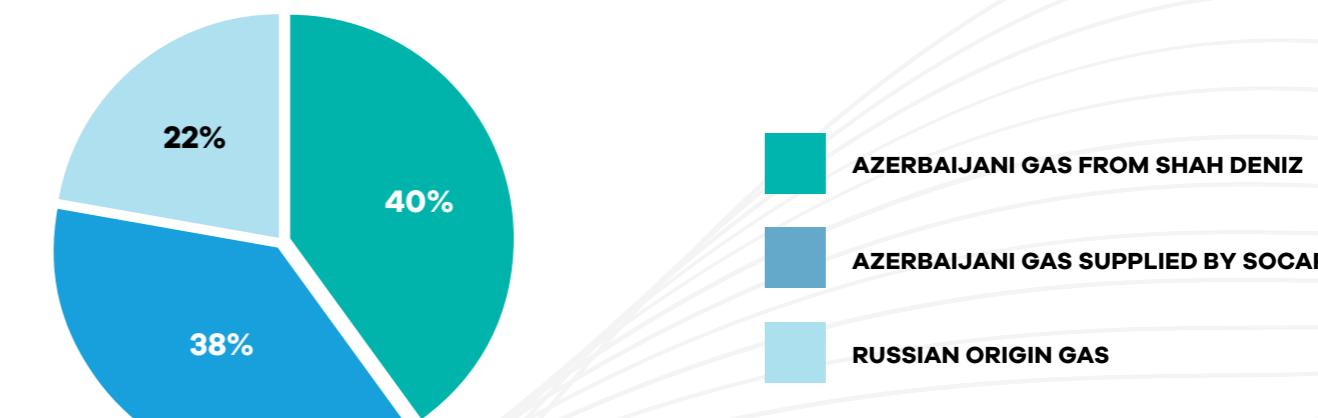
• **Fleet:** 204 vehicles (including 158 pickups; 251 scooters (187 electric); 57 trucks; 9 excavators. In 2024 the fleet expanded by 4%, with 64% of scooters replaced by electric models—part of a gradual shift to lower-emission operations.

## VALUE CHAIN AND LOGISTICS

### Supply sources & import

SGG's supply portfolio comprises Azerbaijani and Russian origin gas. Imports of Russian gas and of Azerbaijani gas from the Shah Deniz field are handled by the state-owned Georgian Oil and Gas Corporation (GOGC), while imports of Azerbaijani gas supplied by SOCAR are conducted directly by SGG.

## INDICATIVE SUPPLIER SHARES IN 2024:



**Note:** Shah Deniz gas field, one of the largest natural gas and condensate fields in the world, located in the Caspian Sea offshore Azerbaijan. The field is a key source for the Southern Gas Corridor, which transports gas from the Caspian region to Europe.

## TRANSMISSION AND DISTRIBUTION OPERATIONS

1. **Transmission interface:** High-pressure transmission into Georgia from Azerbaijan and Russia is operated by the Georgian Gas Transportation Company (GGTC)—the sole licensed transmission operator (100% state-owned). GGTC operates the pressure regulation stations (PRS) that step gas down from high to medium pressure, and is responsible for high-pressure trunkline operations, quality control, metering, and odorization at the transmission level. SGG connects to the transmission grid at 118 city-gate points (87 in Eastern Georgia; 31 in Western Georgia).

2. **Supply and distribution:** SOCAR Georgia Gas operates both medium- and low-pressure pipelines, prioritizing me-

dium-pressure lines in new construction or rehabilitation. Conversion to low pressure occurs at the customer interface, where pressure-reducing valves (PRVs) lower gas to levels suitable for household use

3. **Customer service:** SGG's functions span customer connection and billing database management, and provision of services in line with GNERC regulations

## PLANNED STRUCTURAL CHANGE: UNBUNDLING

Unbundling of supply and distribution functions is planned in response to new legislative requirements aligned with Georgia's EU Association Agreement. Preparation commenced in 2024, with completion targeted for 2028. Under the

reform, the gas supplier (buyer) and the gas distributor (network operator) must be separate entities. SGG is planning the transition to ensure regulatory compliance and continuity of service.

## WHAT SETS SGG APART

By combining large-scale supply capabilities with region-wide network operations, SGG ensures reliable delivery from the national transmission system to the end user. A broad settlement footprint, a disciplined rehabilitation program agreed annually with the regulator, and steady investments in assets—from warehouses to an increasingly electrified fleet—support dependable service today while positioning the business for the structural changes ahead, including market opening and unbundling of supply operations.

# Governance, Ethics and Integrity

## In this section

*Our Vision of Ethical Governance*

*Governance Framework and Structure*

*Our Approach to Sustainability*

*Risk Management Framework*

*Acting in Accordance with Business Ethics*

*Compliance, Transparency and Fair Competition*

# Our Vision of Ethical Governance

For SOCAR Energy Georgia, strong corporate governance and ethics are not add-ons—they are the operating system. We believe that transparent decision-making, clear lines of accountability, and a culture grounded in integrity are prerequisites for long-term, sustainable growth. This is how we ensure our business is run in a justifiable and prof-

itable manner for the benefit of employees, shareholders, partners, customers, and society.

Our centralized governance model, growing suite of policies (Code of Conduct, Anti-corruption, Conflict of Interest, Competition Compliance policies), Group-wide risk framework, and par-

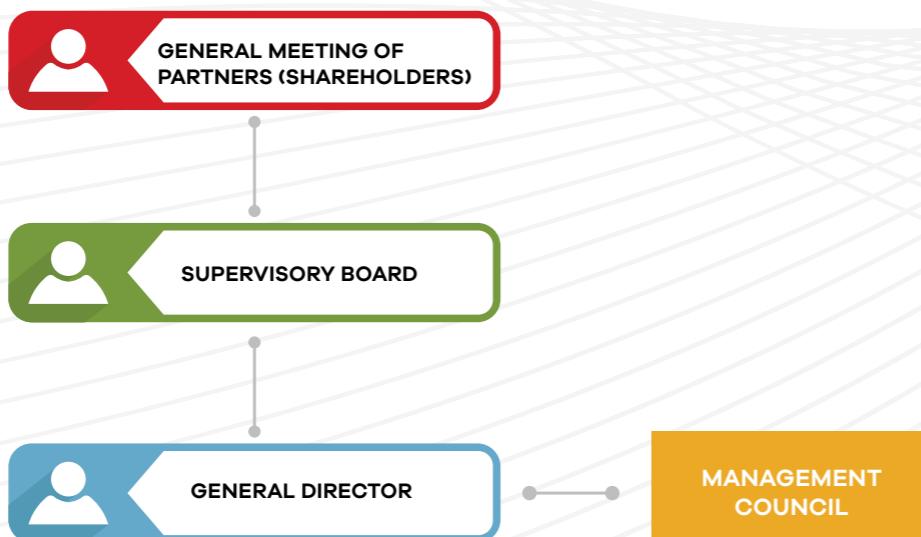
ticipation in global initiatives reflect this commitment. As our systems mature—from policy drafting to full implementation and measurement—we will continue integrating ethical considerations into everyday management and reporting, strengthening the trust placed in us by all stakeholders.

## Governance Framework and Structure

### HOW WE ARE GOVERNED

SOCAR Energy Georgia operates a centralized governance model. The formal governance bodies are the General Meeting of Partners (GMP), the Supervisory Board (SB), the General Director and Chief Executive Officer, and—at the executive level—the Management Council. The highest governance body does not maintain Board committees.

### SOCAR ENERGY GEORGIA GOVERNANCE STRUCTURE



### HIGHEST GOVERNANCE BODIES AND ROLES

#### General Meeting of Partners (GMP)

The GMP is the supreme decision-making body. As of 2024, the partners are the State Oil Company of the Azerbaijan Republic (SOCAR) (91.8%) and Intersun Holding FZE (8.2%). The GMP approves strategic goals and major actions and appoints the Supervisory Board.

#### Supervisory Board (SB)

The Supervisory Board comprises five members:

1. Elshad Nasirov
2. Anvar Gasimov
3. Orkhan Rajabov
4. Kanan Najafov
5. Tahir Gozal

All are Azerbaijani citizens. Four members are representatives of State Oil Company of Azerbaijan Republic (SOCAR Global); one member (Mr. Gozal) represents Intersun Holding FZE.

The Supervisory Board is accountable to the General Meeting of Partners and, at present, has no independent members.

The nomination process is not publicly disclosed; however, all appointments are registered in the Public Registry and are accessible to the public.

The Supervisory Board meets using a hybrid format (online and in-person sessions in Tbilisi as needed).

Core responsibilities of the Supervisory Board include:

- Appointing and dismissing the General Director and the CEO and overseeing their performance;
- Setting principles of economic and operating policy;
- Deciding on high-value asset acquisitions, disposals, or exchanges;
- Deciding on matters not reserved to the General Meeting of Partners or the directors under the Charter.

By design, the Supervisory Board is oversight-focused; it does not execute day-to-day management.

**Executive leadership:** represented by the **General Director, Mahir Mammedov** (Azerbaijan citizen), who is the company's highest executive authority. Appointed by, and accountable to, the SB

and the GMP, the General Director provides overall operational leadership of the holding, ensures execution of strategic and operational plans, represents the company before third parties and authorities, signs official documents and transactions, and oversees implementation of corporate and human-resources policies

#### Management Council (executive body)

Established in 2024 by decision of the General Director, the Management Council is an advisory and coordinating body for major management matters and for implementation of GMP/SB decisions across the holding and subsidiaries. It is chaired by the General Director and includes six senior executives:

1. **Mahir Mammedov**, General Director
2. **Giorgi Japaridze**, Executive Director
3. **Rufat Hasanov**, CFO / Deputy General Director (Azerbaijan)
4. **Nodar Kanchaveli**, Director, SOCAR Georgia Petroleum
5. **Mariam Valishvili**, Director, SOCAR Georgia Gas
6. **Aleksandre Khetaguri**, Commercial Director, SOCAR Georgia Gas

### DIVERSITY OF THE HIGHEST EXECUTIVE BODY

The Supervisory Board has five male members, all Azerbaijani citizens. The Management Council comprises six members (one woman, five men), of whom two are Azerbaijani citizens and four are Georgia citizens. Members bring varied professional backgrounds spanning public and private sectors, which broadens the perspective for decision-making and oversight.

### SUBSIDIARY GOVERNANCE AND SHARED SERVICES

Major subsidiaries follow a directorial model without separate supervisory boards; subsidiary directors are accountable to the holding's management:

**SOCAR Georgia Petroleum:** Director (Nodar Kanchaveli), two deputies, and eight departments, with sections/divisions reporting to the Director or deputies.

**SOCAR Georgia Gas:** Director (Mariam Valishvili), three deputies, seven departments, and nine services, reporting to the Director or deputies.

**SOCAR Georgia Security** (out of scope for this report): Director, Deputy Director, and five divisions.

Several corporate functions are centralized at the holding level and shared by subsidiaries—e.g., Legal, Risk Management, Internal Control, Finance/CFO, and Information/Data Security—to ensure consistency of policy, control, and support.

SEG Head Office provides strategic oversight and coordination. Its role is administrative and managerial; day-to-day operating activities are carried out by its subsidiaries.

### EVALUATION OF GOVERNANCE BODY PERFORMANCE

The performance of Management Council members is evaluated annually against key performance indicators (KPIs) set by the head office. KPIs reflect the objectives of SOCAR Global, the holding (SEG), and subsidiaries, and focus primarily on financial and operational results. A mid-year review is followed by a year-end evaluation, which is conducted by the head office. As of 2024, sustainability-related indicators are not included in these KPIs.

### REMUNERATION GOVERNANCE

Compensation for directors and Management Council members comprises fixed salary and variable bonus. Bonus outcomes depend on performance against pre-set KPIs and on manager/employee grade. The General Director's salary is determined by the head office. The CEO, CFO, and subsidiary directors' salaries are determined by the General Director.

# Our Approach to Sustainability

We take sustainability personally. As a major energy company in Georgia, we recognize our responsibility to protect the environment, empower people, and deliver results the right way. That mindset is becoming part of how we plan, invest, and measure performance across SOCAR Energy Georgia.

## HOW SUSTAINABILITY IS GOVERNED TODAY

We operate a centralized management structure for the Group, but we do not yet have a single, standing sustainability committee. Instead, responsibilities are embedded in core functions and overseen by senior leadership:

- General Director and CEO provide overall direction and oversight, with subsidiary directors accountable for execution in their businesses.
- HSE leads on health, safety, and environmental management.
- HR leads on people and workplace topics.
- Risk Management coordinates the enterprise risk framework and monitors non-financial risks.
- Legal and Internal Control oversee ethics, anti-corruption, competition compliance, and regulatory adherence.

In practice, sustainability topics are escalated through line management to the Management Council for alignment and decisions, and onward to the Supervisory Board where required.

## 2024 — A FOUNDATION YEAR

2024 was a turning point for sustainability at SOCAR Energy Georgia. In line with enhanced expectations from SOCAR (parent company), we:

- Joined the UN Global Compact, signaling our commitment to its Ten Principles and to continuous improvement.
- Started to work on our first Sustainability Report prepared with reference to GRI Standards, with oversight from the CEO and the Management Council.
- Embedded sustainability in strategy: SOCAR Georgia Petroleum approved a new business strategy that includes clearly stated short-, medium-, and long-term ambitions on:
  - » participation in national sustainability initiatives;
  - » alignment with EU-oriented environmental, HSE, and quality requirements;
  - » expansion of EV charging and deployment of solar panels;
  - » adoption of eco-efficient technologies to reduce our footprint;
  - » development of accessible infrastructure for persons with disabilities;
  - » rollout of a "Plastic-Free Way Mart" concept; and
  - » progressive electrification of the company fleet.
- Codified our expectations by drafting a suite of Group policies and frameworks: Values, an Enterprise Risk Management (ERM) framework, a Code of Ethics, an Anti-Corruption Policy, a Conflict-of-Interest Policy, and a Competition Compliance Policy (SOCAR Georgia Petroleum).

Until 2024, risk assessment and mitigation were handled within individual subsidiaries and functions, with oversight by their directors. In 2024, guided by SOCAR (parent company), we established a Group-wide Risk Management Framework for SOCAR Energy Georgia and created a dedicated Risk Management Department reporting directly to the General Director. We also issued a SEG Risk Management Policy, aligned with the parent company's principles and tailored to the Georgian context. Using this policy, we completed a fresh Group risk identification and assessment, compiled a consolidated Risk Catalogue and Register, and defined prevention, mitigation, and control actions. A unified risk system is now being rolled out and will be fully implemented in 2025.

## WHERE WE ARE HEADING

The focus now is on moving from policies to performance—translating intent into day-to-day practices and measurable results. In 2025 we will:

- Formally implement the new ethics and compliance policies and document enforcement procedures;
- Strengthen coordination of sustainability topics across functions (using the Management Council as the executive forum) and clarify process ownership and escalation paths;
- Enhance data and reporting to track progress more consistently across environment, safety, people, and governance;
- Continue advancing the EV charging, renewables, accessibility, and plastic-reduction initiatives set out in strategy.

We are realistic about our starting point, but clear about our direction: build solid governance, integrate sustainability into business decisions, and report transparently on progress.

# Risk Management Framework

## BUILDING A COMMON APPROACH

Until 2024, risk assessment and mitigation were handled within individual subsidiaries and functions, with oversight by their directors. In 2024, guided by SOCAR (parent company), we established a Group-wide Risk Management Framework for SOCAR Energy Georgia and created a dedicated Risk Management Department reporting directly to the General Director. We also issued a SEG Risk Management Policy, aligned with the parent company's principles and tailored to the Georgian context. Using this policy, we completed a fresh Group risk identification and assessment, compiled a consolidated Risk Catalogue and Register, and defined prevention, mitigation, and control actions. A unified risk system is now being rolled out and will be fully implemented in 2025.

## HOW THE FRAMEWORK WORKS

The policy defines a single methodology for identifying, assessing, and managing risks across the holding. Risks are evaluated on two axes: Probability (considering both frequency and likelihood) and Impact (covering financial and non-financial effects). Risk tolerance is currently defined for financial impact via our risk-appetite statement; thresholds for non-financial impacts will be refined

as part of the 2025 rollout. Day-to-day monitoring and control remain the responsibility of the relevant departments, while the Risk Management Department coordinates the process, maintains the register, and escalates material issues to the Management Council and, where required, to the Supervisory Board.

## OUR RISK LANDSCAPE

The 2024 reassessment grouped risks into five primary categories—Operational, Information Security, Financial, Strategic, and Compliance—each broken down into sub-categories. ESG-related risks (e.g., environmental, climate, social, ethics/anti-corruption) are not a standalone category at this stage but are explicitly covered within the non-financial impact dimension and relevant sub-categories of the taxonomy.

## MONITORING AND REPORTING

Risk owners in each function monitor controls and indicators on a day-to-day basis, update the register as circumstances change, and report to the Risk Management Department. Consolidated risk views and progress on mitigation actions are reviewed with management; critical concerns are escalated through the Management Council.

## EMBEDDING RISK INTO DECISIONS

Risk assessment is a standard step in planning major projects and in the annual planning cycle, where mitigation and prevention actions are budgeted and assigned. With the new framework in place, we are formalizing tools to integrate the principal risks into decision-making at holding level—ensuring that strategic choices, capital allocation, and operational plans reflect the current risk profile.

## WHAT COMES NEXT

Our priorities are to complete the system rollout, refine non-financial impact thresholds, strengthen key risk indicators (KRIs) and reporting cadence, and ensure the framework is consistently applied across subsidiaries. The goal is clear: a practical, business-driven approach that helps us anticipate threats, seize opportunities, and manage our impacts responsibly.



# Acting in Accordance with Business Ethics

## OUR COMMITMENT TO ETHICAL BUSINESS

SOCAR Energy Georgia upholds a zero-tolerance approach to corruption, bribery, and unethical conduct. Ethical business is not only a legal requirement, but also the foundation for protecting our reputation, maintaining our license to operate, and building lasting trust with our stakeholders. Our commitment is closely aligned with the standards and expectations of SOCAR Group (parent company), which has reinforced in recent years the importance of integrity and responsible conduct across all subsidiaries.

## EMBEDDING VALUES IN OUR CULTURE

In 2023, under the initiative of SOCAR (parent company), Mercer conducted an employee survey across all countries of operation, including Georgia. This process was followed in 2024 by an independent survey in our Georgian operations, applying the Barrett Values Center methodology. More than 700 SEG employees participated, along with 11 top managers. The survey assessed our internal culture and identified cultural entropy both at group and subsidiary level.

As a result, SOCAR Energy Georgia adopted the same set of corporate values endorsed by SOCAR, while also defining local interpretations and specifying related positive and negative behaviors. Our values are:

- **One Team** – Together we progress towards common goals with the shared vision, inclusion, and trust among our team members
- **Accountability** – We acknowledge the impact of our decisions and actions and share responsibility for any outcomes individually and as a team
- **Safety** – Our top priority. We are committed to safeguarding our employees, society, environment, and future generations through every action we take
- **Continuous Development** – We continuously develop individually and as a team and care about our company's security and progress
- **Care** – We care for the environment

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

In parallel, coaching sessions and continuous learning programs were launched for top managers, alongside a communication and implementation plan to reinforce these values across the organization. From 2025 onward, leadership training will target mid-level managers, followed in 2026 by rollout to specialists.

## CODE OF CONDUCT

In 2024, SOCAR (parent company) finalized and circulated a Code of Conduct, which was then reviewed and contextualized for SOCAR Energy Georgia. The Code applies to all employees, members of the Supervisory Board and Management Council, contracted staff, and third-party secondees.

The Code will be formally approved in 2025, with implementation mechanisms introduced thereafter. Training and awareness sessions are planned for employees, suppliers, and other stakeholders to ensure consistent understanding and application.

## MANAGING CONFLICTS OF INTEREST

Until recently, conflicts of interest were managed at the level of individual departments and managers without a formalized governance mechanism. In 2024, SOCAR (parent company) developed a Conflict-of-Interest Policy, which will be adopted and enforced in Georgia in 2025.

The policy defines different types of conflicts of interest, outlines disclosure and monitoring procedures, and sets expectations for continuous compliance.

## ANTI-CORRUPTION AND BRIBERY

While SOCAR Energy Georgia has never conducted a formal corruption risk assessment and corruption risks are not yet a standalone category in the company's risk register, the company recognizes their material importance given the sector's characteristics.

In 2024, SOCAR issued an "Anti-Bribery, Anti-Money Laundering, Crime Financing and Anti-Tax Evasion Policy", which

was shared with SOCAR Energy Georgia. During 2025, this policy will be tailored to the Georgian context, formally adopted, and operationalized. Key future measures include:

- Regular anti-corruption training for all employees (in 2024, an initial group of 46 managers was trained);
- Mandatory induction on the Code of Conduct and anti-corruption standards for all new employees;
- Embedding anti-corruption clauses into all contracts with suppliers and partners;
- Conducting due diligence and screening of procurement processes to identify corruption risks.

Although not yet supported by a centralized framework, corruption risks are actively monitored—especially in procurement, contracting, and asset transactions—through robust internal control systems. Many critical operations are automated, enabling monthly checks and early detection of irregularities. All procurement and financial transactions are overseen by the Internal Control Department using the DocFlow electronic document system, which provides timely oversight and helps prevent irregularities.

In 2024, no confirmed incidents of corruption were recorded across the company.

## REPORTING CONCERNs

Currently, employees and external stakeholders (customers, suppliers, community members) can raise concerns or complaints through several open channels, including the company hotline, email, post, or direct contact with responsible staff. All complaints must be addressed, though no formal independent whistleblowing mechanism exists yet.

The new Code of Conduct and Anti-Corruption Policy include dedicated sections on whistleblowing and grievance procedures. In 2025, SOCAR Energy Georgia plans to establish a formal, centralized grievance mechanism, strengthening stakeholder trust and enabling more systematic monitoring and response.

# Compliance, Transparency and Fair Competition

Our business operates in a tightly regulated environment. We are committed to competing on the merits, complying with the letter and spirit of the law, and engaging transparently with regulators and stakeholders. That commitment protects our license to operate and underpins long-term trust.

## FAIR COMPETITION AND ANTITRUST COMPLIANCE

Georgia's laws strictly prohibit anti-competitive behavior, and SOCAR Energy Georgia aligns its practices accordingly.

- SOCAR Georgia Gas (SGG) is a natural monopoly in its licensed areas, so classic antitrust risks related to price-fixing or market sharing do not arise in the same way as in competitive markets; SGG's activities are, instead, tightly regulated by GNERC.
- SOCAR Georgia Petroleum (SGP) developed a Competition Compliance Policy and Procedure in 2024. The framework—scheduled for implementation in 2025—sets the principles and rules for competition-law compliance, prohibitions and restrictions, identification and prevention of anti-competitive risks, monitoring, and disciplinary measures.

At the departmental and unit level, compliance with legal requirements is embedded into day-to-day operations. Dedicated teams oversee specific domains such as safety, product quality, environmental protection, labor rights, and consumer protection—areas that are described in greater detail in the following chapters.

**Regulatory case (status at end-2024).** In 2023, Georgia's Competition Agency issued findings alleging anti-competitive conduct by five large oil companies, including SOCAR Georgia Petroleum (SGP). SGP (together with the other four companies) disagrees with the conclusions and filed a joint court claim seeking annulment of the Agency's decision. As of 31 December 2024, no court hearing had been scheduled. We continue to fully cooperate with authorities while maintaining robust internal compliance controls during the proceedings.

## PUBLIC POLICY AND INDUSTRY ENGAGEMENT

We do not make financial or in-kind contributions to political parties or candidates and do not engage in lobbying. Where regulatory proposals affect our sector, we participate in open consulta-

tions—typically through business associations of which we are members (e.g., Business Association of Georgia, Oil and Oil Products Importers Association). Through these forums, we provide fact-based input so that emerging policies support innovation, energy efficiency, safety, and fair competition.

## COMPLIANCE WITH LAWS AND REGULATIONS

Both main operating companies—SGG and SGP—are classified as especially hazardous activities under Georgian law and face strict regulatory oversight. SGG, as a natural monopoly, is closely supervised by GNERC. A dedicated GNERC Relations unit coordinates all regulatory filings, inspections, and correspondence.

At the departmental and unit level, compliance with legal requirements is embedded into day-to-day operations. Dedicated teams oversee specific domains such as safety, product quality, environmental protection, labor rights, and consumer protection—areas that are described in greater detail in the following chapters.

At the holding level, a consolidated and effective system of control and monitoring ensures compliance with legislative requirements across the Group. The Legal Department supported by Internal Control provides oversight and guidance, ensuring that the company meets its obligations in all areas of operation.

Beginning in 2025, all vendors will undergo a due diligence process tailored to the size of the procurement, designed to evaluate contractor compliance with relevant legislation. SOCAR Energy Georgia will strictly record and address any cases of concern (see also chapter: Supplier Relations).

In 2024, eight minor cases of non-compliance with legislative requirements were recorded: two related to safety and six to environmental issues. In three cases, the company was fined, while in the other five cases, non-monetary sanctions were applied. The total monetary value of fines amounted to GEL 7,500.

There were no fines related to earlier reporting periods.

## TAX TRANSPARENCY AND FAIRNESS

SOCAR Energy Georgia is among the largest taxpayers in the country. Our approach to tax mirrors our broader compliance commitments: we apply the law faithfully, uphold high ethical standards, and avoid artificial arrangements. Our group policy covering anti-bribery, anti-money laundering, counter-terrorism financing, and anti-tax evasion prohibits facilitation of tax evasion and sets clear behavioral expectations for employees and partners.

For material or complex transactions, we consult with the Revenue Service to ensure correct interpretation and application of tax rules. Taxes paid are disclosed in our financial statements, in line with applicable reporting requirements.

## WHAT WE'RE STRENGTHENING IN 2025

- Roll-out of SGP's Competition Compliance Policy and Procedure (training, controls, monitoring);
- Launch of vendor due diligence prior to contracting across the Group;
- Continued regulatory engagement via industry platforms, with transparent, evidence-based input;
- Ongoing tracking and disclosure of compliance outcomes and remedial actions.

# Creating Economic Value

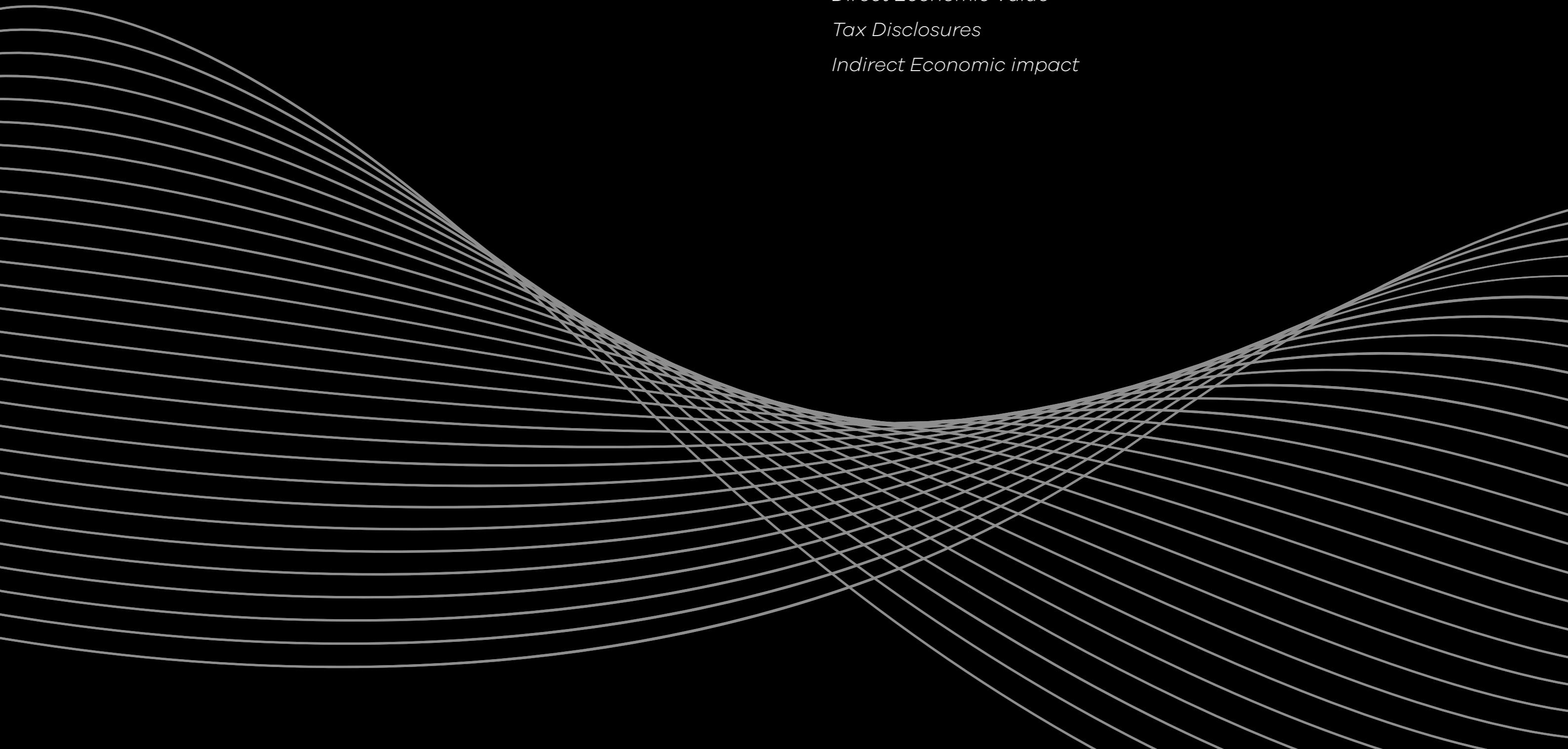
## In this section

*How We Create Value*

*Direct Economic Value*

*Tax Disclosures*

*Indirect Economic impact*



# How We Create Value

In 2024 SOCAR Energy Georgia (SEG) translated reliable energy delivery into revenues, wages, supplier spend, and public-sector contributions—forming a direct, measurable economic footprint in Georgia. Our scale of operations through SOCAR Georgia Petroleum and SOCAR Georgia Gas positions the Group among

the country's leading economic actors, with value creation flowing through multiple channels of the real economy. Our approach is simple: deliver reliable fuel and gas today, while steadily improving the systems that make the country's economy more resilient tomorrow.

## Direct Economic Value

SEG's revenues, reported on a consolidated boundary, provide the starting point for understanding our economic footprint. This performance reflects the breadth of our energy retailing and distribution activities across the country. During the reporting year SEG generated over 2 billion GEL (GEL 2,038,029,000) in revenue. Out of the revenues earned, the Group distributed GEL 1,971,517,438 to stakeholders across several streams. The largest share—88.9% out of val-

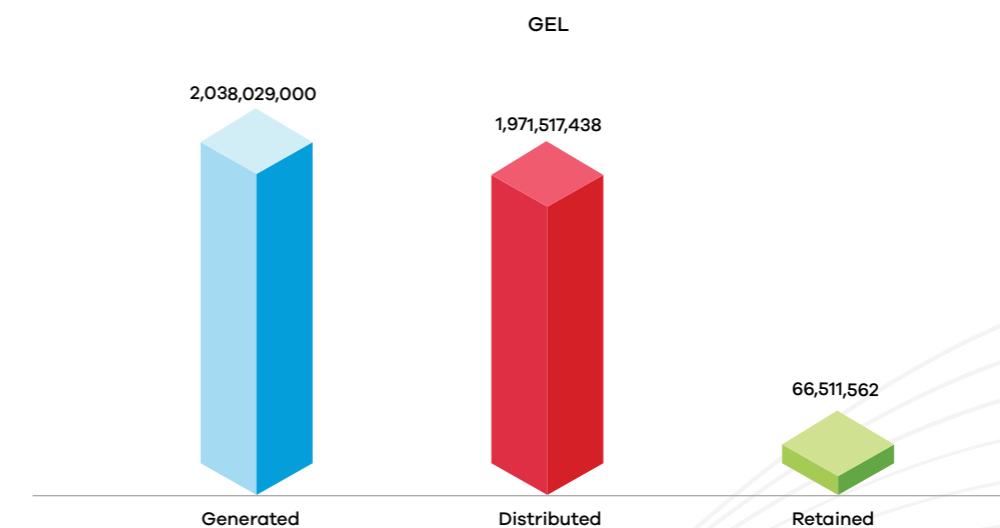
ue distributed—comprised operating costs, associated with our core activities and essential external services across the value chain. We invested GEL 104,959,000 in our people through gross wages and benefits, reflecting our responsibility to attract, retain, and reward skilled employees across our businesses. And the rest (GEL 113,315,011) went to providers of capital in dividends and interest, payments to government covering all of the organization's taxes, penalties

and related statutory items, and community investments.

After all distributions, the Group retained GEL 66,511,562. Retained value strengthens the balance sheet, funds asset maintenance and upgrades, and enhances the company's capacity to invest in service quality, safety, and efficiency—benefits that ultimately accrue to customers, communities, and the wider economy.



### DIRECT ECONOMIC VALUE GENERATED VS. DISTRIBUTED VS. RETAINED — SEG (2024)



### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (2024)

GEL	
<b>Direct economic value generated – Revenues</b>	2,038,029,000
<b>Economic value distributed</b>	1,971,517,438
• <i>Operating costs (materials, components, facilities, external services)</i>	1,753,243,426
• <i>Employee wages &amp; benefits (gross)</i>	104,959,000
• <i>Payments to providers of capital (dividends, interest)</i>	100,765,019
• <i>Payments to government (taxes and related penalties; excl. deferred tax)</i>	12,130,000
• <i>Community investments</i>	419,992
<b>Economic value retained</b>	66,511,562

**Note:** Revenues represent the total direct economic value generated, including both revenues from unrelated and related parties. The breakdown is provided under Tax Disclosures. Economic value retained is calculated as total revenues minus total economic value distributed.

**TAX DISCLOSURES**

SEG operates exclusively in Georgia; therefore, Country-by-country tax disclosures (as requested by GRI 207-4) applies to a single jurisdiction. Corporate Income Tax (CIT) for 2024 is reported GEL 0. Under Georgia's corporate income tax model, CIT generally arises upon profit distribution (dividends) or

on specified deemed distributions. The Group neither distributed profits nor incurred deemed-distribution items in 2024; therefore, no current CIT was accrued and none was paid.

Alongside taxes borne by the Group, amounts withheld and remitted on behalf of employees in line with Georgian legislation are disclosed to provide a

complete view of fiscal contribution without conflating taxes borne with taxes collected.

Further details of the Group's approach to tax policy, governance, controls, and risk management are provided in the Governance, Ethics and Integrity chapter.

**COUNTRY-BY-COUNTRY TAX DISCLOSURES (GEORGIA)**

	<b>GEL</b>
<b>Revenues from third-party sales</b>	<b>2,025,332,436</b>
<b>Revenues from intra-group transactions with other tax jurisdictions</b>	<b>12,696,564</b>
<b>Profit/loss before tax</b>	<b>55,975,000</b>
<b>Tangible assets other than cash &amp; cash equivalents (year-end)</b>	<b>1,119,355,000</b>
<b>Corporate income tax paid (cash basis)</b>	<b>0</b>
<b>Corporate income tax accrued on profit/loss (current year)</b>	<b>0</b>
<b>Taxes withheld and paid on behalf of employees</b>	<b>22,532,407</b>

*Note: All figures are presented on a consolidated basis for SEG Holding (covering SOCAR Georgia Petroleum, SOCAR Georgia Gas and their respective subsidiaries), in GEL, on an accrual basis, prepared in accordance with IFRS.*

**GOVERNMENT-RELATED ARRANGEMENTS AND GRANT RECOGNITION**

In 2024 SEG entered into an agreement with the National Agency of State Property to acquire state-constructed gas pipeline networks with a nominal value

of GEL 8,347,000, together with the obligation to ensure gas supply to customers connected to these networks. The Group is obliged to pay GEL 8,347,000 in ten tranches during 2031-2040, following a grace period in 2025-2030. On initial recognition, the discounted (fair) value of this obligation—GEL 2,387,000

was recorded as a non-current liability related to the acquisition of property, plant and equipment. The difference between the nominal amount and fair value—GEL 5,960 thousand—was recognized as a government grant. No other financial assistance from government was received in 2024.

# Indirect Economic Impact

**ENERGY ACCESS AND RELIABILITY THAT POWER GROWTH**

Reliable energy access is one of the most important enablers of economic and social development in Georgia. SOCAR Energy Georgia plays a central role in this process by ensuring that both fuels and natural gas are available where and when they are needed.

Through SOCAR Georgia Petroleum (SGP), we keep fuel accessible across the country, including remote regions where energy availability directly shapes livelihoods. Farmers, small businesses, and transport companies all depend on un-

interrupted fuel supply. By continuously seeking more cost-efficient sourcing, SGP helps stabilize fuel prices where feasible, a critical factor in sectors like logistics, where fuel can account for a very large share of operating costs.

On the gas side, SOCAR Georgia Gas (SGG) ensures a stable and affordable natural gas supply for households and enterprises. In 2024, our network served 1,178 settlements nationwide, including 109 newly connected communities. In many of these areas, households previously relied on firewood or electricity for heating—expensive and often unreliable sources. With the arrival of

natural gas, families enjoy better living standards, while small businesses such as bakeries, laundries, restaurants, and greenhouses gain new opportunities to grow and compete.

Our services also underpin critical public functions. Fire brigades, ambulance fleets, and other emergency responders are supplied directly by SOCAR, enabling them to operate effectively. This behind-the-scenes contribution strengthens community resilience where it matters most.

**INFRASTRUCTURE EXPANSION AND MODERNIZATION**

**Investing in gas pipelines and distribution networks** has benefits far beyond our balance sheet. Infrastructure upgrades reduce technical losses, cut response times, and give businesses the confidence to invest. In 2024, SGG **rehabilitated 133 km** of pipelines, with **GEL 19.8 million** invested (excl. VAT). These works improve safety and reliability for households and industry, and they prepare the grid for future growth in newly

connected and growing communities. Over time, our combined footprint—pipelines, depots, and stations have supported industrial and residential development, often acting as an anchor for additional public or private infrastructure around our assets.

**EMPLOYMENT, SKILLS AND THE WIDER CONTRACTOR ECONOMY**

SEG is an ecosystem, not just an employer. In 2024 we provided **4,000+ direct jobs**, anchored by structured training,

Around this core, our operations stimulate work for installation companies, technical service firms, safety inspection providers, and construction contractors. SGG, in particular, fosters competencies in gas engineering, safety management, and network maintenance; SGP builds skills in forecourt operations, retail systems, cash control, and customer service. These skills are transferable, **strengthening Georgia's broader labor market** and raising professional standards.



## LOCAL SUPPLY CHAINS & SME GROWTH

Our **procurement footprint supports local enterprise** where it matters—close to assets, customers, and communities. In 2024, SEG worked with **575 local suppliers**, and **83%** of all **new suppliers** were Georgian businesses. The holding's **local procurement reached GEL 79,686,694** (incl. taxes), channeling steady work to maintenance and civil-works contractors, station construction/rehabilitation teams, depot service providers (cleaning, waste handling), safety equipment suppliers, and logistics firms. Each contract sustains jobs, builds capability, and circulates value through municipal economies.

## ENABLING OTHER SECTORS

Energy is a multiplier input. Reliable fuels underpin road transport, the backbone of domestic trade and regional connectivity. Agriculture benefits twice—diesel for machinery, gas for processing and food production (e.g., bakeries, greenhouses). Tourism and retail depend on steady energy for hospitality, mobility, and convenience retail. The more predictable our supply, the more confidently other sectors can grow, hire, and invest.

## REGIONAL CONNECTIVITY AND DIFFUSION OF STANDARDS

Georgia's **strategic position as a regional energy corridor** is strengthened by SOCAR's cross-border flows and technical cooperation. Beyond molecules and liters, we help diffuse standards: safety protocols, quality control, and environmental practices are embedded in our procurement and operations, and they cascade through local partners. Over time, this lifts the baseline for how projects are built, operated, and maintained across the value chain.

## COMMUNITY RESILIENCE & EMERGENCY SUPPORT

When crises strike—such as forest fires or natural disasters—speed and logistics save lives. SOCAR provides fuel support to responders, an indirect but essential contribution that helps communities recover faster. At a quieter, everyday level, new gas connections mean lower household energy bills, cleaner kitchens, and more productive time—practical gains that add up to community resilience.

## WIDER PUBLIC REVENUES

Our operations also **expand the tax base** beyond our own payments: value added at suppliers, contractors' payroll taxes, and municipal fees around construction and services. This second-order effect channels more resources into public services and infrastructure, amplifying the impact of the direct fiscal contributions reported elsewhere in this chapter.

**Creating economic value is more than the sum of revenues, wages, taxes, and contracts.** For SOCAR Energy Georgia, it is about reliability and reach—making sure that energy is there, safely and affordably, so that families, small businesses, public services, and industries can plan and grow with confidence. Our direct contributions are measurable; our indirect contributions are visible in the places we connect, the people we employ and train, and the local enterprises that grow around our networks.



# Protecting the Environment

## In this section

*Our Approach to Environmental Protection*

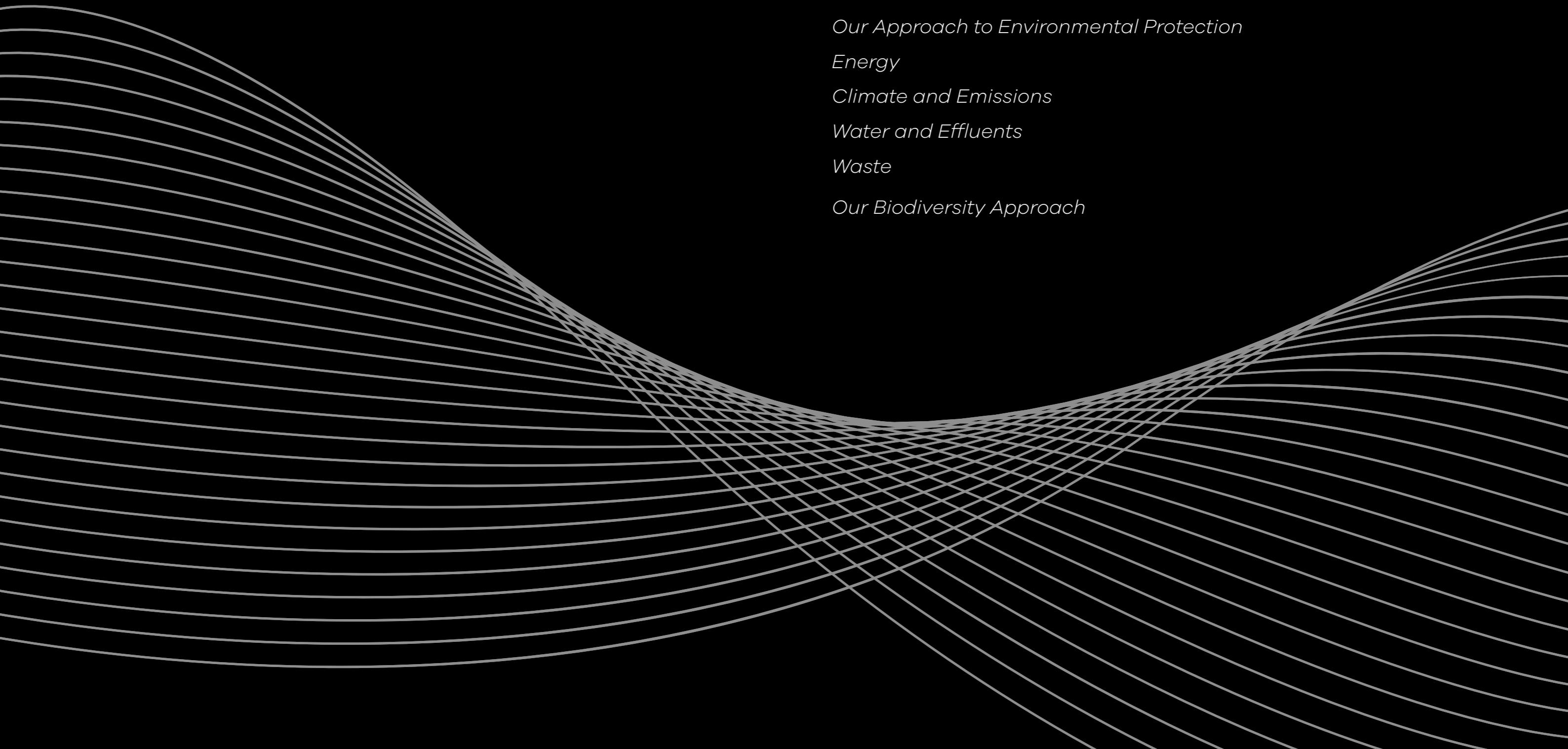
*Energy*

*Climate and Emissions*

*Water and Effluents*

*Waste*

*Our Biodiversity Approach*



# Our Approach to Environmental Protection

As an oil and gas group, SOCAR Energy Georgia (SEG) recognizes that our operations can materially affect the environment. Protecting the environment and reducing our impacts are therefore core to how we do business and to our long-term license to operate. Our most significant environmental aspects relate to energy use and efficiency, greenhouse-gas (GHG) and other air emissions, waste (including hazardous waste), accidental releases, water and effluents, and potential impacts on biodiversity.

Regulation in Georgia is stringent across these areas (e.g., hazardous waste, air emissions, water withdrawal and discharge). SEG operates with internal procedures and controls designed to meet legal requirements and manage principal risks.

For SOCAR Georgia Petroleum (SGP), an HSE Policy and associated instructions and protocols were introduced in 2019 and continue to guide operations. Day-

to-day environmental management at SGP is led by the Health, Safety and Environment (HSE) Department.

**Note:** *SGP's environmental management system covers all SGP assets and operations; Way Mart, an SGP subsidiary, is planned to be integrated into SGP's environmental management from 2025.*

At SOCAR Georgia Gas (SGG), environmental responsibilities are assigned to an existing role under the oversight of the Company Director. At Group level, the General Director is supported by an Executive Adviser on Environment and Safety, responsible for aligning a Group-wide environmental policy with SOCAR (Parent company).

While neither SGP nor SGG has yet completed a single, consolidated assessment of environmental impacts across all operations, environmental risks were evaluated within SEG's Group-wide risk

framework in 2024 and are reflected in the Health, Safety and Environmental Risk Assessment. In addition, where required by law, project-level Environmental Impact Assessment (EIA) processes are conducted. In 2024, EIAs were carried out for both major oil depots as part of their large-scale reconstruction projects.

Starting in 2024, SEG accelerated the integration of sustainability considerations into policies and management systems. This includes evaluating a more formalized environmental management approach across the Group and extending structured controls to all subsidiaries. The sections that follow set out our approach, activities, and performance in energy, climate, air emissions, waste, water and effluents, and biodiversity.



## Energy

### MANAGING OUR ENERGY FOOTPRINT

As an energy distributor, SOCAR Energy Georgia (SEG) is acutely aware of the importance of managing its own energy use responsibly. While our core business is the sale of fuels and natural gas, we also consume energy across our operations in the form of transport fuels, natural gas, and electricity. Monitoring and reporting this consumption provide us with insight into efficiency opportunities, helps us comply with disclosure standards, and demonstrates our commitment to managing our environmental impacts.

### ENERGY CONSUMPTION WITHIN THE ORGANIZATION

SEG's energy use comes primarily from:

- **Fuels** (petrol and diesel) – used in the corporate fleet of passenger cars,

minibuses, heavy equipment, tank trucks, and specialized vehicles such as SOCAR Georgia Petroleum's mobile laboratory. Diesel is also used in standby generators.

- **Natural gas** – consumed for heating offices and for other minor domestic purposes.

- **Electricity** – used for lighting, heating, cooling, and operating technologies across offices, filling stations, Way Mart markets and oil depots. Electricity demand is particularly significant in the Group's Tbilisi headquarters due to the data centers located there.

The Group uses primarily non-renewable energy, with a small share from onsite and contracted renewables: petrol, diesel, natural gas, and grid electricity (out of which the small share is auto-generated electricity from the solar panels). It does not purchase or consume renewable fuels such as biomass or biofuels,

nor does it import or sell steam, heating, or cooling energy.

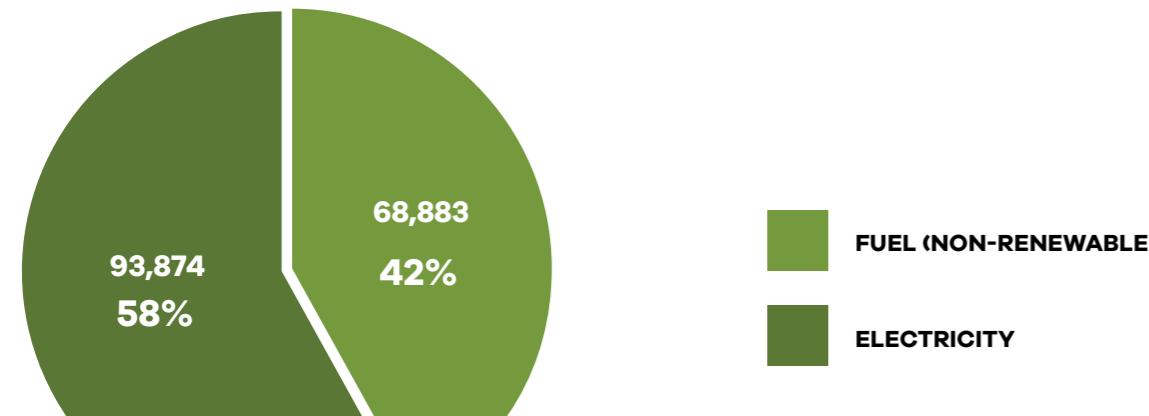
In 2024, SEG's total energy consumption amounted to 162,757 GJ, covering all operations of SOCAR Georgia Petroleum, SOCAR Georgia Gas (including their subsidiaries) and the SEG Head Office. Of this total, 68,883 GJ (42%) was from fuel consumption (non-renewable sources), and 93,874 GJ (58%) was from purchased electricity.

At the entity level, SOCAR Georgia Petroleum Group was the largest energy consumer, accounting for ~68% of total consumption (110,706 GJ), driven primarily by high electricity demand at service stations, Way Mart stores, and other facilities. SOCAR Georgia Gas Group consumed 40,119 GJ (~25%), mainly in the form of fuels, while the SEG Head Office accounted for 11,932 GJ (~7%), with electricity representing the majority share.

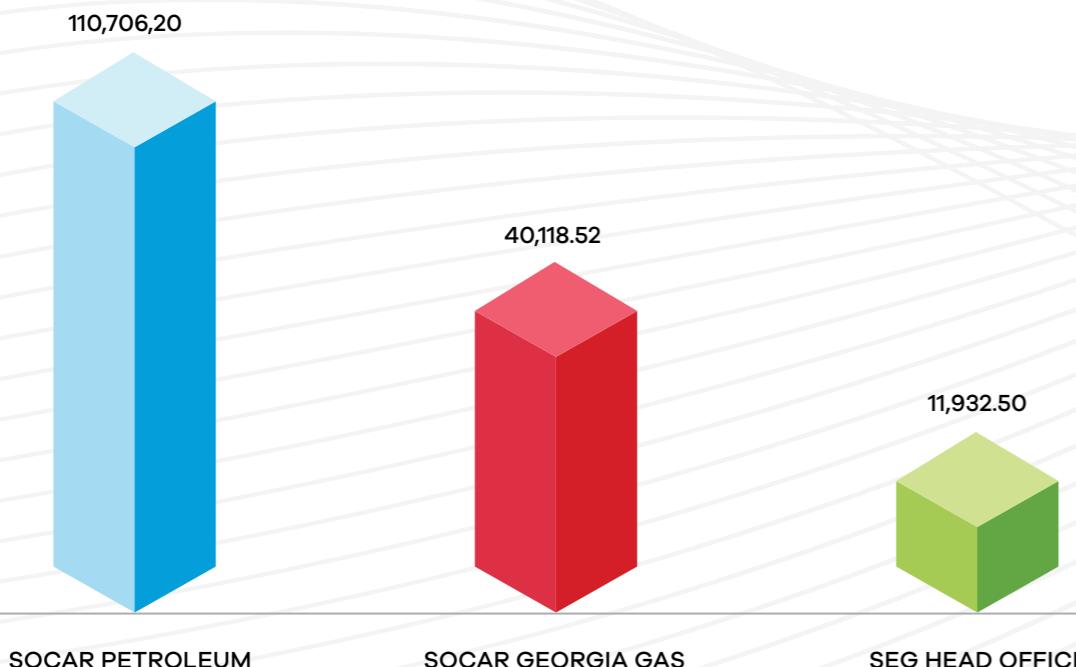


## TOTAL ENERGY CONSUMPTION BY SOURCE, 2024 (GJ)\_SEG HOLDING

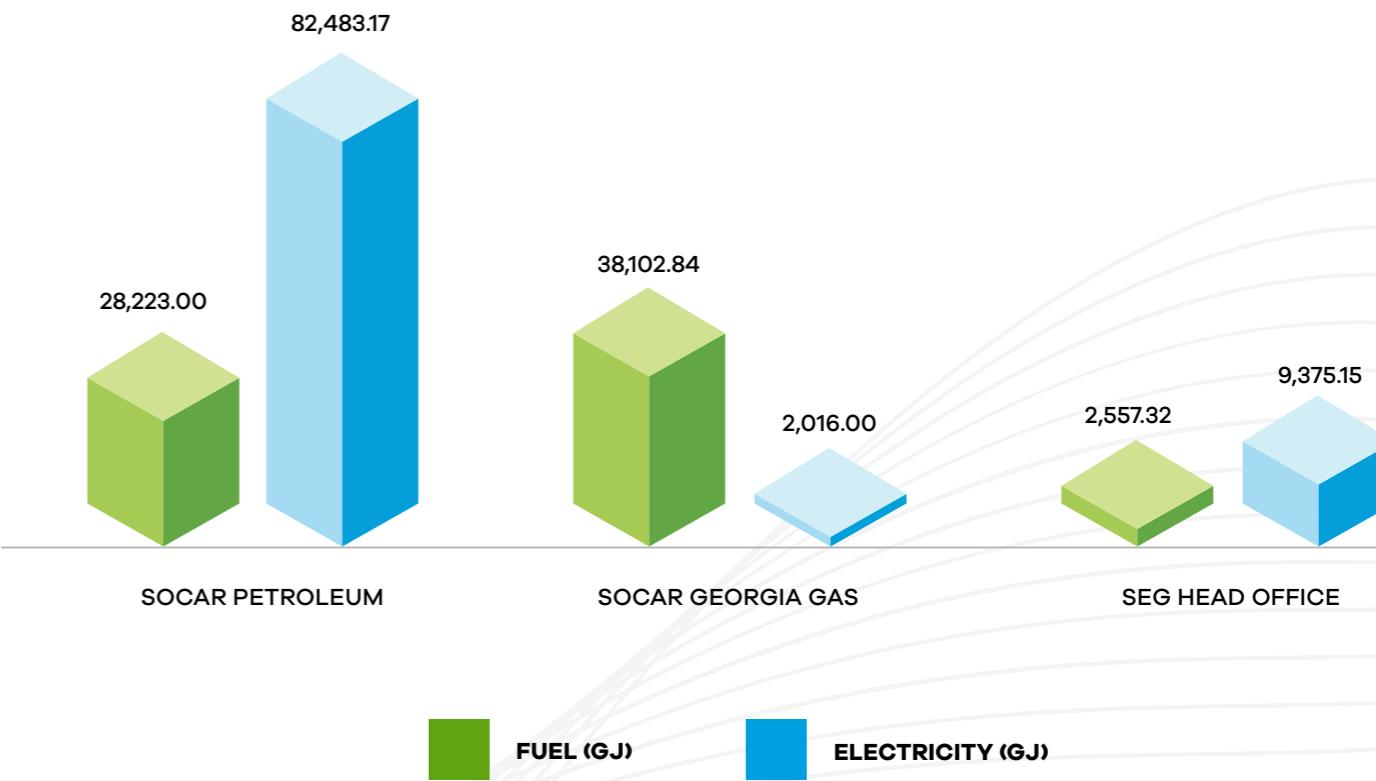
TOTAL ENERGY CONSUMPTION 162,757 GJ



## TOTAL ENERGY CONSUMPTION BY ENTITY, 2024 (GJ)



## FUEL VS. ELECTRICITY CONSUMPTION BY ENTITY, 2024 (GJ)



### Methodology and conversion factors:

Energy consumption is reported in gigajoules (GJ), based on net calorific values. Conversion factors are sourced from the 2006 IPCC Guidelines and IEA methodology. Factors applied: 1 kWh = 0.0036 GJ / 1 m³ natural gas = 0.038 GJ / 1 liter diesel = 0.0386 GJ / 1 liter petrol = 0.0342 GJ

### ENERGY INTENSITY

In 2024, SEG's energy intensity was 79.9 GJ per million GEL of revenue. This indicator reflects how efficiently we convert energy inputs into economic output. Using total energy consumption within the organization as the numerator and total revenue as the denominator, our intensity indicates the gigajoules (GJ) required per million GEL of revenue generated across SEG's consolidated operations.

### Methodological notes:

- Energy intensity is calculated for the entire Group, including SOCAR Georgia Petroleum, SOCAR Georgia Gas, and SEG Head Office
- Energy intensity = Total energy consumption (GJ) ÷ Total revenue (million GEL)

-Intensity is rounded to one decimal for reporting consistency.

### Energy consumption in the value chain:

SEG does not currently calculate or report energy use across its broader value chain (upstream and downstream). As such, these data are not included in this report.



# Climate and Emissions

## WHY THIS MATTERS

As a downstream oil and gas group, SOCAR Energy Georgia (SEG) has a material climate footprint. While our own operations generate direct (Scope 1) and energy-indirect (Scope 2) emissions, the largest share of our impact sits in Scope 3—particularly the use of fuels sold to customers. Georgia currently has no mandatory corporate GHG accounting regime, but SEG is building the internal systems to measure, manage, and reduce emissions over time. We have established a consistent inventory across the holding and reporting to SOCAR Global; our next steps focus on broadening coverage and improving data quality.

## WHAT DRIVES OUR SCOPE 1:

- Stationary combustion:** natural gas for heating and household purposes; petrol and diesel for internal use in diesel generators
- Mobile combustion:** fuel delivery trucks operated under our control, fleet cars, service vehicles, scooters, heavy equipment, and the mobile laboratory.
- Fugitive emissions:** methane released from SOCAR Georgia Gas (SGG)'s distribution pipelines, joints, valves, regulating equipment, and during maintenance or emergency venting. (For SOCAR Georgia Petroleum, potential fugitive releases from storage/handling, wastewater treatment are not yet metered and are currently excluded).

fugitive methane from the distribution network. SOCAR Georgia Petroleum Group contributed 1,945.5 tCO<sub>2</sub>e (~0.72%), and the SEG Head Office accounted for 174.0 tCO<sub>2</sub>e (~0.06%). This distribution indicates that leak prevention and control measures are the main lever for Scope 1 reductions, while combustion sources represent a comparatively small share.

## SCOPE 1 — DIRECT GHG EMISSIONS

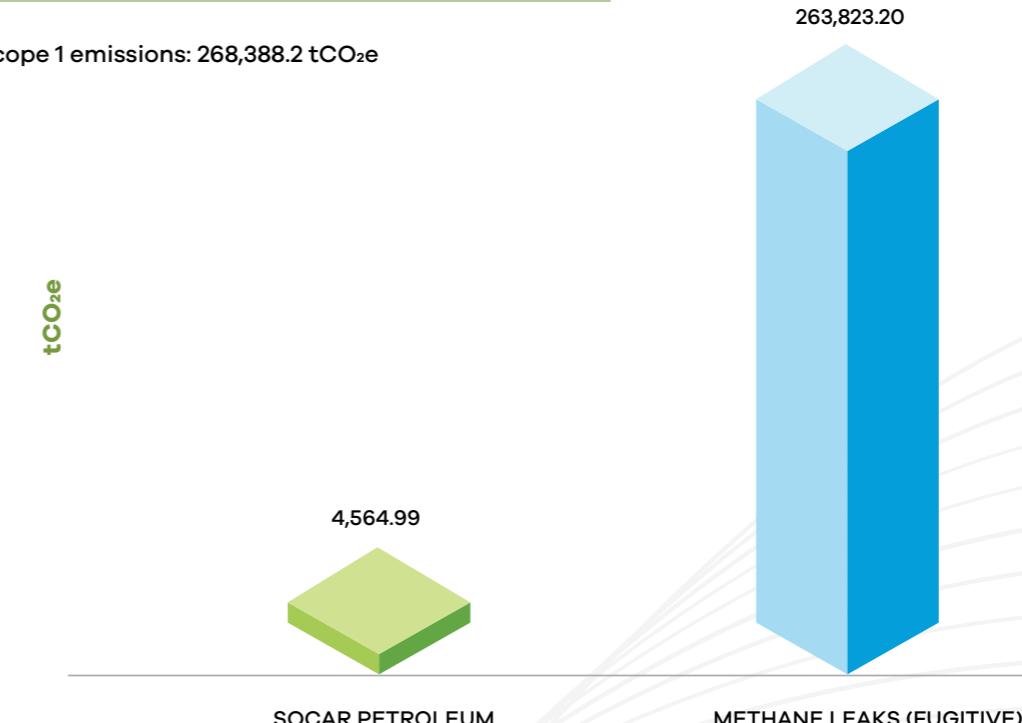
Scope 1 includes emissions from fuel burned in company-owned/controlled equipment and vehicles, plus methane leaks from the gas distribution network.

## SCOPE 1 EMISSIONS OVERVIEW (2024)

Total Scope 1 emissions in 2024 were 268,388.2 tCO<sub>2</sub>e. The profile is dominated by SOCAR Georgia Gas Group (266,268.7 tCO<sub>2</sub>e; ~99%), reflecting the impact of

## SCOPE 1 EMISSIONS BY SOURCE, 2024 (tCO<sub>2</sub>e)

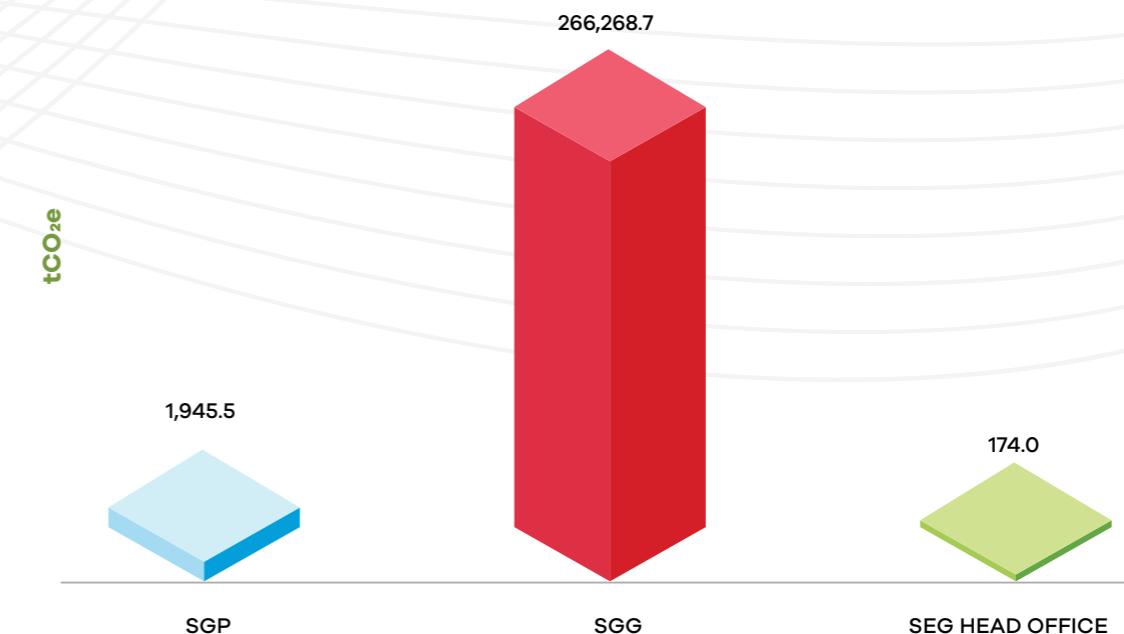
Total Scope 1 emissions: 268,388.2 tCO<sub>2</sub>e



**Note:** Combustion sources combine stationary and mobile emissions. Fugitive emissions calculated from 14,063,070 m<sup>3</sup> of leaked CH<sub>4</sub>.

## SCOPE 1 EMISSIONS BY SUBSIDIARY, 2024 (tCO<sub>2</sub>e)

Total Scope 1 emissions: 268,388.2 tCO<sub>2</sub>e



**Methodology and Calculation Approach**

The Scope 1 GHG emissions are calculated in accordance with the GRI 305: Emissions Standard and the GHG Protocol Corporate Standard under the operational control boundary.

Gases include: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O. Other GHGs listed in the Kyoto Protocol (HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>) are not relevant to current activities and are excluded.

Sources covered: stationary and mobile combustion, and fugitive emissions from natural gas leaks.

Method: activity data x emission factors (default factors for petrol, diesel, LPG, and CNG from the 2006 IPCC Guidelines).

Global Warming Potential (GWP) values from the IPCC Fifth Assessment Report (AR5) were applied to convert CH<sub>4</sub> and N<sub>2</sub>O into carbon dioxide equivalents (CO<sub>2</sub>e): CH<sub>4</sub> = 28; N<sub>2</sub>O = 265

Methane leaks: estimated using default density/conversion assumptions (0.67 kg CH<sub>4</sub> per m<sup>3</sup>) and GWP value (28 under IPCC AR5).

**SCOPE 2 — ENERGY INDIRECT EMISSIONS**

Scope 2 covers indirect emissions from purchased electricity used in offices, service centers, stations, depots, Way Mart stores, water wells, and biological wastewater treatment units.

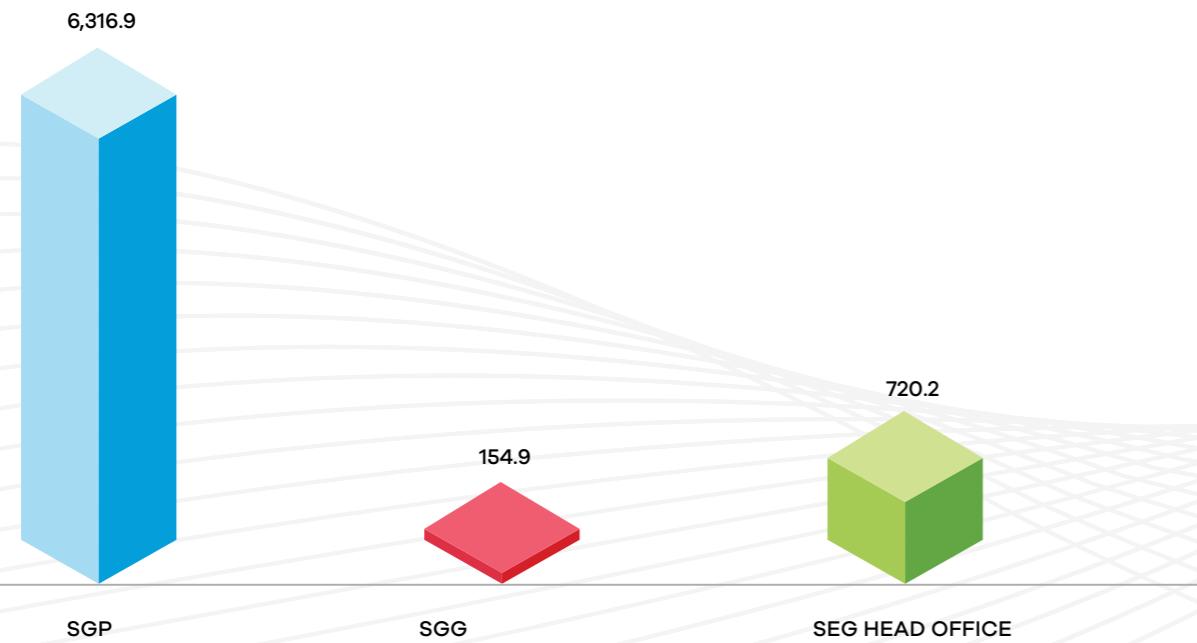
Because SEG purchases electricity from Georgia's national grid and holds no contractual instruments, we report location-based Scope 2 only.

**Scope 2 emissions in 2024.**

Total location-based Scope 2 emissions were 7,191.9 tCO<sub>2</sub>e. The profile is driven by SOCAR Georgia Petroleum Group (6,316.9 tCO<sub>2</sub>e; ~88%), followed by the SEG Head Office (720.2 tCO<sub>2</sub>e; ~10%) and SOCAR Georgia Gas Group (154.9 tCO<sub>2</sub>e; ~2%). This distribution reflects the larger electricity demand of retail and operational sites within the petroleum business relative to other parts of the Group.

**SCOPE 2 EMISSIONS BY SUBSIDIARY, 2024 (LOCATION-BASED)**

Total Scope 2 emissions (location based): 7,191.9 tCO<sub>2</sub>e

**Methodology and Calculation Approach**

Boundary and basis: Operational control; electricity purchased from Georgia's national grid. Location-based only

Method: electricity consumption (kWh) x grid emission factor

Emission factor: 0.27657 kg CO<sub>2</sub>e/kWh

(the official national grid emission factor for Georgia, as listed in the IGES Grid Emission Factors v11.6 (February 2025 edition). Operating Margin methodology, published by Georgia's Ministry of Environment Protection and Agriculture. Gases covered: Emission factor reflects CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O on a CO<sub>2</sub>e basis

Context Note: In Georgia, the electricity grid is hydropower-dominated, but it includes contributions from fossil fuel-based thermal plants. The emission factor reflects the emissions intensity of the marginal electricity sources used to meet increased demand, which are typically more carbon-intensive.

**SCOPE 1 VS SCOPE 2 – TOTAL EMISSIONS, 2024 (tCO<sub>2</sub>e)****SCOPE 3 — OTHER INDIRECT EMISSIONS**

Scope 3 spans upstream and downstream value-chain emissions. While the company's full Scope 3 footprint likely includes significant upstream emissions (e.g., extraction, processing, and transportation of oil and gas products), at this stage SEG reports the most material component it can quantify reliably: Category 11 – Use of Sold Products (as defined by the GHG Protocol Corporate

Value Chain (Scope 3) Accounting and Reporting Standard): end-use combustion of fuels and natural gas sold by SOCAR Georgia Petroleum and SOCAR Georgia Gas.

**System boundary for 2024 (SOCAR Georgia Gas):** For SOCAR Georgia Gas, the calculation includes only the volumes of natural gas sold on the retail market to end users (households and commercial users). Wholesale volumes sold for resale are excluded. In 2024,

more than 1.26 billion m<sup>3</sup> of gas was sold on the wholesale market; part of this volume is subsequently repurchased by SOCAR Georgia Gas and redistributed to end users. Because it was not possible at this stage to accurately identify the repurchased portion, including wholesale sales would risk double counting. To ensure conservative and accurate reporting, SEG has therefore limited the 2024 Category 11 calculation to retail end-user sales only.

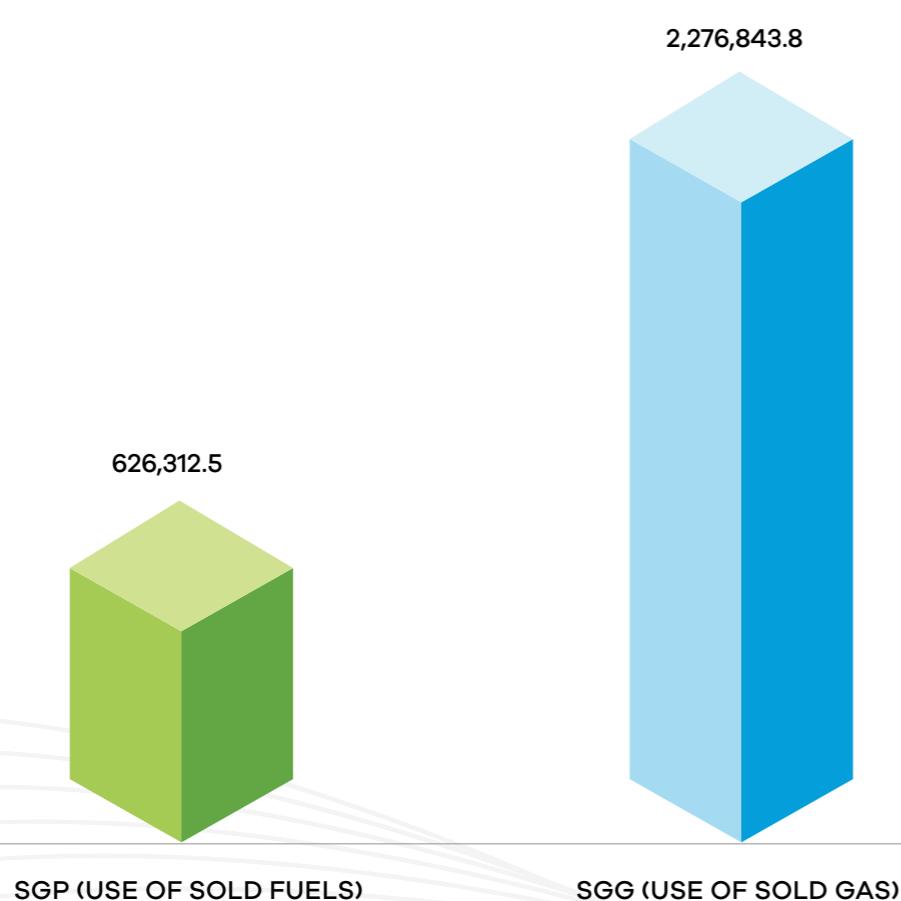
**Category 11 emissions in 2024:** The use of sold products is the largest contributor to SEG's indirect (Scope 3) emissions. Emissions associated with SOCAR Georgia Gas account for the major share (~78%), reflecting the scale of the compa-

ny's retail gas business, while emissions from fuels sold by SOCAR Georgia Petroleum represent ~22%. Together these sources amount to ~2.9 million tCO<sub>2</sub>e of Scope 3, Category 11 emissions in 2024.

## SCOPE 3 EMISSIONS – CATEGORY 11: USE OF SOLD PRODUCTS, 2024 (REPORTED CATEGORIES ONLY)

Total Scope 3 (Category 11) emissions: 2,903,156.24 tCO<sub>2</sub>e

tCO<sub>2</sub>e



**Note:** Scope 3 currently includes Category 11 (use of sold products) only within the stated boundary for 2024. Other Scope 3 categories are not yet reported.

### Methodology and Calculation Approach

Scope 3 emissions from sold products are calculated using a standard activity-based approach. The quantity of each type of fuel sold during the re-

porting year was multiplied by the corresponding emission factor. Emission factors are based on the 2006 IPCC Guidelines, and GWP rates are sourced from the IPCC Fifth Assessment Report (AR5). The calculation covers CO<sub>2</sub>, CH<sub>4</sub>,

and N<sub>2</sub>O, expressed as CO<sub>2</sub>e using IPCC AR5 global warming potentials. For consistency, the same emission factors and GWP values are applied across Scopes 1 and 3.

### GHG EMISSIONS INTENSITY

In 2024, a revenue-based emissions intensity covering **Scopes 1 and 2 (location-based)** across SOCAR Energy Georgia's operational control boundary was **135.2 tCO<sub>2</sub>e per million GEL of revenue**.

We do not present a Scope 3 intensity, as the company currently reports only one Scope 3 category (use of sold products).

#### Methodological notes:

- GHG intensity = Scope 1 + Scope 2 (tCO<sub>2</sub>e) ÷ Total revenue (million GEL)
- Includes CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, converted to CO<sub>2</sub>e using IPCC AR5 GWPs.
- Scope 2 is calculated using the location-based method only.
- The same organizational boundary is used for numerator and denominator.
- Intensity is rounded to one decimal place for reporting consistency.

### REDUCING OUR CLIMATE IMPACT: RENEWABLES AND E-MOBILITY

SEG is taking practical steps to lower its operational footprint while enabling cleaner transport choices for customers. Our focus today is twofold: replace a growing share of purchased grid electricity with renewable sources (cutting Scope 2), and expand e-mobility infrastructure that helps decarbonize road transport over time.

#### ON-SITE AND CONTRACTED RENEWABLES

SOCAR Georgia Petroleum began installing solar PV on service stations in 2019. Two PV-equipped sites (both with energy-intensive CNG compressors, plus store and office loads) currently generate around 70–80% of those stations' electricity needs. **In 2024, these systems produced 72,000 kWh** directly reducing grid draw and associated Scope 2 emis-

**72,000 KWH**  
OF SOLAR ENERGY GENERATED



**19**  
CHARGERS



**15**  
LOCATIONS

sions. To accelerate progress, in 2024 we also began sourcing electricity from a leased micro-hydro plant in Kakheti to supply two facilities. Building on this, SEG plans to scale solar materially in 2025: PV will be added at eight further sites (aggregate expected output ~2.5 million kWh/year) and two additional solar plants will be leased, together supplying 14 priority stations.

#### ENABLING E-MOBILITY

Beyond our own consumption, we support Georgia's shift to lower-carbon transport. SOCAR was the first oil & gas company in the country to install EV chargers (2018). By end-2024, we operated 19 chargers **across 15 locations nationwide**, including main roads across the country and Tbilisi.

To meet growing demand, in 2025 we will add six more chargers and commission our first fully EV-dedicated site combining fast and standard charging, with part of the load supplied by on-site solar. While customer charging does not directly reduce our reported Scope 3 "use of sold products" at this stage, it expands access to cleaner mobility and supports the broader decarbonization of road transport.

#### MEASUREMENT AND DISCLOSURE

A quantified GHG-reduction figure for 2024 is not yet available because our baseline and metering for avoided emissions are still being built. As we scale PV and improve data capture (station-level generation meters, charger utilization data), we will report avoided Scope 2 emissions from self-generation and—where appropriate—decision-useful indicators on the climate benefits of our e-mobility network. This aligns with our plan to broaden coverage, improve data quality, and track reductions year-on-year.



## RESPONDING TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

Building on our emissions inventory work, we are strengthening governance and controls for climate-related risks—both physical and transition—so we can protect our assets today and position for a lower-carbon future. Climate considerations are embedded in our wider risk framework and in SOCAR Georgia Petroleum's new business strategy. Day-to-day oversight sits with the Environmental Manager and senior leadership, who track emerging climate-related issues and coordinate controls across assets. In parallel, we are building the systems needed for fuller climate data

and disclosure, in line with growing expectations from SOCAR Head Office and prospective national legislation requirements.

### PHYSICAL CLIMATE RISKS AND OUR RESPONSE:

Extreme weather can damage infrastructure or temporarily disrupt operations—chiefly heavy rainfall/flooding in western Georgia and, to a lesser extent, snowfall in highland areas. To manage such risks, we:

- Suspend operations at affected stations during intense rainfall to prevent water ingress into tanks, followed by immediate inspection and testing.

• Pump and safely remove water from the space between tank and surface slab; this water is managed as hazardous waste, increasing OPEX but preventing product contamination and environmental incidents.

- Strengthen site drainage, review tank anchoring/technical parameters, and schedule seasonal logistics/routes to reduce exposure in mountain zones.

These measures imply additional maintenance costs and occasional short-term revenue loss from preventive shutdowns, but they materially reduce the likelihood and impact of larger incidents.

### Case example: Flood resilience at a western-region site (2023)

In 2023, extreme rainfall in western Georgia caused localized flooding at our Senaki filling station and displaced underground tanks, creating a high-risk situation. Operations were paused while teams pumped out water, inspected tank and piping integrity, and verified product quality. Following a post-incident review, we strengthened site resilience by upgrading drainage, enhancing tank anchoring and backfill, raising vulnerable electrical components, and updating severe-weather SOPs and emergency drills. These changes have since been rolled into our design standards for other high-rainfall locations, reducing downtime risk and potential environmental impact.

## TRANSITION RISKS AND PREPAREDNESS:

Georgia's climate policy framework is evolving (e.g., national MRV systems and progressive alignment with EU practice). While no direct obligations applied to SEG in 2024, we anticipate future requirements on emissions accounting and controls. Potential implications include:

- **Compliance and systems costs:** investing in GHG data, controls, and reporting capability across subsidiaries.
- **Operational upgrades:** staged installation of vapor-recovery and efficiency measures at fuel terminals and stations to cut losses and air emissions.
- **Market shifts:** possible changes in fuel

taxation/carbon-related pricing or supply-chain costs, which could affect margins.

To stay ahead, we have begun GRI-aligned climate reporting, are formalizing emissions accounting, and are planning technology upgrades with co-benefits for safety, quality, and air emissions.

### MARKET & TECHNOLOGY DYNAMICS — RISKS AND OPPORTUNITIES:

Electric-mobility adoption is accelerating in Georgia. While overall fuel demand remains resilient due to ongoing fleet growth, we see both risk and opportunity:

- **Opportunity:** expanding our EV-charging footprint to diversify revenue and reinforce customer loyalty.

• **Portfolio balance:** offering lower-carbon mobility options (CNG and LPG) alongside conventional fuels; in 2024, CNG represented around 12% share of our energy sold, supporting customers seeking cost and emissions benefits.

• **Customer experience:** continued investment in service quality, safety, and reliability to protect market share as mobility preferences evolve.

## NON-GHG AIR EMISSIONS

Protecting local air quality is a core compliance priority for SOCAR Energy Georgia. Unlike greenhouse gases, Georgia's environmental law strictly regulates harmful air pollutants from stationary sources and requires annual reporting by companies, including those in the oil and gas sector. For SEG, the requirements are relevant to SOCAR Georgia Petroleum; SOCAR Georgia Gas is not in scope for this disclosure.

The key framework is Government Decree No. 435 (31 Dec 2013), which approves the technical regulation for determining actual emissions from stationary sources and sets: (i) approved instrumental measurement methods, (ii) a standard list of monitoring equipment, and (iii) calculation methodologies by technological process.

### WHAT WE MONITOR AND WHERE EMISSIONS ARISE

In our downstream operations, non-GHG emissions are associated mainly with the operation of fuel depots and retail filling stations. Under the regulation, we track and report the following pollutants from stationary sources:

- Particulate matter (dust / air-aerosol mixture)
- Carbon monoxide (CO)
- Sulfur dioxide (SO<sub>2</sub>)
- Nitrogen oxides (NO<sub>x</sub>, reported as NO<sub>2</sub>)
- Hydrocarbons (CxHy)

### HOW WE MANAGE AND REPORT

- Emission limits and inventories are established per facility (i.e., for each filling station and each depot).
- Measurements and/or calculations are performed in line with the Decree's approved methods and uploaded to the national electronic reporting portal each year.
- Operational controls include routine equipment maintenance, leak prevention practices, and housekeeping at depots and stations to minimize releases.

### DATA AVAILABILITY FOR 2024

At present, SOCAR Energy Georgia does not yet maintain a centralized, group-level consolidation of non-GHG emission data reported per facility. As a result, while we comply with facility-level reporting to the state, we are unable to publish

aggregated company totals by pollutant for 2024 under GRI 305-7. Establishing a consolidated reporting workflow is a priority for the next reporting cycle.

**What's next:** Beginning in 2025 we plan to progressively install vapor recovery systems during depot modernization and at selected retail sites—an initiative expected to reduce hydrocarbon (CxHy) and related NO<sub>x</sub>/SO<sub>2</sub> precursors released during fuel handling and vehicle refueling.



# Water and Effluents

Water is a material topic for SOCAR Energy Georgia (SEG). While our operations are not water-intensive compared with upstream production, our footprint—particularly at fuel terminals and retail stations—means that water withdrawal and, more importantly, water discharges must be carefully managed. In Georgia, most sites are connected to municipal water and sewerage networks; where this is not possible, we use licensed wells and on-site treatment solutions under strict regulatory oversight.

## HOW WE USE AND SOURCE WATER

Across the Group, water is used for both domestic and operational purposes:

- **Domestic:** offices, service centers, retail sites (restrooms), façade/forecourt cleaning.
- **Operational (primarily SOCAR Georgia Petroleum – SGP):** periodic cleaning of storage tanks at terminals and stations; laboratory needs at the Tbilisi terminal; daily exterior washing of fuel tankers at Tbilisi and Samtredia terminals; filling and periodic refresh of fire-water systems and hydrant lines.

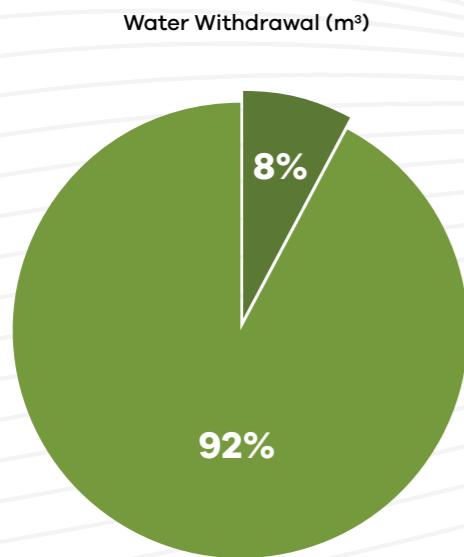
**Sources and oversight:** Most sites draw municipal freshwater. Where municipal supply is unavailable, SGP operates licensed groundwater wells (22 wells in 2024) serving selected stations, Way Mart stores and the Samtredia terminal. All wells are licensed for 10–20 years and

subject to approval and quality testing by the National Agency for Mineral Resources.

## TOTAL WATER WITHDRAWAL IN 2024 BY SOURCE

In 2024, SEG's total water withdrawal amounted to 133,910.47 m<sup>3</sup>. The majority (~92%) was supplied from municipal freshwater systems (123,272.47 m<sup>3</sup>), while ~8% was abstracted from licensed groundwater wells (10,638.00 m<sup>3</sup>). The reliance on municipal supply reflects the concentration of operations in urban and semi-urban areas, with limited direct groundwater use restricted to sites holding the necessary permits.

## WATER WITHDRAWAL BY SOURCE, 2024 — MUNICIPAL VS. GROUNDWATER



### Methodological note:

- Water withdrawal volumes are based on utility bills, internal logs, and licensed well records. Units are reported in cubic meters (m<sup>3</sup>)
- Reporting boundary: consolidated at Group level, covering the SEG Head Office, SOCAR Georgia Gas (including subsidiaries), and SOCAR Georgia Petroleum (including subsidiaries).

## WATER CONSUMPTION

Because Group-wide discharge volumes are not yet fully metered, we cannot reliably calculate consumption for 2024. Based on our profile (primarily domestic use and cleaning), consumption is expected to be small relative to withdrawal; we will quantify it once effluent-volume metering is in place.

## MANAGING WITHDRAWAL-RELATED IMPACTS AND COMPLIANCE

- **Controls:** SGP's HSE & Environmental Policy (2019) and operating procedures set requirements for water use planning, well operation, hygienic standards, and emergency/fire-water readiness. At SOCAR Georgia Gas and SEG Head Office, water matters are overseen within existing roles under director-level supervision.
- **Permits and testing:** Groundwater abstraction is licensed; wells undergo technical approval and quality checks before use.
- **Monitoring:** Water use is tracked monthly against plans; significant variances trigger root-cause analysis (e.g., leaks, atypical cleaning cycles) and corrective actions.
- **Water-stress context:** Georgia overall is considered low in baseline water stress, though some eastern and southern areas experience seasonal stress. We do not withdraw from water-stressed areas, whether via municipal supply or licensed wells.

## MANAGING DISCHARGE-RELATED RISKS AND IMPACTS

- **Permits and design approvals:** Biological plants and separators are licensed/approved; the Ministry of Environmental Protection and Agriculture oversees design parameters and operating compliance.
- **Quality checks:** Before any discharge from biological plants and sealed cesspits, SGP conducts laboratory analyses to confirm compliance with national discharge limits.

- **Monitoring & reporting:** Where metering exists, discharge volumes/quality results are logged and reported to regulators and management. Internally,

are responsible for downstream treatment.

- **On-site systems where sewer is unavailable (SGP):** In regions without municipal sewer infrastructure, SGP operates 4 biological treatment plants (for domestic wastewater) and 30 sealed lined cesspits. Treated effluent from biological plants is released as technical water suitable for irrigation and discharged to surface channels in line with permits and water quality thresholds.

Sealed lined cesspits are emptied under contract with the state water utility; disposal locations are assigned based on pre-discharge analysis results.

In addition, **oil-water separators** at SOCAR Georgia Petroleum's oil terminals and filling stations capture runoff containing petroleum residues from tanker unloading and fueling areas. Separated water is chemically treated and converted into technical water; only then is it infiltrated into soil in accordance with design specifications and environmental permits, with periodic quality checks.

Any residues from the treatment process are handled as hazardous waste (see Waste section)

## MANAGING DISCHARGES AND WATER QUALITY

### WHERE DISCHARGES GO:

- **Municipal sewer (majority of sites):** Domestic and operational wastewater from SEG Head Office, SOCAR Georgia Gas, and most SGP locations is discharged to municipal systems, which

monthly monitoring reviews (planned vs. actual) conducted, where data are available; significant deviations prompt investigation and corrective measures.

- **EIA for major projects:** When required (e.g., terminal modernization), environmental impact assessments include water-related risks and mitigation; in 2024, large-scale reconstruction projects underwent full EIA.

## VOLUMES DISCHARGED

For 2024, SEG cannot disclose consolidated discharge volumes because metering/estimation is not yet consistently implemented across all sites (especially those using sealed pits or legacy infrastructure). We disclose our controls, permits and practices and will introduce Group-wide metering/estimation so that discharge volumes (by destination and treatment) can be reported from the next cycle.

## FORWARD PRIORITIES:

1. Phase out sealed lined cesspits by replacing them with biological treatment units at applicable SGP sites, reducing environmental risk and improving effluent quality.
2. Add a dedicated tanker-wash facility at the SGP laboratory/terminal to minimize any risk of municipal sewer contamination from sample residues.

# Waste

SOCAR Energy Georgia (SEG) generates both hazardous and non-hazardous waste across its operations. Given our sector profile and network of terminals, retail stations, service centers and offices, waste management is a material topic for us. Georgian law tightly regulates hazardous waste, and we complement these legal requirements with internal procedures, roles and contractor controls to manage risks and impacts responsibly.

## WHAT WE GENERATE

Across SEG and its subsidiaries, wastes fall into three broad groups, encompassing both liquid and solid streams:

**Hazardous (liquid):** Wash-water and sludge from periodic cleaning of storage tanks at oil terminals and retail stations (SGP). Terminals are cleaned every three years; station tanks annually; Residual fuel samples and laboratory test residues (SGP laboratory); Used oils and other spent lubricants associated with compressor operation and equipment maintenance (SGP, SGG).

**Hazardous (solid):** Oil-contaminated absorbents/sludge from spill response and separators (SGP); Salts and other residues from compressor operations (where applicable); Battery waste from gas analyzers (SGG).

**Non-hazardous:** Municipal mixed waste from offices, stations and Way Mart stores; End-of-life tires, vehicle parts and equipment components; construction and demolition (C&D) debris.

## HOW WE MANAGE IMPACTS AND ENSURE COMPLIANCE

**Regulatory framework and planning:** Hazardous waste is strictly regulated in Georgia. SOCAR Georgia Petroleum (SGP) maintains a Ministry-approved, rolling three-year Waste Management

Plan that identifies hazardous waste types, expected volumes and storage/transfer arrangements by location. SGP submits annual reports to the Ministry of Environmental Protection and Agriculture (MoEPA) detailing hazardous waste generated and transferred, including the licensed recipients. SOCAR Georgia Gas (SGG) generates comparatively small volumes of hazardous waste. While SGG does not maintain a standalone, Ministry-approved three-year plan at present, it adheres to the legal requirements applicable to its waste streams.

## OPERATIONAL CONTROLS:

At all relevant sites we:

- Segregate, label and store hazardous wastes by category in appropriate, closed containers and dedicated areas.
- Use only licensed waste contractors for transport, treatment and disposal, and verify their licenses before contracting.
- Coordinate with MoEPA on facilities selected for hazardous waste treatment.

## TREATMENT ROUTES:

- Most hazardous streams are treated in Georgia via high-temperature incineration (without energy recovery).
- Used oils are recovered for secondary use through licensed Extended Producer Responsibility (EPR) operators.
- E-waste (e.g., batteries, electronics) is collected and handed to a licensed company; larger consolidated lots are exported for specialist treatment.

## NON-HAZARDOUS WASTE

Mixed municipal waste is collected by contracted municipal services for landfill. Inert C&D materials follow dedicated landfill routes. Used tires are managed through EPR-licensed companies that collect and process them for recycling.

## 2024 DATA AND DISCLOSURES

We are building a Group-wide waste inventory. Today, hazardous waste quantities are fully recorded at SGP; SGG and non-hazardous streams will be added to the consolidated dataset from the next cycle.

- **Hazardous waste (SGP): 27,284 kg (~27.3 t)** generated in 2024, principally from tank cleaning, laboratory residues and used oils.
- **Hazardous waste (SGG):** quantitative totaling not recorded in 2024; categories include gas-analyzer batteries (solid) and spent lubricants (liquid).
- **Non-hazardous waste (Group):** quantitative totaling not recorded in 2024.

## REDUCTION AND CIRCULARITY IN PRACTICE

While we do not yet operate a Group-wide reduction policy, several concrete steps are in place:

- Used oil recovery (EPR): 15 tonnes collected in 2024 for recovery via licensed operators.
- Paper use down: expanded electronic document management significantly cuts paper consumption and associated waste.
- Plastics take-back (office): PET bottle collection began in late 2024 (pilot; ~20 kg collected), with awareness messages to staff; we aim to scale this across sites.

# Our Biodiversity Approach

## HOW WE MANAGE TODAY

As a downstream oil and gas group, SOCAR Energy Georgia (SEG) does not engage in exploration, extraction, or refining. This limits our direct land-use footprint and the types of biodiversity impacts typically associated with upstream operations. Even so, we recognize that our activities can interact with ecosystems, especially through how we design, build, operate, and maintain assets across the country.

## WHERE POTENTIAL IMPACTS MAY ARISE

Biodiversity-related risks for SEG can stem from: accidental releases (e.g., subsurface leaks from storage tanks, spills during fuel transport or at stations), emergency or chronic gas leaks, construction and reconstruction works at oil depots and filling stations, rehabilitation of gas pipelines, the handling of hazardous wastes, and fire risk. The materiality of these risks increases where assets are near ecologically sensitive or protected areas.

## OUR PATH FORWARD

SEG intends to strengthen governance of biodiversity by: (i) mapping the location of all assets relative to protected and other sensitive areas, (ii) integrating biodiversity risk screening into project planning across subsidiaries, and (iii) formalizing procedures for avoidance, minimization, and restoration in line with national permitting. These steps will lay the groundwork to expand our reporting against GRI 304 in future reporting cycles.



# Caring About People

## In this section

*Responsible Employee Practices*

*Customer Care and Quality of Products and Services*

*Supplier Relations*

*Supporting Communities*

## Responsible Employee Practices

# Our Approach

As one of Georgia's largest private employers, SOCAR Energy Georgia (SEG) relies on a skilled and committed workforce of 4,167 employees to maintain safe, reliable, and customer-focused operations across the country. SEG recognizes that being a responsible employer is essential to business continuity, service quality, and long-term value creation. The company therefore prioritizes fair, lawful, and respectful treatment of employees and is committed to progressively strengthening its people practices over time.

SEG's internal policies and management systems governing employment fully comply with the Labor Code of Georgia

and applicable legislation. A coherent suite of policies and procedures regulates key aspects of employee relations, including recruitment and onboarding, learning and development, remuneration, video monitoring and personal data protection, and other HR processes. The Internal Regulations serve as the primary document governing day-to-day employee relations.

Responsibility for employee-related matters rests with the Human Resources Management function across the Group. Both major subsidiaries—SOCAR Georgia Petroleum and SOCAR Georgia Gas—are supported by dedicated HR managers who oversee the consis-

tent application of policies, ensure legal compliance, and facilitate continuous improvement in employee well-being and engagement. While SEG acknowledges there is still room to evolve its practices, the company is committed to strengthening employee relations in a structured and transparent manner.

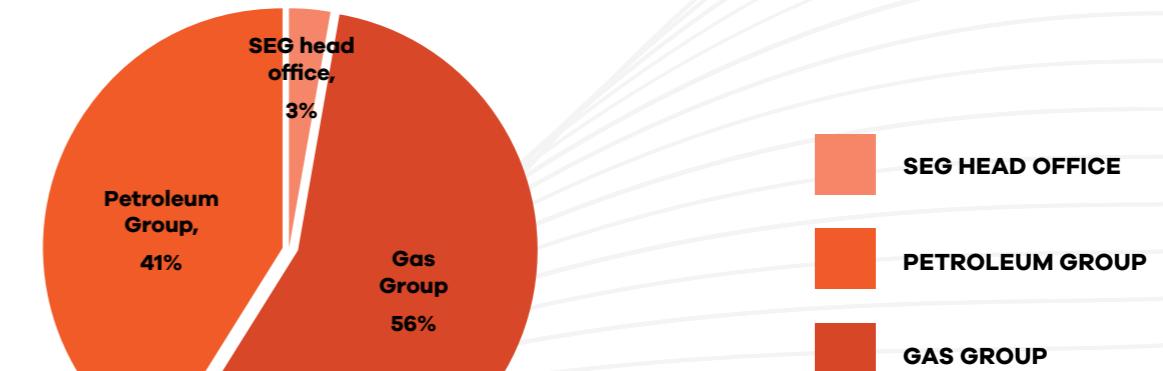


# Employee Profile

At the end of the reporting period, SOCAR Energy Georgia employed a total of 4,167 people, making it one of the largest private employers in Georgia. The workforce is distributed across the Group's three main entities: The Head Office of

LLC SOCAR Energy Georgia, SOCAR Georgia Petroleum Group (comprising SOCAR Georgia Petroleum and its subsidiary Way Mart), and SOCAR Georgia Gas Group (comprising SOCAR Georgia Gas and its subsidiary Telavi Gas). This broad organizational base ensures that SEG is able to sustain its diverse operations in fuel retail, natural gas distribution, and related services.

## SHARE OF EMPLOYEES BY ENTITY (31.12.2024)



Employees	
SEG Head Office	110
SOCAR Georgia Petroleum Group	1,712
SOCAR Georgia Gas Group	2,345
<b>Total</b>	<b>4,167 Employees</b>

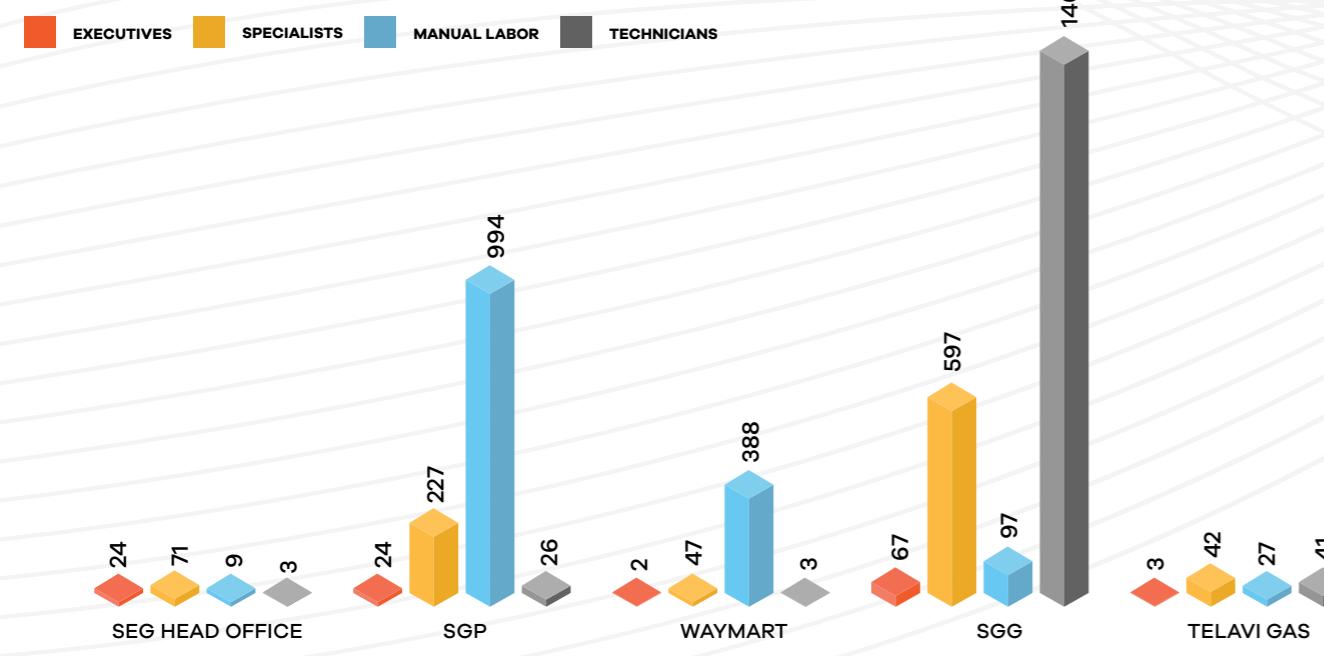
## WORKFORCE BY EMPLOYEE CATEGORY

SEG applies an internal classification system to distinguish between different categories of employees, reflecting the diverse roles and responsibilities across the Group. As of year-end 2024, the employee base was distributed as follows:

Employees by Category (31.12.2024)		Definitions of Employee Categories (as per internal classification system)
Top Management	6	<b>Top Management</b> – General Director, CEO, CFO, and directors leading SEG's subsidiaries (referred to as Top Management in category breakdowns)
Executives	120	<b>Executives</b> – Managers overseeing teams, departments, or regional offices.
Specialists	984	<b>Specialists</b> – Office-based professionals in administrative and support roles.
Manual labour	1,515	<b>Manual Labour</b> – Drivers, cashiers, fuel station operators, cleaners, and workers.
Technicians	1,542	<b>Technicians</b> – Field staff and technical workers such as masters and welders.

The workforce is dominated by **technicians and manual labour roles (74% of total employees)**, which is consistent with SEG's operational profile as an energy distribution and retail company. At the same time, a significant number of specialists (24%) contribute to administrative, financial, technical, and customer service functions across the Group.

## EMPLOYEE CATEGORIES BY ENTITY (31.12.2024)



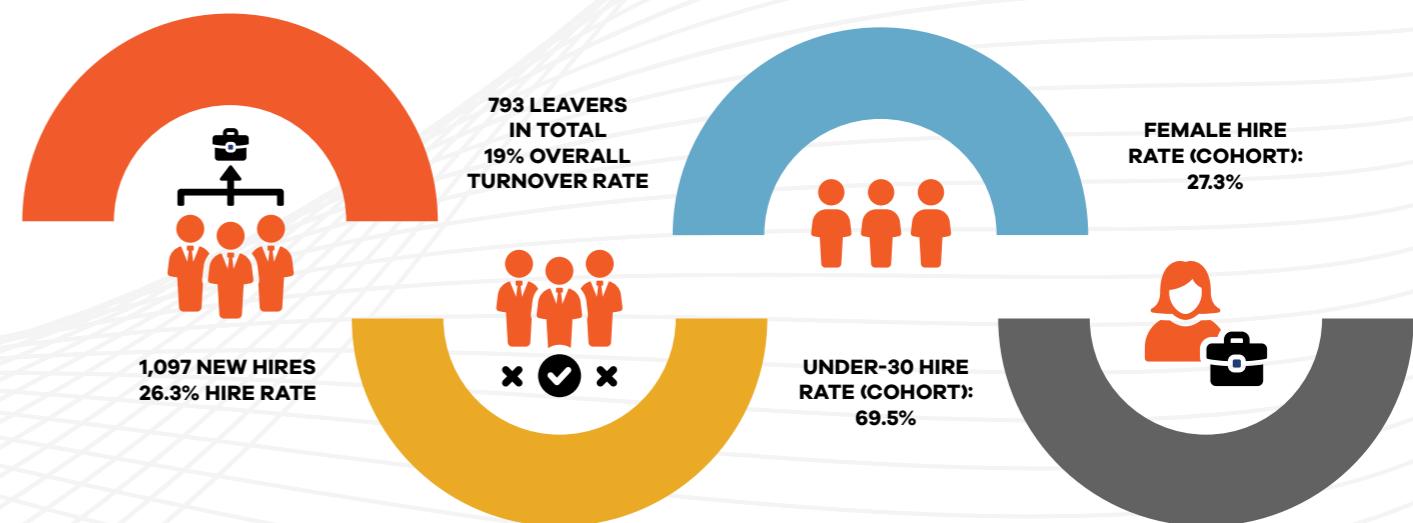
### Notes:

- All figures represent headcount as of 31 December 2024.
- SEG employs only full-time permanent staff; there are no part-time, temporary, or non-employee workers.
- No significant workforce fluctuations occurred during the reporting period.
- Since SEG operates exclusively in Georgia, breakdown by geographic region is not considered relevant; instead, data is presented by entity, where relevant.

## EMPLOYEE HIRES AND TURNOVER

SEG monitors workforce dynamics through hiring and turnover indicators to understand labour market conditions, workforce stability, and the effectiveness of recruitment and retention practices.

### Workforce Dynamics (2024)



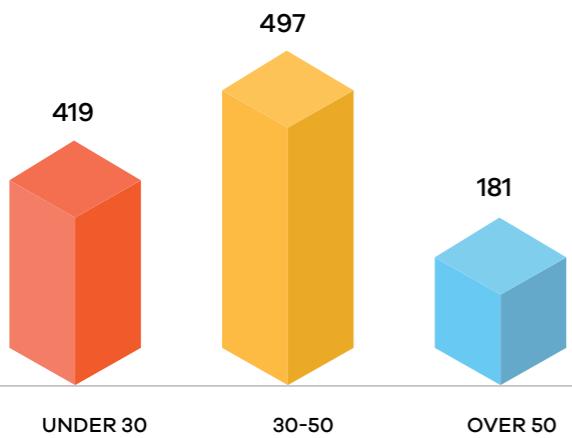
*\*Methodological note: Cohort rates indicate hiring intensity within each age or gender group, during 2024, calculated against the size of that same group; it is not a share of the company total.*

**2024 NEW-HIRE SNAPSHOT**

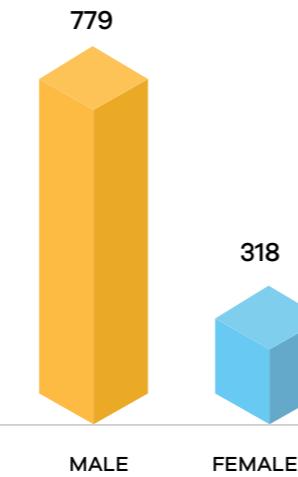
Hiring in 2024 was driven primarily by operational roles, with the largest share of new hires in the 30–50 age range and a strong inflow of younger employees under 30, supporting long-term talent pipelines.

**NEW HIRES (SEG HOLDING, 2024) — COUNTS**

Hires by Age Group (Counts)



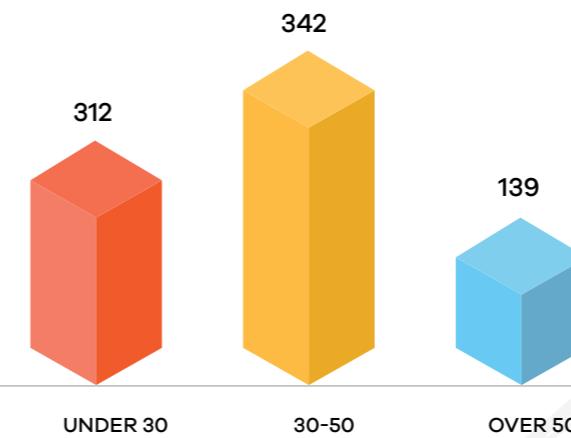
Hires by Gender (Counts)

**RETENTION PRESSURE POINTS**

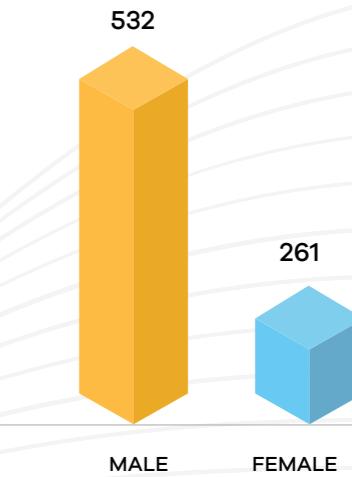
Employee turnover in 2024 amounted to 793 individuals, representing 19% of the workforce. The highest turnover was observed in the age group under 30 largely reflecting patterns typical of entry-level and front-line roles.

**EMPLOYEE TURNOVER (SEG HOLDING, 2024) — COUNTS**

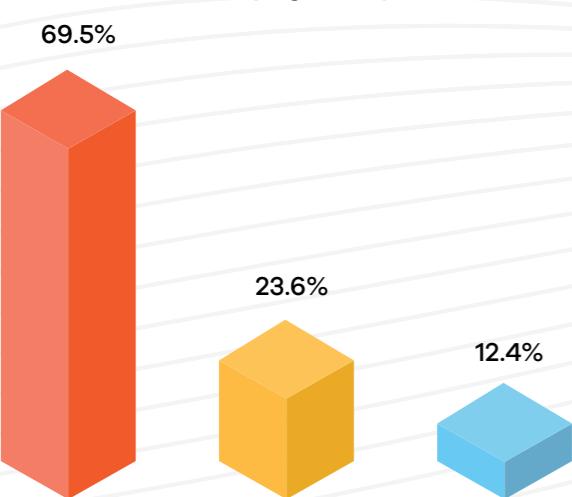
Turnover by Age Group (Counts)



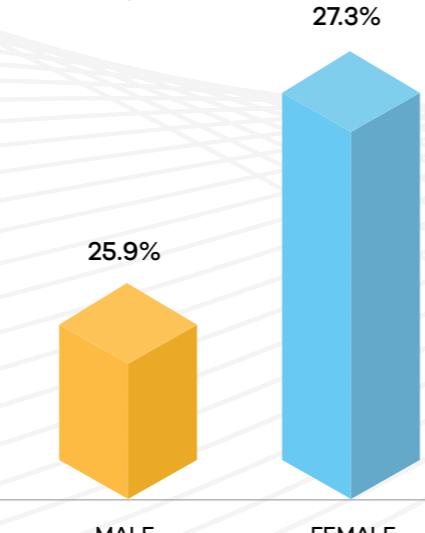
Turnover by Gender (Counts)

**NEW HIRES — RATES BY COHORT (SEG HOLDING, 2024)**

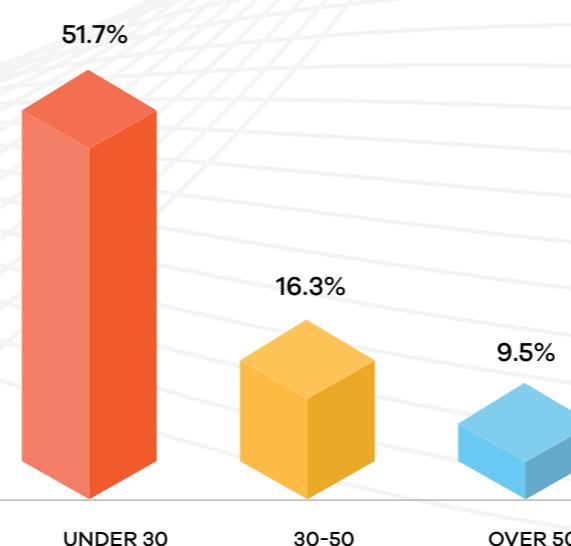
Hire Rates by Age Group (%)



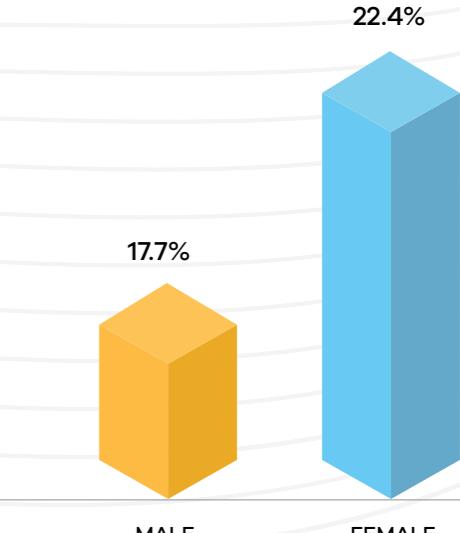
Hire Rates by Gender (%)

**EMPLOYEE TURNOVER — RATES BY COHORT (SEG HOLDING, 2024)**

Turnover Rates by Age Group (%)



Turnover Rates by Gender (%)



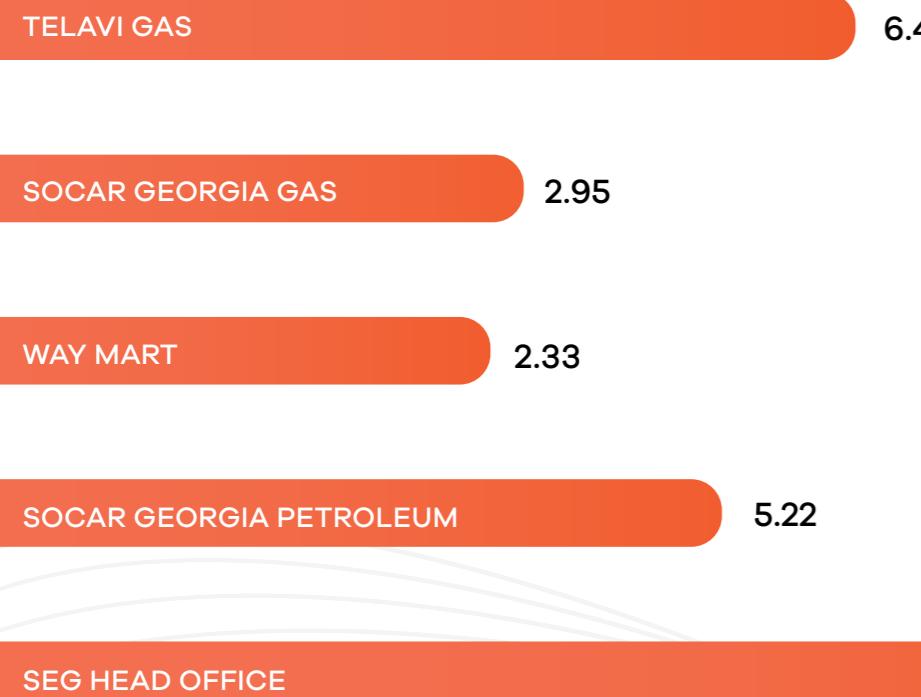
**\*Methodological note:** Cohort rates indicate hiring intensity within each age or gender group, during 2024, calculated against the size of that same group; it is not a share of the company total.

**\*Methodological note:** Cohort rates indicate turnover intensity within each age or gender group, during 2024, calculated against the size of that same group; it is not a share of the company total.

Turnover is particularly high among SOCAR Georgia Petroleum filling-station operators (field workers), reflecting a sector-wide challenge in Georgia. In response, SGP adjusted incentive

schemes, shift schedules, and benefits. As a result, turnover in this group improved slightly, decreasing from 43% (2023) to 42% (2024).

#### AVERAGE YEARS OF SERVICE (TENURE) (AS OF 31.12.2024)



Tenure is longest in SEG Head Office, while Way Mart and SOCAR Georgia Gas reflect higher staff mobility typical of retail and distribution operations.

Overall, 2024 hiring and turnover reflect the operational profile of SEG, with active inflow into field and technical roles

and targeted steps to stabilize higher-churn positions. Looking ahead, SEG will balance ongoing recruitment with focused retention measures—aligning incentives, schedules, and development opportunities—so that the workforce remains stable, skilled, and supported.

# Employee Well-being

At SOCAR Energy Georgia, employee well-being goes beyond wages: it encompasses fair and transparent remuneration, predictable working time, access to benefits, and support for family and retirement needs. As one of the largest employers in Georgia, the Company recognizes that the stability and motivation of its workforce are closely tied to how employees are treated in these areas. While all policies comply with Georgian labour law, SEG is working to harmonize practices across subsidiaries and to gradually expand benefits and support mechanisms. The aim is to build a consistent framework that ensures fairness, strengthens retention, and responds to employees' evolving expectations.

#### REMUNERATION POLICY AND PRACTICE

Remuneration is one of the most tangible aspects of employee well-being. SOCAR Energy Georgia's framework combines fixed salaries with performance-related bonuses. While detailed arrangements vary across subsidiaries, the principle is consistent: additional pay is linked to Company and individual performance, measured against defined KPIs. The Group recognizes that pay practices are not yet fully harmonized or linked to a formal grading structure; work is underway to standardize policies across entities to enhance transparency and consistency.

In Georgia, the statutory minimum wage is symbolic and far below the actual cost of living, and there is no official living-wage benchmark. In this context,

the broader labour market is characterized by high unemployment rates and a supply of labour that places downward pressure on wages. Recognizing this context, the Company is committed to responsible employment practices and seeks to offer competitive remuneration that supports decent living standards relative to sector norms and contributes to the gradual improvement of labour conditions in Georgia.

#### OVERTIME REMUNERATION

SEG does not yet have a single group-wide overtime policy; overtime terms (eligibility, rates, and conditions) are stipulated in individual employment contracts and comply with Georgian labour law. Overtime is paid at more than 100% of the base hourly rate. In practice, SEG applies rates such as 110% (or higher in certain cases), in line with legal requirements. For field staff working shifts, if a scheduled shift falls on a national public holiday, employees may receive an additional paid day off in certain cases, depending on operational needs and contractual terms.

#### MINIMUM NOTICE PERIOD AND COMPENSATION DURING RESTRUCTURINGS

SEG does not yet have a formal, written group policy setting out consultation steps for significant changes. In practice, the Company follows a participatory approach, communicating in advance through appropriate channels—email notifications, in-person meetings with affected units, regional visits where relevant—and involving trade union representatives for large-scale changes.

SEG follows Georgian labour law for contract termination due to organizational reasons (e.g., restructuring, mergers/closures). In practice this means: Either 1 month's prior notice + 1 month's compensation, or 3 days' prior notice + 2 months' compensation.

The Company applies these legal options as appropriate to the circumstances and communicates terms to affected employees.

SEG remains committed to harmonizing pay governance across entities to improve transparency and consistency, and to ensuring ongoing compliance with principles of fairness and social responsibility.

## EMPLOYEE BENEFITS AND PARENTING SUPPORT

Employee benefits at SOCAR Energy Georgia complement fixed pay and contribute to the overall well-being of staff. The system is not yet fully consolidated or formalized at Group level: some benefits are applied consistently across the Holding, while others vary between subsidiaries. Because all SEG staff are full-time employees, benefits apply equally to the entire workforce.

At Group level, employees receive health and life insurance. The Company fully covers insurance costs for employees below a certain salary threshold; those above it contribute themselves. Staff in higher-risk roles—such as at oil terminals and filling stations—also receive additional accident insurance.

In addition to Group-wide provisions, subsidiaries offer further benefits tailored to their staff.

- SOCAR Georgia Gas provides financial assistance in cases such as marriage, childbirth, illness of employees or their family members, and bereavement. Employees reaching the ages of 60 or 70 receive jubilee bonuses. Additional support is offered for medical costs not fully covered by insurance.
- SOCAR Georgia Petroleum provides certain groups of employees with free unlimited transport cards, corporate mobile numbers, and fuel discount cards.

### PARENTAL LEAVE

Alongside core provisions such as health and accident insurance, SOCAR Energy Georgia places particular emphasis on parenting support. The Company offers six months of fully paid parental leave (seven months in case of multiple births) for both women and men—exceeding Georgian legislation, which requires employers to preserve the job but not to pay salaries during parental leave. By choosing to cover full pay throughout

the leave period, SEG underscores its responsibility to support employees at a key stage of family life. After the paid period, employees may also take up to one year of unpaid parental leave with full job security.

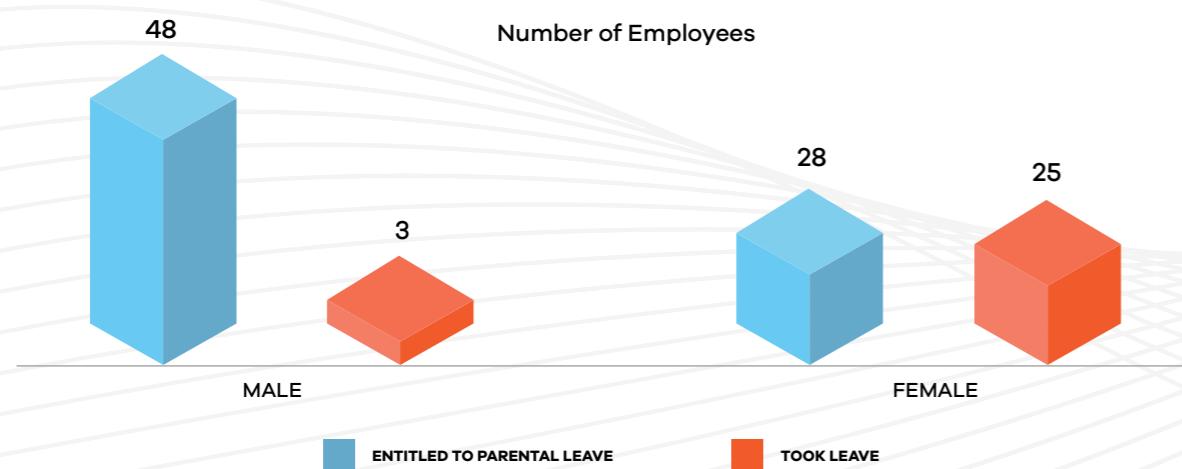
Although all employees across the Group are formally entitled to parental leave (covering both men and women), uptake patterns reflect traditional caregiving roles: in 2024, 48 men and 28 women were entitled, yet only 3 men and 25 women took leave. The majority of employees who took parental leave returned to work within the reporting period, though return rates differed significantly by gender: All three men who used leave resumed their duties, while just over half of the women (13 out of 25) came back during the year. Over a longer horizon, retention remains a challenge: while the men who took leave remained employed, the 12-month retention rate for women after parental leave was 58.3%.

These figures highlight the challenges of retention, particularly among women, after extended leave.

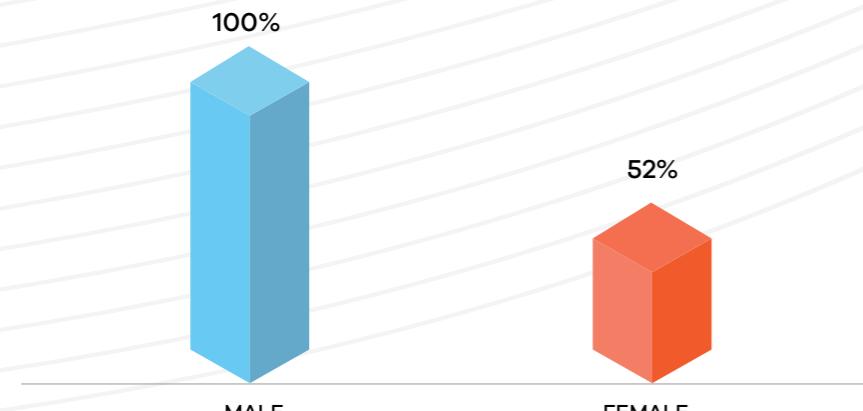
Together, the described benefits demonstrate SEG's commitment to supporting not only employees' health and financial

stability but also their family and social well-being. The Company aims to progressively harmonize benefit schemes across subsidiaries while maintaining flexibility to address the needs of different employee groups.

## EMPLOYEES ENTITLED TO AND TAKING PARENTAL LEAVE (2024)



## PARENTAL LEAVE: RETURN TO WORK RATES (2024)



## 58.3% OF WOMEN

still employed 12 months after return from parental leave

### WORKING TIME POLICIES

#### WORKING HOURS AND LEAVE

All employees of SOCAR Energy Georgia are entitled to 24 days of paid annual leave, in line with Georgian labour legislation. The standard working week does not exceed 40 hours, also in accordance with national law. At the same time, specific roles require different scheduling arrangements. For example, filling-station operators at SOCAR Georgia Petroleum typically work 24-hour shifts every four days; cleaners work 12-hour shifts every two days; and cashier-consultants follow a 24-hour shift every three days. At SOCAR Georgia Gas, certain groups such as emergency crews, call-centre operators, and dispatchers also work in continuous 24-hour shifts. These variations reflect the operational nature of the business while remaining within the legal framework.

#### DAYS OFF AND EXCEPTIONAL LEAVE

SEG does not maintain a formal written policy on ad hoc days off outside statutory leave. In practice, however, managers may grant additional days in cases of family events such as marriage, childbirth, or bereavement. The Company's internal rules also recognize that urgent personal circumstances can occasionally require flexibility, and managers can accommodate such requests informally. While these practices are not yet codified into a Group-wide procedure, they demonstrate a pragmatic and humane approach to balancing operational needs with employees' personal responsibilities.

#### RETIREMENT PLAN

SOCAR Energy Georgia participates in Georgia's mandatory funded pension scheme, established under the Law of Georgia on Funded Pension. Under this system, 2% of each employee's gross salary is contributed by the employer, 2% by the employee, and 2% by the state. All contributions are transferred to the state-managed Pension Agency, which administers the pension fund and is responsible for future benefit payments.

The Company's obligations are limited to making regular monthly contributions. Pension liabilities are not borne by SEG's own resources, but are fully managed by the Pension Agency, ensuring that employees' retirement savings are protected within the national framework.

Employee well-being at SOCAR Energy Georgia rests on a broad foundation: fair remuneration, benefits that extend beyond legal requirements, predictable working time, and secure retirement contributions. While policies and practices are still being harmonized across subsidiaries, the Company is committed to strengthening consistency and transparency, and to aligning its employment practices with principles of fairness and social responsibility. By doing so, SEG aims to foster a stable, motivated workforce that is well positioned to grow with the Company in the years ahead.

# Employee Training and Talent Development

## OUR APPROACH

At SOCAR Energy Georgia, we see training and professional growth as essential to building a capable, motivated and safe workforce. Our operations depend on skilled employees in both office and field settings, and we recognize the importance of equipping our people with the knowledge and skills they need to succeed. In 2023 the Company introduced a Learning and Development Policy, which currently applies formally to SEG Head Office but is expected to be extended across all subsidiaries. In practice, the same procedures already guide training at SOCAR Georgia Petroleum and SOCAR Georgia Gas, and full formal integration is planned.

Training plans are developed alongside the annual budgeting process. The system combines mandatory training programs (e.g., health and safety refreshers) with optional development opportunities, approved by the Company Director. Needs are identified through operational priorities, expected regulatory or technical changes, and requests from line managers. While we have structured planning and delivery, a regular performance evaluation system and career-development reviews were not yet in place in 2024—something we intend to introduce so development pathways are clearer and more transparent.

## TRAINING OPPORTUNITIES AT SOCAR

### INTERNAL TRAINING AND ONBOARDING

- Office-based staff:** Newly hired employees in administrative roles are introduced through workplace orientation. At SOCAR Georgia Petroleum, new staff are paired with mentors—experienced colleagues from the same unit—who guide them through work practices. At SOCAR Georgia Gas, HR and direct supervisors provide initial orientation, but there is no formal mentoring program for office roles at this stage.

- Field employees:** All new field employees at SOCAR Georgia Petroleum undergo mandatory onboarding covering first aid, health and safety, cash handling, and operation of equipment such as cash registers and fuel dispensers. At SOCAR Georgia Gas, new hires for field roles follow a structured, multi-stage training process. After a probationary period under mentor supervision, employees complete a one-month online training course at the SOCAR Gas Training Centre in Kutaisi, pass an online exam, and then undertake several days of practical training at the centre. Successful completion grants a two-year certification, after which retraining and re-certification are required.

### • Specialized training centres:

Both SOCAR Georgia Petroleum and SOCAR Georgia Gas operate their own training centres, staffed with certified trainers who deliver technical courses. The Kutaisi centre, founded in 2018, was established to address a shortage of qualified field staff on the Georgian labour market and has become a cornerstone of SOCAR's skills pipeline.

### PROFESSIONAL DEVELOPMENT

- Skills training:** Employees can participate in skills-development sessions delivered internally (by trained staff who have completed "train-the-trainer" programs) or by external trainers. Topics are based on department needs and management priorities.

- Mandatory safety training:** Field staff undergo regular health and safety refreshers. At SOCAR Georgia Petroleum, every fieldworker attends safety and first-aid training twice a year, with testing to verify comprehension. SOCAR Georgia Gas also delivers mandatory safety courses at defined intervals (covered further in the Health, Safety and Security chapter).

- External training and certification:** SOCAR supports employees to attend external courses, including professional certification programs relevant to their roles, providing both financial and organizational support.

## KEY FIGURES IN 2024



**35,731**

Total training hours delivered



**8.6**

Average hours per employee



**0.4%**

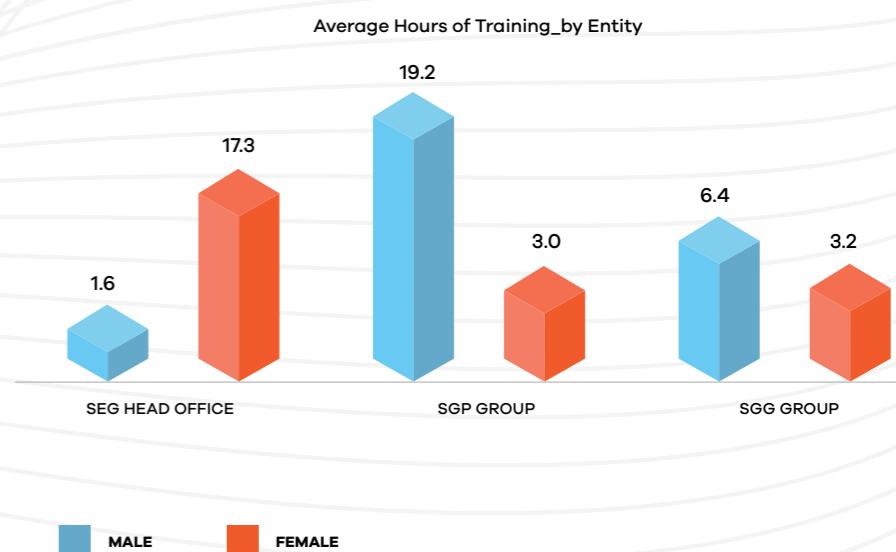
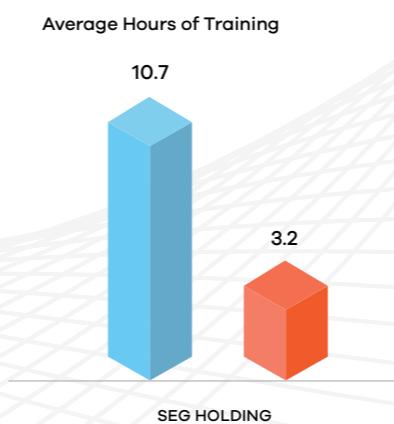
Training as share of all hours worked



**2.9%**

Employees promoted

## AVERAGE TRAINING HOURS PER EMPLOYEE \_BY GENDER (2024)

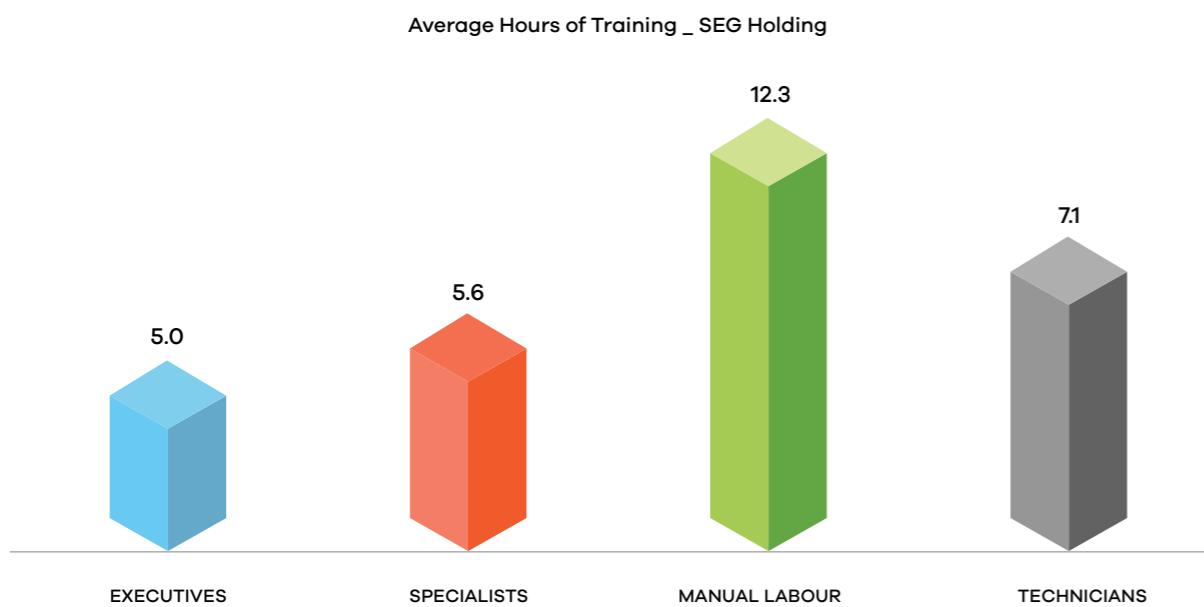


The difference between male and female average training hours reflects the concentration of mandatory training in manual and technical roles, which are predominantly male across the Group.

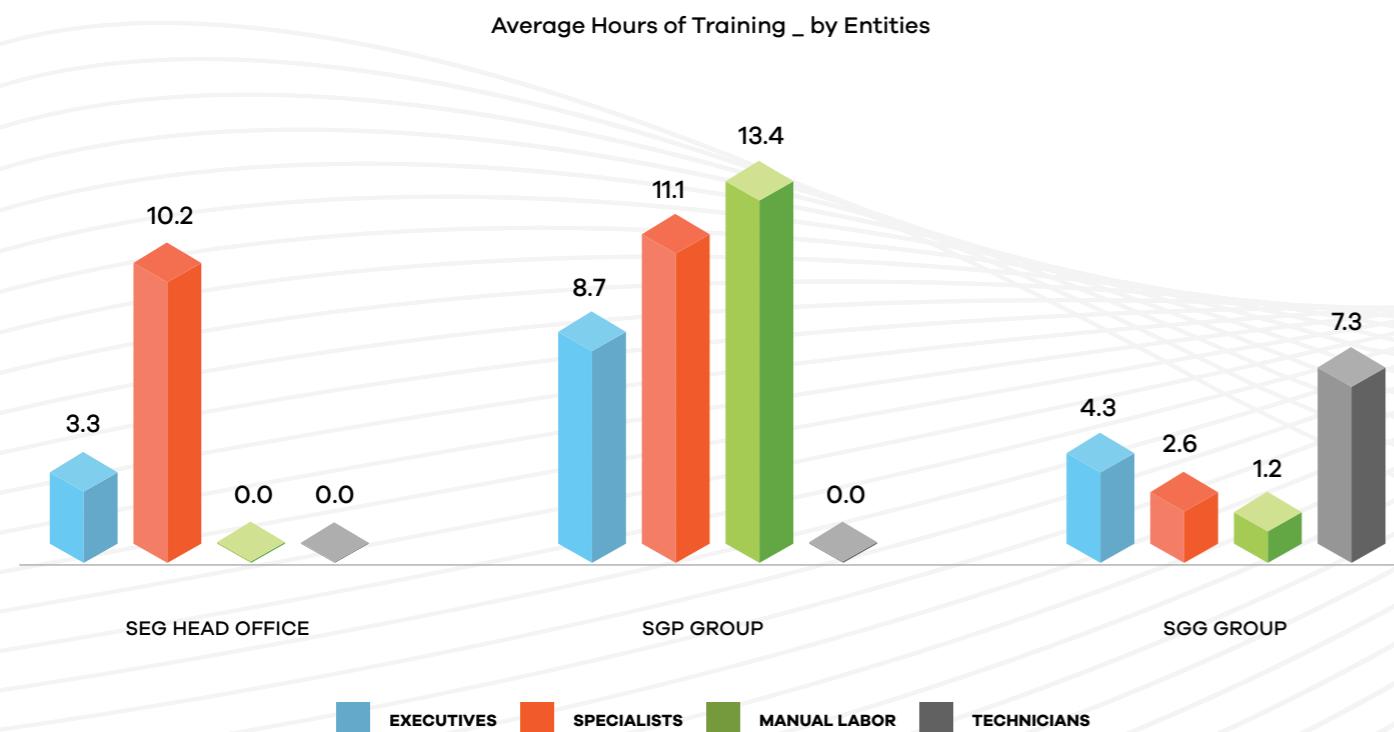
SOCAR does not interpret this as reduced access for women, but as an outcome of workforce structure. This pattern is demonstrated at the SEG Head Office, where manual labour and tech-

nical roles are minimal: average training hours were 1.6 for men and 17.3 for women, highlighting how workforce composition shapes the gender breakdown.

## AVERAGE TRAINING HOURS PER EMPLOYEE BY CATEGORY (SEG HOLDING, 2024)



## AVERAGE TRAINING HOURS PER EMPLOYEE BY CATEGORY AND ENTITY (2024)



### Notes:

- Data for SOCAR Georgia Petroleum Group include Way Mart; data for SOCAR Georgia Gas Group include Telavi Gas.
- No training was recorded for Top Management in 2024.

## LOOKING FORWARD

SOCAR Energy Georgia recognizes that a strong training system is essential for business sustainability. The Company's priorities for the coming years include:

- Introducing a regular performance evaluation system with career development reviews to make growth pathways visible and fair.
- Expanding mentorship and onboarding for office staff.
- Strengthening promotion criteria to ensure progression is transparent and consistently applied.

By investing in these areas, SEG aims to nurture its people, close skills gaps on the Georgian labour market, and create long-term opportunities for employees to grow alongside the Company.



# Diversity, Non-discrimination and Equal Opportunities

As an international company with its headquarters in Azerbaijan and operations in Georgia, SEG brings together people with different cultures, languages and perspectives. Many of our colleagues are ethnic Azeri citizens of Georgia, and our teams include professionals with varied educational and professional backgrounds. We value this diversity—because, in practice, different viewpoints make our services safer, more responsive and closer to the communities we serve.

## POLICIES AND CURRENT PRACTICE

SEG ensures equal opportunity and non-discrimination from recruitment through every stage of the employee journey. These principles are embedded in the Internal Regulations and the Recruitment, Selection and Onboarding Policy, and are also addressed in the new Code of Conduct.

*Since 2018, SOCAR Georgia Petroleum has been a signatory to the UN Women's Empowerment Principles (WEPs) and is working to reflect these principles in everyday practice.*

At the same time, we acknowledge what is not yet in place. The company does

not currently operate a unified management and monitoring system dedicated to the prevention, detection and remediation of discrimination. There is no standalone mechanism dedicated specifically to discrimination-related complaints. Instead, employees today can raise concerns through multiple open channels—email or written request to HR or a director, a face-to-face meeting upon request, or via the central hotline (used by employees, customers, suppliers and the public). Hotline messages are routed to the relevant department; allegations related to discrimination are passed to the HR Manager for follow-up.

A procedure for reporting, assessing and responding to discrimination-related concerns has been drafted within the new Anti-Corruption Policy (developed in 2024). Roll-out is planned for 2025, which will formalize how discrimination allegations are recorded, assessed and resolved across the Group.

**There were no complaints and no substantiated incidents of discrimination recorded during 2024.** We are cautious in interpreting this: the absence of a dedicated system may limit visibility and consistency. Our priority for 2025 is to implement the new procedures, strengthen

training, and introduce a simple, clearly signposted channel for reporting and tracking outcomes.

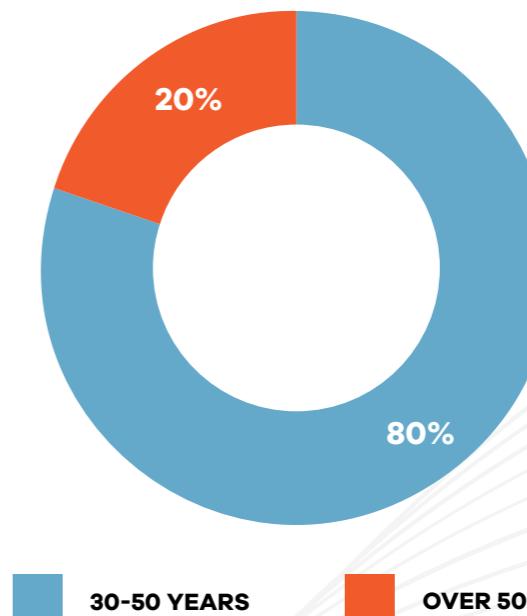
## DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Our governance bodies reflect deep sector experience. The Supervisory Board is currently all-male, while the Management Council includes one woman. Age composition is balanced between 30-50 and over-50 professionals, mirroring the experience required to run nationwide operations (see also the chapter: Governance, Ethics and Integrity).

## DIVERSITY OF EMPLOYEES

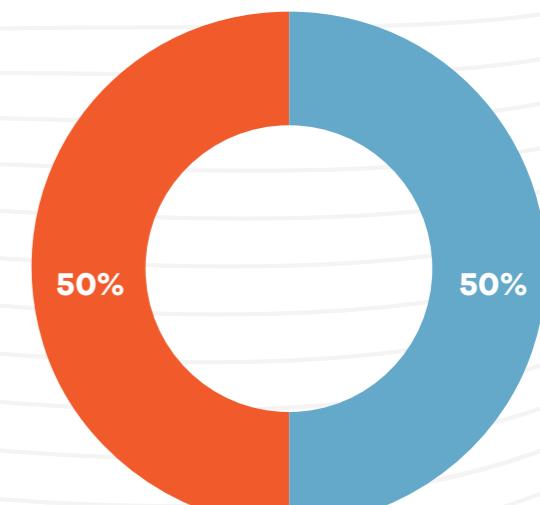
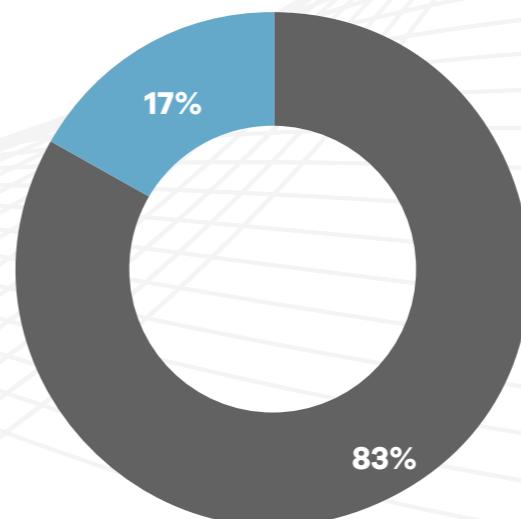
SEG's workforce reflects the operational profile of an energy distribution and retail business, with a high share of field and technical roles. Across the Group, women account for 28% of employees. This mix is shaped by our operational footprint: many jobs are field-based and physically demanding. The Company monitors the representation of women and younger professionals in these areas to support balanced pipelines and succession planning.

Supervisory Board — Age Distribution (as of 31.12.2024)



Supervisory Board: 5 members total. All men

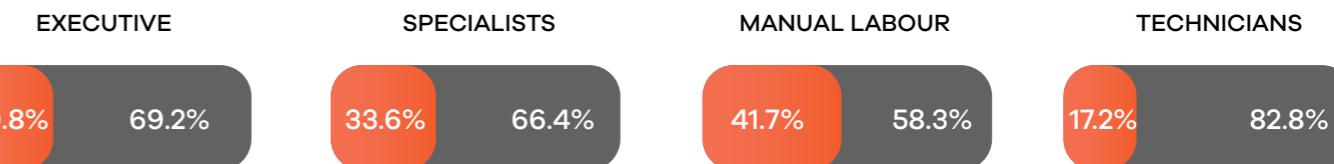
Management Council —Gender and Age Distribution (as of 31.12.2024)



Management Council: 6 members total, 5 men, 1 woman.

## GENDER COMPOSITION BY EMPLOYEE CATEGORY (SEG HOLDING LEVEL, % OF CATEGORY)

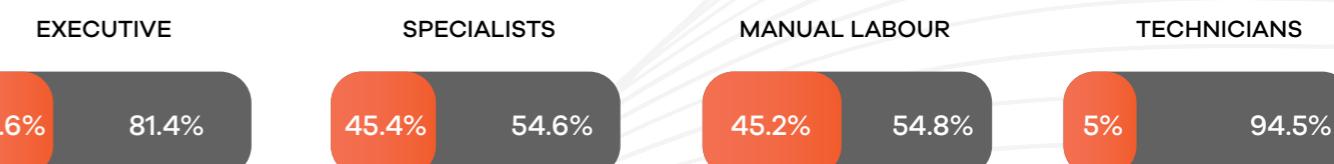
SOCAR Georgia Petroleum Group



FEMALE MALE



SOCAR Georgia Gas Group



FEMALE MALE

FEMALE MALE

## GENDER COMPOSITION BY EMPLOYEE CATEGORY — BY ENTITY

SEG Head Office

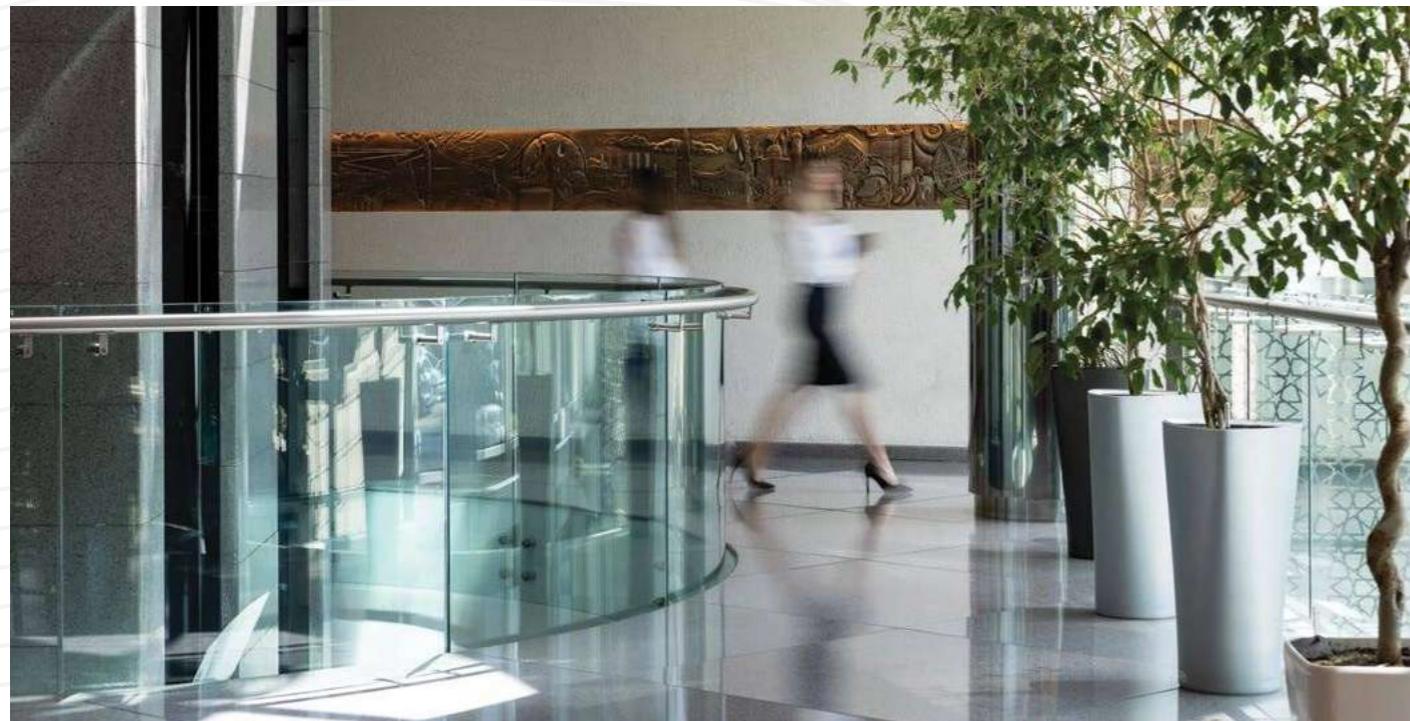
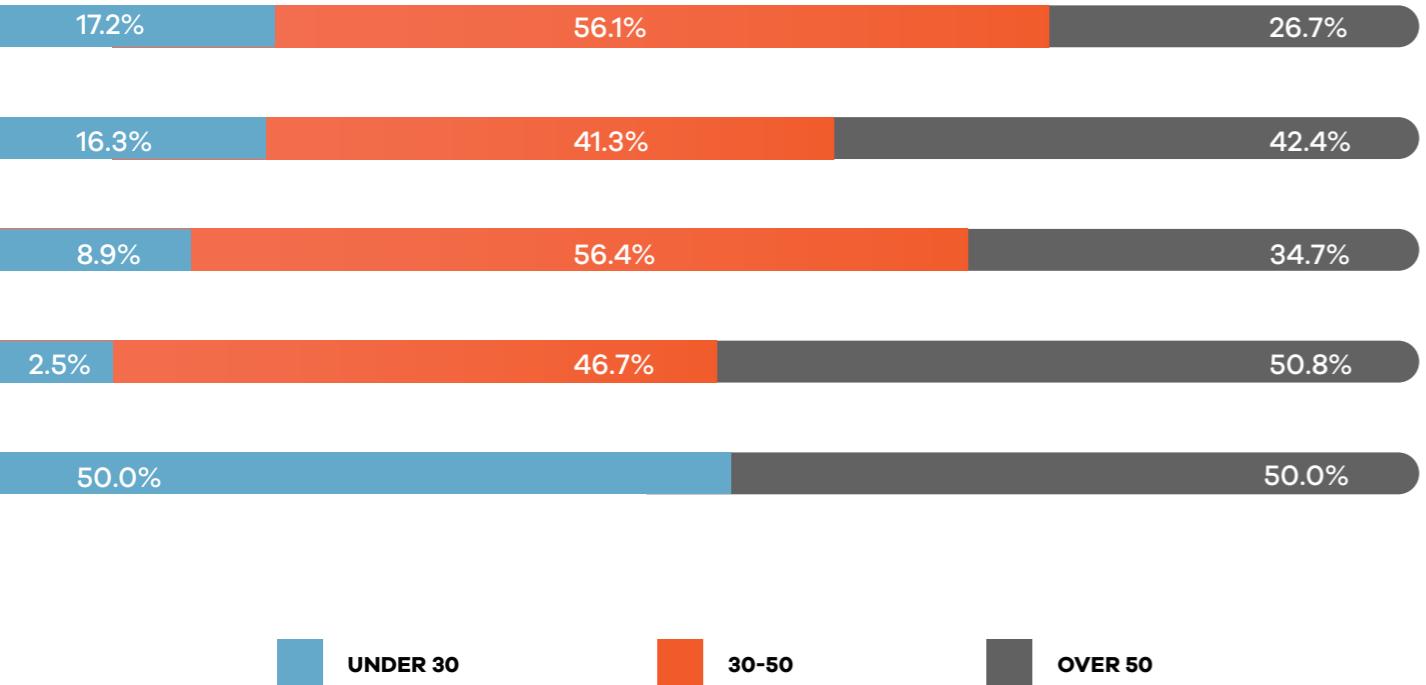


FEMALE MALE

**Note:** Percentages sum to 100% within each category; Management Council (Top Management category) is disclosed under Governance diversity and omitted here.

Our age profile combines experience and renewal: the 30–50 group anchors operations, while colleagues under 30 form the next generation of technicians and specialists. Sustaining this balance is essential for safe, reliable service.

## WORKFORCE BY AGE — BY EMPLOYEE CATEGORY (SEG HOLDING)



## AGE COMPOSITION BY EMPLOYEE CATEGORY — BY ENTITY

EMPLOYEE CATEGORY	SEG HEAD OFFICE	SOCAR GEORGIA PETROLEUM GROUP	SOCAR GEORGIA GAS GROUP
<b>EXECUTIVE</b>			
-UNDER 30 YEARS OLD	8%	4%	0%
-30-50 YEARS OLD	63%	77%	30%
-OVER 50 YEARS OLD	29%	19%	70%
<b>SPECIALISTS</b>			
-UNDER 30 YEARS OLD	7%	11%	8%
-30-50 YEARS OLD	79%	61%	52%
-OVER 50 YEARS OLD	14%	28%	40%
<b>MANUAL LABOUR</b>			
-UNDER 30 YEARS OLD	33%	17%	4%
-30-50 YEARS OLD	56%	43%	22%
-OVER 50 YEARS OLD	11%	40%	74%
<b>TECHNICIANS</b>			
-UNDER 30 YEARS OLD	0%	7%	17%
-30-50 YEARS OLD	33%	34%	57%
-OVER 50 YEARS OLD	67%	59%	26%

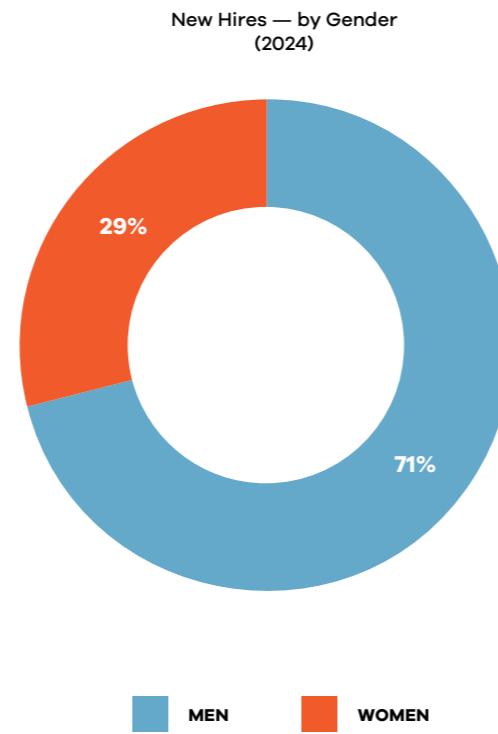
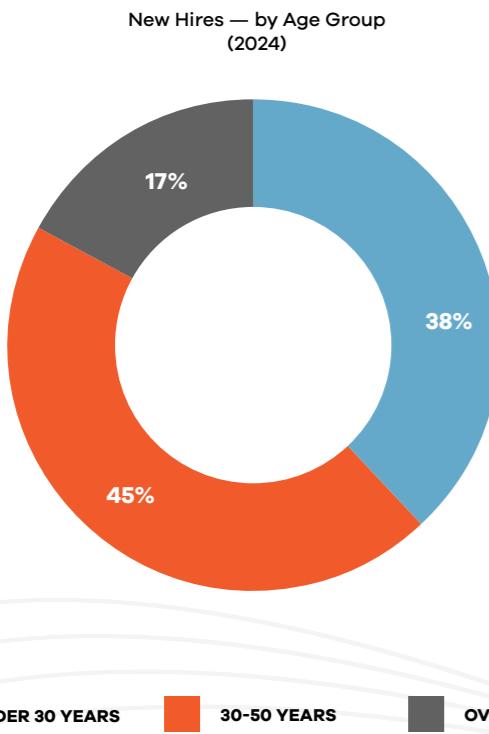
**Note:** Percentages sum to 100% within each category; Management Council is disclosed under Governance diversity and omitted here.

**DIVERSITY OF NEW HIRES**

The 2024 intake, viewed alongside today's workforce, shows how our future talent base is forming. Most hires were

30–50—adding experience where it's needed—while under-30 hires help renew technical and field roles. Women made up 28.9% of new hires, broadly in line with the workforce mix; over time we

aim to grow women's participation where safety and operational requirements allow (For total hires and hire rate, see Employee Profile above).

**PAY EQUITY**

SOCAR Energy Georgia is committed to ensuring equal pay for work of equal value and preventing gender-based pay disparities across its workforce. The company assesses pay equity by comparing the average basic salary of

women to that of men within the same employee category.

The analysis shows that at the Holding level, the ratio of women's to men's average basic salaries ranges between 0.88 and 1.25 across employee categories. Women in top management

positions earn, on average, more than their male peers, while ratios for other categories remain close to parity, ranging from 0.88 to 1.02. This indicates that the company maintains a largely balanced pay structure between men and women.

**RATIO OF WOMEN'S TO MEN'S AVERAGE BASIC SALARY BY EMPLOYEE CATEGORY (SEG HOLDING LEVEL)****TOP MANAGEMENT**

1.25

**EXECUTIVE**

0.88

**SPECIALISTS**

0.9

**MANUAL LABOUR**

1.02

**TECHNICIANS**

0.99

**Methodological note:**

- FTE-adjusted; annual gross basic salary only (excludes variable pay).
- Ratio = Average basic salary of women ÷ Average basic salary of men within the same employee category.
- Scope: SEG Holding level. Top Management category covers Management Council

**EQUAL ACCESS TO LEARNING**

SEG provides equal access to learning and development. The difference in average training hours by gender reflects where most training occurs—field and technical positions—where safety and operational refreshers are mandatory.

**AVERAGE TRAINING HOURS BY GENDER (SEG HOLDING, 2024)****WOMEN**

3.20

**MEN**

10.66

**Note:** values shown are averages per employee

In 2024, the bulk of training hours fell within manual labour and technician categories, which are predominantly male in our workforce (around 58% of manual labour and 94% of technicians are men). We do not interpret the gap as reduced access for women; it indicates where operationally mandatory training is concentrated. Going forward, we will broaden role-appropriate learning offers for women and track participation by gender to support equal opportunity

in practice. (For a detailed view of SEG's learning programs and participation, see section 'Employee Training and Talent Development' in this chapter)

# Protecting Employee Rights

SEG is committed to upholding employee rights and maintaining a fair, respectful, and secure work environment across all operations. In an oil and gas distribution context—where roles often involve public interaction and field activities—the Company emphasizes clear rules, lawful practices, and consistent application of internal procedures.

Protecting the health and safety of employees is a top priority. SEG operates comprehensive management systems and preventive measures to identify and control risks, supported by training and supervision. Detailed information on policies, performance, and targets is

provided in the chapter "Health, Safety and Security."

Beyond physical safety, SEG recognizes the importance of safeguarding personal data and privacy. Dedicated policies and controls ensure that employee information is handled confidentially and in compliance with applicable laws. This includes a specific Video Monitoring Policy that applies to filling stations and, where relevant, other operational sites, designed to balance site security with respect for individual rights; employees are informed about the monitoring procedures and provide written consent prior to implementation.

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

SEG respects employees' right to freedom of association and collective bargaining. Each of the Company's major entities—SOCAR Energy Georgia (Head Office), SOCAR Georgia Petroleum (SGP), and SOCAR Georgia Gas (SGG)—has its own local trade union. These local unions are members of the Oil and Gas Industry Sectoral Trade Union, which in turn is affiliated with the Georgian Trade Union Confederation.

### UNION MEMBERSHIP RATES (AS OF 31 DECEMBER 2024)

**18%**

SEG HEAD  
OFFICE

**90%**

SOCAR  
GEORGIA  
PETROLEUM

**92%**

SOCAR  
GEORGIA  
GAS

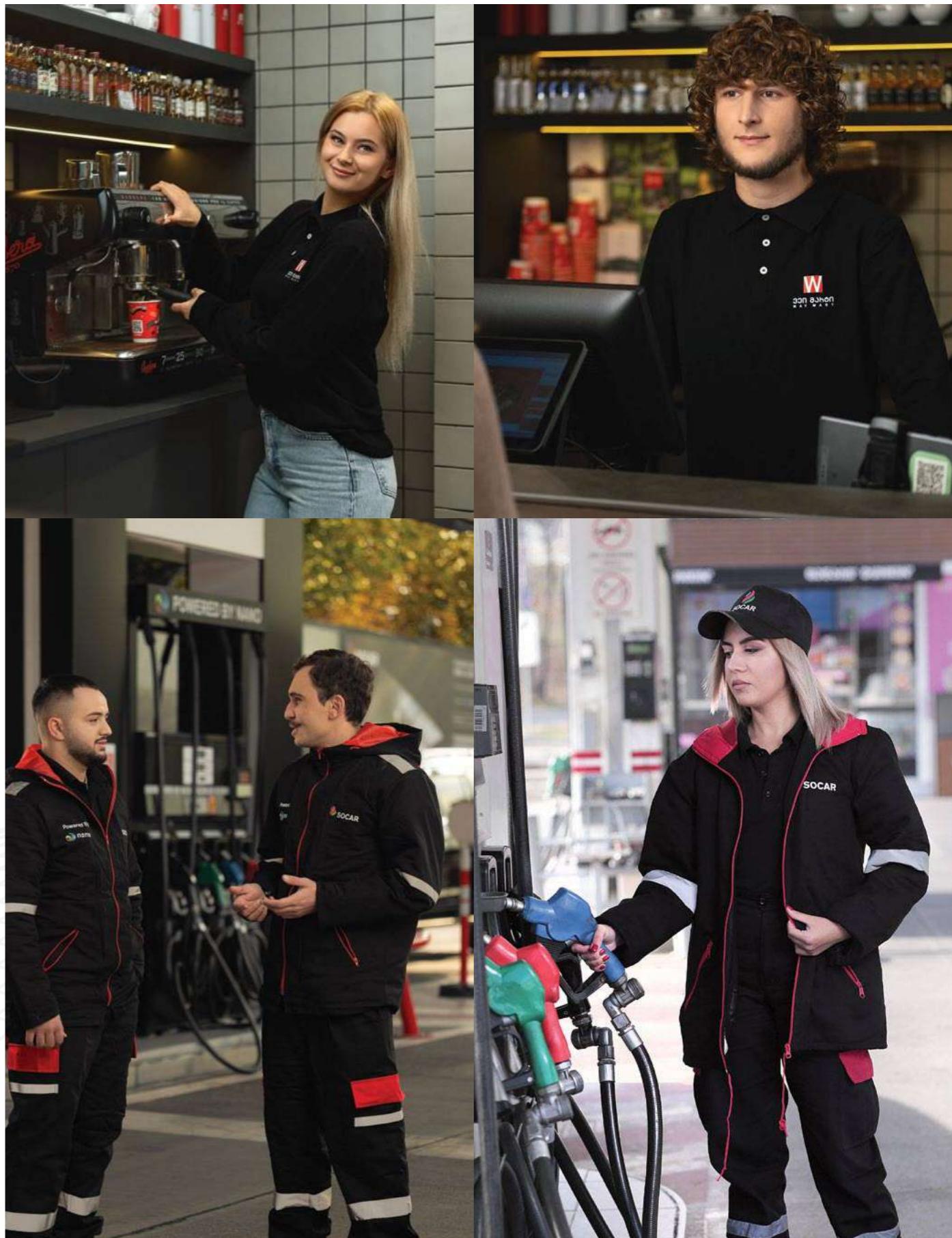
**Note:** SGP and SGG rates exclude subsidiaries Way Mart and Telavi Gas; current unions do not cover these entities

SEG's unions are financed by membership dues. A significant share is used to support members in life-event and hardship cases (e.g., birth of a child, bereavement, medical needs); in 2024, more than GEL 55,000 was disbursed for member assistance. Union chairpersons are Company employees elected to lead union activities.

All three unions have Collective Bargaining Agreements (CBAs) with the Company. While CBAs are formally applicable to union members, their provisions are embedded in SEG's Internal Regulations and thereby extended in practice to all employees. CBAs cover key aspects of employment relations, including working conditions, remuneration, social protec-

tion, health protection, responsibilities of the parties, and obligations of management to enable union functioning.

There were no employee strikes during 2024 across SEG's operations in Georgia.





## Customer Care and Quality of Products and Services

**OUR APPROACH**

SOCAR Energy Georgia (SEG) is one of the country's leading energy groups. SOCAR Georgia Gas (SGG) is among the largest natural gas distributors in Georgia—supplying close to half of the country and operating as a regulated natural monopoly—while SOCAR Georgia Petroleum (SGP) is one of the five largest companies in the downstream oil market. This scale gives SEG a heightened responsibility: to protect customers, listen to their needs, and deliver safe, reliable, and high-quality products and services, every day.

Our approach to customer care is practical and partner-minded. We see customer trust as part of our license to operate: it is earned through consistent service quality, clear and respectful communication, responsiveness to

feedback and complaints, and care for people's health, safety, and data privacy. These expectations cut across the Group, while the tools and processes differ to reflect the realities of our two businesses:

- In **gas distribution**, SGG's primary duties are safety, continuity, and fair access for households and businesses under the national regulatory framework.
- In **retail fuel and services**, SGP focuses on service experience at stations and shops, product quality assurance, and smooth, courteous interactions at every point of sale.

We manage customer experience through a small set of clear principles: equal and fair treatment, transparency of terms, accessible channels for information and complaints, timely and re-

spectful responses, and continuous improvement informed by data. Customer health and safety and information security (see the chapter: Health, Safety and Security) are integral to this commitment and shape how we design, operate, and monitor our services.

Because the products, customer interfaces, and regulatory settings of SGG and SGP are different, this chapter presents them separately, using fit-for-purpose scale indicators and business-specific quality measures.

# SOCAR Georgia Petroleum: Customer Care & Quality of Products and Services

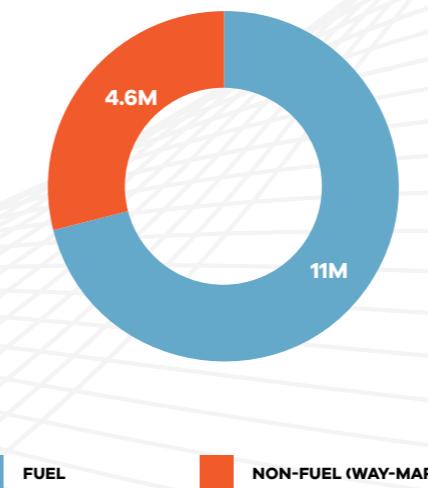
**SCALE AND CUSTOMER BASE**

In 2024, our retail network processed nearly 15.7 million customer transactions across fuel and non-fuel sales. The overwhelming majority were made by indi-

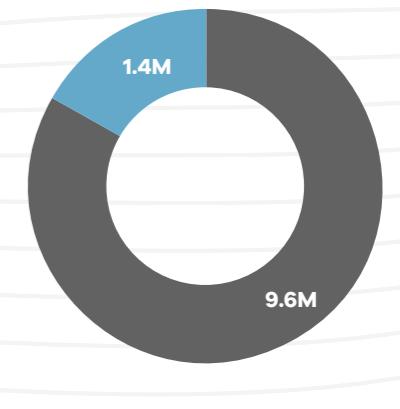
vidual customers (~61.5%). By product type, fuel purchases dominated in the total number of transactions, amounting around 70%. The charts below illustrate this distribution.



Customer Transactions by Product Type — 2024



Customer Transactions by Type — 2024



**Note:** "transactions" reflect receipts at the point of sale, not unique individuals or clients.

## OUR QUALITY AMBITION

We aim to make every visit to a SOCAR station or service center feel easy, reliable, and respectful—backed by modern technology, clear service standards, and a culture of continuous improvement. A dedicated Quality Management function monitors performance and customer insight so we can act on what matters most to people who fuel and shop with us.

## MANAGEMENT SYSTEM AND GOVERNANCE

SOCAR Georgia Petroleum (SGP) operates an ISO 9001-certified Quality Management System (first certified in 2010; recertified to ISO 9001:2015 in 2024). The certification covers SGP's full opera-

tions—oil depots, filling stations, and the laboratory—(excludes Way Mart Markets). The system sets objectives, tracks delivery, and anchors disciplined review:

- Annual internal audits and management reviews assess effectiveness, examine results from service-quality studies and complaint handling, track last year's corrective initiatives, and set next-year targets and improvements.
- External surveillance audits are conducted annually; re-certification occurs every three years.

### CLEAR RULES FOR CONSISTENT SERVICE

Internal regulations guide both product and service quality: our Quality Strategy/Policy, fuel quality control across the sup-

ply chain, preventive quality actions, and customer-facing procedures covering complaints handling, service research, and more.

We maintain distinct Service Standards for individual and corporate customers, and position instructions for frontline teams (stations, Way Mart, service centers, back office) that set expectations for courteous, timely, and accurate service.

## HOW WE ASSURE SERVICE QUALITY (EXPERIENCE)

We measure, learn, and improve continuously—combining mystery shopping, customer surveys, and targeted training.

- **Mystery shopper program (stations & Way Mart).** Using a defined checklist based on our service standard, we evaluate service three times per month in Tbilisi and twice per month in the regions. Long-term contractor partners deliver the studies, with monthly and quarterly reports and an annual synthesis that guide corrective actions.
- **Service-center and back-office surveys.** Research company "Experience" conducts quarterly email surveys with customers served at our service centers and corporate back-office; results roll up into quarterly and annual reports.

- **Regular training.** To turn insights into action, we train station managers, hotline operators, and service-center/back-office staff on service excellence and effective communication.

### LISTENING IN MORE PLACES.

We also collect feedback through:

- **Corporate clients:** continuous post-service surveys run by a contractor, feeding quarterly and annual reports.
- **Individual customers:**
  - » SMS links sent to loyalty card holders after a visit (short survey).
  - » QR codes at all filling stations and Way Mart stores linking to an on-site feedback form.
- **Corporate online platform:** a built-in satisfaction tool within the online fuel-purchase "cabinet."

- **A new mobile app** launching in 2025 will add another channel for ratings and comments.

## WHAT CUSTOMERS TOLD US IN 2024

Independent, large-scale quantitative research indicates continued progress among regular SOCAR users:

- "I try to refuel at this brand whenever possible" rose to 55% (from 46% in 2023).
- Perception "has quality fuel" increased from 82% to 89%.
- "I trust this brand" reached 89% (+2 pp year on year).

## HOW WE ASSURE PRODUCT QUALITY (FUEL)

Georgia's legal framework strictly controls fuel quality—imports below Euro 5 are prohibited and checked at customs. SGP goes beyond compliance with a multi-stage quality assurance system and a unique capability in our market:



### Accredited in-house laboratory

SGP is the only oil company in Georgia with its own accredited testing laboratory, founded in 2009 and certified to ISO/IEC 17025 since 2014 (latest re-certification 2022, with annual surveillance). Twice a year the lab participates in the Netherlands-based Institute for Interlaboratory Studies (IIS) proficiency testing for gasoline and diesel and has consistently earned a "Certificate of Excellence."



### At the station

Each station has an annual plan to test every product in every tank. In addition, three times per year we conduct "blind" random checks so that one product at every station is re-tested. Any customer doubt or complaint triggers extra testing.



### End-to-end testing across the fuel journey

Quality is tested before loading in the exporting country; again, on entry to Georgia by independent labs (Caspian Inspection Company and SGS Georgia); then on receipt at depots (Tbilisi depot—SGP laboratory; Samtredia depot—Caspian Inspection Company; both accredited). We also test tank trucks and depot tanks after loading.



### Service-center and back-office surveys

Every test produces a formal protocol, ensuring batch-level traceability down to the station. Station tanks are washed annually; depot storage tanks are cleaned every three years—stricter than the five-year interval required by law—to help preserve top fuel quality.

## CUSTOMER COMMUNICATION AND RESPONSIVENESS

Our primary channel is the 24/7 hotline \*0001, supported by service centers, filling stations, social networks, and our website. All complaints, suggestions, or questions—whether received via hotline, email, letter, social media, or in person—are logged by the call center, classified by priority (high/medium/low), and routed to the relevant teams. We contact dissatisfied customers within 24 hours; investigation and resolution times depend on case complexity. A case remains "in progress" until resolved; closure is recorded in the system and reflected in the year-end report.

Where fuel quality is questioned, customers may request the laboratory protocol; our testing provides traceability for any batch.

If a complaint stems from misunderstanding or incomplete information, a Quality Manager contacts the customer to explain.

In 2024, we logged 493 customer complaints (SGP & Way Mart). There were no court disputes with customers.

## 2024 ENHANCEMENTS THAT CUSTOMERS FELT

- **People first:** comprehensive service & communication training for all station managers, hotline agents, and service-center/back-office staff.
- **Digital for corporates:** launch of the online sales cabinet giving each corporate client a personal, secure space to purchase fuel online.
- **Better case handling:** rollout of a unified hotline support system that integrates call reception and registration (full deployment completing in 2025).
- **Sharper visibility:** new call logging, classification, and reporting—with consolidated dashboards shared with department heads to speed up fixes.

## MANAGING FOR BETTER OUTCOMES

We set annual, measurable goals for service quality and customer satisfaction and review delivery against predefined KPIs. Insights from mystery shopping, surveys, complaint analytics, and audits feed into our Management Review, where we prioritize the most material improvements for the year ahead.

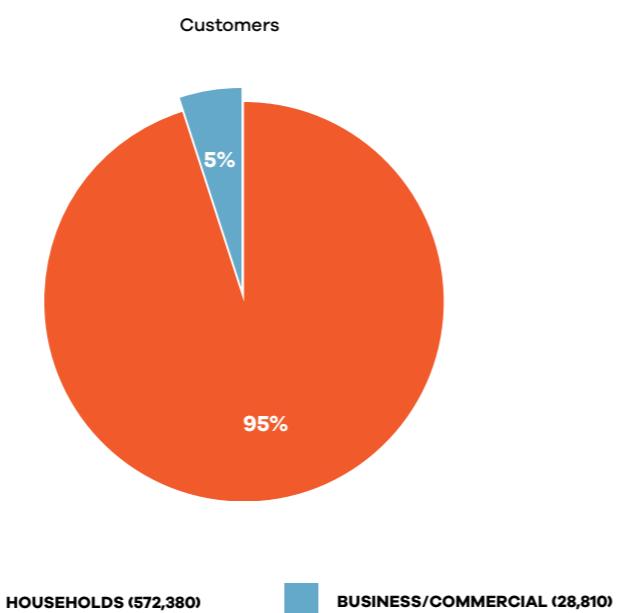
Ultimately, SGP's commitment to customers is built on disciplined quality systems, market-leading testing capability, and listening at scale—from millions of transactions to individual comments. That combination lets us keep fuel quality high, improve the experience day by day, and sustains the trust that brings people back.

# SOCAR Georgia Gas: Customer Care & Quality of Products and Services

## SCALE AND CUSTOMER BASE

At 31 December 2024, SOCAR Georgia Gas (SGG) served 601,190 active customer connected to SGG operated gas network, comprising 572,380 household customers (~95.2%) and 28,810 business/commercial customers (~4.8%). The customer base grew by 5.06% compared with 2023.

*\*In this chapter, "customer account" refers to metered household, legal-entity, and commercial accounts with active service at year-end.*



## PRODUCT AND SERVICE QUALITY — HOW WE ASSURE IT

SGG operates as a regulated natural monopoly, with the Georgian National Energy and Water Supply Regulatory Commission (GNERC) strictly overseeing service standards (e.g., customer information, interruption durations, connection timelines).

While natural gas commodity quality is the responsibility of the "Georgian Gas Transportation Company", which imports and transports gas via the national high-pressure system, SGG manages quality at the interface to our network. At every receipt point, filtration is integrated into the metering node, so

particulates and condensate are captured before gas enters SGG's medium/low-pressure distribution system. Maintenance and monitoring of these filter elements are part of routine operations, helping ensure cleaner, safer gas for end users.

To ensure consistent customer service, SGG maintains a quality management system aligned with ISO 9001 (first certified in 2010; scope excludes the SGG subsidiary TelaviGas; the most recent recertification audit (2022) was later deemed invalid due to certification-provider procedural issues, despite confirmed conformity; recertification is planned for next year). The system is supported by clear internal procedures

and instructions—including gasification/connection, change of registration, debt rescheduling, billing corrections, and a Customer Service Standard. For customer-facing roles (front office, call center, service centers), position instructions set out expected service behaviors and steps.

Each year, certified internal auditors assess the effectiveness of SGG's ISO 9001 quality management system and issue an Internal Audit Report and a Management Review Report. The Director and Deputy Directors review outcomes,

## WHERE AND HOW CUSTOMERS REACH US

We are present on the ground and online: a Front Office in five major cities (Batumi, Poti, Kutaisi, Rustavi, and Gori), 37 service centers nationwide, and a 24/7 call center, alongside email, post, social media, and in-person visits. Recognizing that not all customers use the internet regularly, we rely heavily on SMS notifications for time-critical updates (e.g., debt reminders, planned or emergency outages and restorations), complemented by website and social media posts.

## RESPONSIVE CONNECTION AND RESTORATION

SGG's processes are designed around clear timelines. Within 10 calendar days of receiving a connection application,

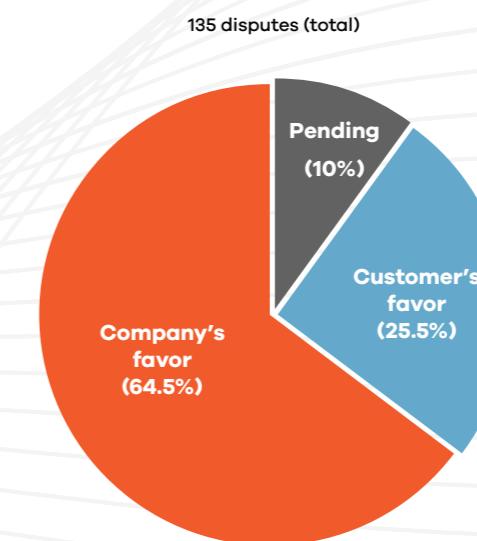
we inform the applicant about documentation completeness and feasibility at the specific location; when feasible, gas supply starts within a maximum of 50 days. In non-payment cases, service is restored the same or next day after the debt is cleared. Where statutory deadlines are exceeded, SGG pays compensation as required by law.

*In 2024, 251 customers received a total of 1,320 GEL in compensation for deadline overruns—an indicator that exceptions are few and low-value, yet still tracked and redressed.*

## LISTENING AND RESOLVING

Customers can submit questions, requests, or complaints through any channel (call center, service centers, email, post, social media). All incoming cases

## CUSTOMER DISPUTE OUTCOMES — 2024 (GNERC REVIEW)



## CONTINUOUS IMPROVEMENT

Each year, certified internal auditors assess the effectiveness of SGG's ISO 9001 quality management system and issue an Internal Audit Report and a Management Review Report. The Director and Deputy Directors review outcomes,

agree improvement actions for the following year, adjust the quality system where needed, allocate resources, and assign responsible owners. We are also expanding digital self-service to improve access and convenience (see the chapter: Technology and Digital Transformation).

are registered in SGG's system, which is integrated with GNERC's electronic journal; customers receive an SMS acknowledgement within one hour. Cases are routed to the relevant function/region for review and closed with documentation once resolved. By regulation, SGG provides responses within 10 days; final responses are uploaded to the customer portal link (sent by SMS) and are automatically reflected in GNERC's journal.

In 2024, a total of 135 customer disputes were submitted to the Georgian National Energy and Water Supply Regulatory Commission (GNERC) for review. Of these, 64.5% were decided in the company's favor, while 25.5% favored customers, and \*10% remained pending at year-end. The process is fully overseen by GNERC, ensuring transparency and independent resolution.

## Supplier Relations

# Supplier Relations

## OUR APPROACH

As one of Georgia's largest buyers of goods and services in the downstream energy sector, SOCAR Energy Georgia (SEG)—through SOCAR Georgia Petroleum (SGP) and SOCAR Georgia Gas (SGG)—recognizes that every purchase decision has a socio-economic footprint. While we do not yet run formal supplier-development programs, our day-to-day practice emphasizes equal and fair conditions, transparent selection, and clear advance communication on delivery requirements and payment terms. This practical, consistent approach enables reliable operations and supports hundreds of local businesses that supply our network.

## SCOPE AND BOUNDARY

This chapter covers all suppliers of auxiliary (non-fuel) goods and services

across SOCAR Georgia Petroleum (SGP) and SOCAR Georgia Gas (SGG). **It excludes suppliers of oil products** (reported in the chapter: SOCAR Energy Georgia: Who We Are and What We Do).

## OUR SUPPLY CHAIN AT A GLANCE

SEG's operations rely on a broad, mostly domestic ecosystem of product and service providers.

- Products: Stationery, furniture and household materials; software licenses; technical equipment and safety gear; operational and spare tools; components and parts; pipes and fittings; nano-additives; chemicals for tank cleaning; vehicles & fuel; merchandise for Way Mart markets.
- Services: IT services; medical and property/vehicle insurance; consulting and employee training; construction & renovation; filling-station operation/

management; logistics; security; advertising; meter inspection; meter-cabinet installation

Suppliers are located in Georgia and abroad (notably Turkey, China, Israel, Azerbaijan, Japan, Ukraine, and EU countries).

For many specialized parts, machinery and consumables we work with stable strategic partners to ensure continuity.

In 2024, SEG engaged 642 suppliers of auxiliary products and services, including 40 strategic and 222 long-term partners. For most of the categories above, sourcing is from locally registered companies.

## TERMS, PAYMENTS AND COMMUNICATIONS

There is no stand-alone policy that fixes payment terms; they are agreed individually with each supplier. For local suppliers, payments are typically post-delivery. For international suppliers, delivery and payment terms reflect logistics and location, with EXW, FCA, CIP, CPT, and DDP used as appropriate. Upfront clarification of technical scope, delivery details, and payment terms is standard, enabling suppliers—especially SMEs and individual entrepreneurs—to price realistically and plan cash flow.

## FEEDBACK AND COMPLAINTS

SEG does not operate a separate formal procedure for supplier complaints. Suppliers can report issues via the unified hotline (used for both internal and external stakeholders), by contacting the Legal Department, or via the general information email. Cases are then forwarded to the Procurement Department for review and resolution.

## COMPLIANCE AND RISK BASICS IN THE SUPPLY CHAIN

While SEG does not assess suppliers against bespoke social or environmental criteria beyond the law, due diligence is conducted for every vendor before contracting, with depth calibrated to purchase size, to confirm legal compliance. Matters such as forced labour and child labour are governed by Georgian law: the minimum working age is 16, and hazardous occupations are prohibited for minors—a category that includes work around gas and petroleum assets. SEG complies with these requirements in practice. Even without a formal "supplier code" yet, adherence to core health and safety requirements when working on our assets are embedded in our contracts and day-to-day oversight.

## OUR LOCAL ECONOMIC FOOTPRINT

As a large domestic buyer, SEG's procurement has a tangible socio-economic footprint, particularly through local suppliers and SMEs supporting main-

tenance, civil works, safety equipment, and services close to our assets.

In 2024, SOCAR Energy Georgia worked with a total of 642 suppliers of auxiliary goods and services across its two main subsidiaries, SOCAR Georgia Petroleum (SGP) and SOCAR Georgia Gas (SGG). The vast majority were locally registered companies — 575 suppliers, or nearly 90% of the total — while only 67 were foreign vendors.

During the year, SEG also engaged 82 new suppliers, equal to about 13% of the supplier base. Most of these newcomers were Georgian businesses, with local firms accounting for around 83% of all new vendors.

Procurement spends across this supplier network amounted to GEL 84.2 million (including taxes). Of this, an overwhelming 94.6% was directed to local suppliers, reinforcing SEG's strong economic linkages with the Georgian economy. A small share — approximately 0.4% of total spend (GEL 369,980) — was paid to individual entrepreneurs.

**642**

Suppliers

**40**

Strategic Suppliers

**222**

Long-term Partners

## HOW WE BUY: EQUAL ACCESS, CLEAR RULES, PRACTICAL COMMUNICATION

Procurement is governed by internal instruments that are periodically reviewed and updated, including the Procedure for Services and Goods Purchase, warehouse inventory instructions (by category/group), a Confirmed Supplier List, and a Supplier Evaluation Scorecard, supplemented by holding-level internal orders that regulate end-to-end process flow.

We balance speed and competition: small purchases may proceed without a tender; for larger volumes we run public tenders via online platform: tenders are open and accessible to all bidders.

While not codified in policy, a minimum 5-day tender window is an established practice (shorter only in emergencies requiring rapid response). Each tender notice provides full contact information for a responsible person, and suppliers can submit clarifying questions on the portal, by phone, or by email. Where useful (e.g., for quality verification), we visit supplier sites—an approach that supports quality assurance and helps build trusting, long-term cooperation.

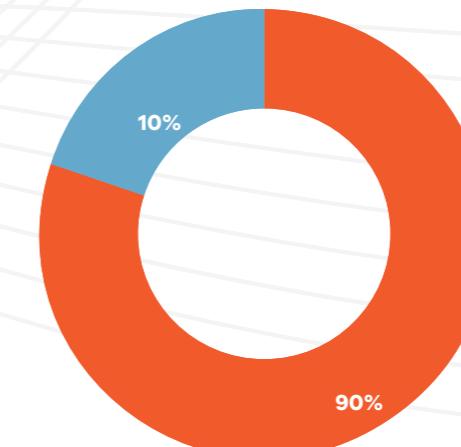
For the operational & spare tools category, SEG applies a holding-level "A-Class" internal price list—fixed ceilings that procurement must not exceed. This control underpins fairness and price discipline across comparable purchases.

## SUPPLIER SELECTION CRITERIA

Initial evaluation considers six criteria: price, quality, warranty terms, delivery schedule, transport conditions, and payment terms. After delivery, we add a seventh: after-sales service and incident response. We also look at industry experience and regulatory compliance for the scope in question. To keep the base current, SEG performs an annual re-evaluation of major suppliers (primarily strategic and long-term), scoring them on a five-point scale against the criteria above.

## SEG SUPPLIER BASE (2024)

642 suppliers

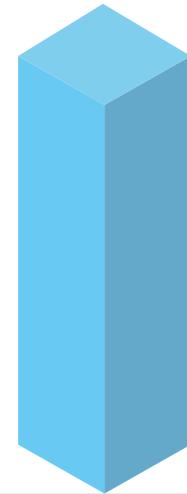


LOCAL SUPPLIERS (575)

FOREIGN SUPPLIERS (67)

## NEW SUPPLIERS IN 2024

New suppliers (82)



LOCAL (≈83%)



FOREIGN (≈17%)

## PROCUREMENT SPEND BY SUPPLIER ORIGIN – 2024

FOREIGN SUPPLIERS (5.4%)

LOCAL SUPPLIERS (94.6%)

**79,7 million GEL**

Spent on Local Suppliers

**84,2 million GEL**

Total procurement spends

**Notes:**

- All figures refer to suppliers of auxiliary goods and services engaged by SOCAR Georgia Petroleum (SGP) and SOCAR Georgia Gas (SGG) in 2024, excluding suppliers of natural gas and oil products
- Definition of local supplier: a company registered in Georgia, including both local manufacturers and registered importers of foreign products.

These figures reflect a strong domestic anchor and a positive indirect economic impact. By awarding a high share of work to local firms and SMEs, SEG helps retain value locally, shorten lead times, and stabilize demand for specialized services. The steady presence of strategic and long-term partners deepens local know-how, while onboarding new suppliers broadens market access and lowers barriers for emerging businesses. Coupled with a 95% local spend share

(auxiliary goods and services only; excludes oil products), these practices channel procurement into local wages, taxes, and reinvestment, reinforcing business development in Georgia's regions.

### WHERE WE'RE FOCUSED NEXT

Consistent with our practical approach, we aim to strengthen what works: equal access, clear expectations, and pre-

dictable execution. As the procurement function evolves, we will keep the emphasis on transparent tenders and timely Q&A; disciplined price controls where categories allow (e.g., A-Class lists); regular supplier re-evaluation focused on performance and service quality; and simple, accessible channels for supplier queries and concerns.



## Supporting Communities

# Supporting Communities

## OUR APPROACH

Supporting the communities where we live and work is a core expression of SOCAR Energy Georgia's corporate responsibility. We see community investment not as philanthropy at the margins, but as a practical way to improve quality of life, strengthen local capabilities, and sustain the mutual trust that underpins our license to operate. We work with partners - civil society organizations, educational institutions, local authorities, and community leaders - to identify needs, co-design solutions, and support initiatives that make a tangible difference, prioritizing projects that communities themselves tell us matter.

Our corporate citizenship practice is deliberately pragmatic: we prioritize community input, clear objectives, and partnership delivery. Depending on the need, our support may take the form of

financial and in-kind contributions (including sponsorship and grant funding), event co-organization, or visibility and outreach through our communication channels. We stay close to implementation—clarifying goals, roles, and timelines up front—and favor initiatives that build local capacity or unlock further collaboration.

Our aim is to create shared value over the lifecycle of our assets: when communities thrive, our business operates more safely, reliably, and sustainably.

## A FOCUSED FRAMEWORK: FIVE COMMUNITY PRIORITIES

In 2018, SOCAR Energy Georgia identified five priority themes for community support, aligning company goals with community needs. The process was guided by an external consultant team and informed by surveys of employees,

customers, and other stakeholders, as well as a review of our past projects and charitable activities. These priorities reflect common needs voiced by communities where we operate and areas where we can have meaningful impact:

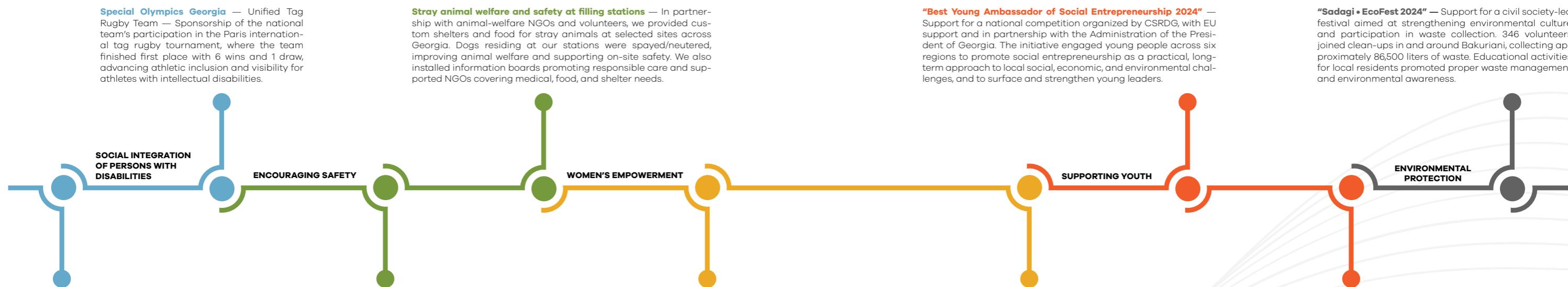
1. **Social integration of persons with disabilities (PwD)** – inclusion, access, and active living.
2. **Encouraging safety** – first aid, risk awareness, and safer environments.
3. **Women's empowerment** – economic participation and market access.
4. **Supporting youth** – skills, leadership, and civic participation.
5. **Environmental protection** – stewardship, clean-ups, and awareness.

We continue to use this focused framework to select and support initiatives, keeping programs relevant and sustainable.



## 2024 HIGHLIGHTS

In 2024 we progressed our social investment activities in alignment with our five focus areas:



**#Active Life is My Element** — Ongoing support since 2019 for the Georgia Youth Media Union's program advancing the social integration and active lifestyles of war veterans, wounded peacekeepers, and persons with disabilities. In 2024, activities included the traditional "Tbilisi Sea Cup" sailing regatta, the Paliaxomi Lake fishing festival, the Themo Sakhokia Memorial integrated bowling championship, an adapted field camp in Borjomi, and rafting and archery tournaments.

**First-aid training in schools** — Since 2023, SOCAR Georgia Petroleum has run a program to strengthen first-aid knowledge and rapid response skills among students. In 2024, trainings were delivered at Buckswood and Saint-Exupéry schools. Senior students received certificates, while schools received fully equipped first-aid kits. To broaden reach, we produced a four-part instructional video course covering essential first-aid practices, published on our official digital channels (incl. YouTube) and shared with schools unable to host in-person sessions.

**Women Entrepreneurs' Fair** — Support for an exhibition-sale featuring 145 women entrepreneurs from regions across Georgia, with goals to expand market access and income opportunities, promote green and sustainable business practices, and share practical knowledge. The event included a dedicated "green & sustainable business" pavilion and masterclasses for entrepreneurs, children, and visitors on AI, export, and e-commerce.

**Partnership with Women Entrepreneurs Association (AWE)** — In 2024, SOCAR Georgia Petroleum signed a Memorandum of Understanding with AWE to advance women's economic participation. The first joint project featured an exhibition-sale of accessories crafted by women in penitentiary institutions (bags, bracelets, wallets); proceeds were transferred to the women's personal accounts. The project helped generate additional income, encouraged financial independence, and supported re-socialization.

**Partnership Forum 2024** — Sponsorship of the UN Global Compact Network Georgia's one-day forum fostering collaboration between CSOs and businesses. CSOs presented project ideas and met with business representatives; support mechanisms were agreed and two CSOs received partial funding for youth and volunteer support projects.



War veteran Davit Akhrakhadze is a distinguished participant in the project "Active Life is My Element", organized by the Georgian Youth Media Association and supported by SOCAR Georgia Petroleum. Severely injured in the Abkhazian war and having lost a limb, Davit once lived a secluded life in his village. Through the project, he gained the motivation to embrace new challenges, engage in sports and cultural championships, and help other veterans pursue a more active lifestyle.

As he notes, "Sports and culture are the most powerful tools for resocialization. This project revived me! If I once felt useless, now I see life differently. This is a front of peace, where everyone is a winner."

Mzeo Surmanidze, a social entrepreneur, is a distinguished participant of the "Green Future Workshop" project, organized by the social enterprise Ventilator, Supported by UN Women Georgia and SOCAR Georgia Petroleum. Within the framework of this initiative, Mzeo developed the social enterprise's strategic plan, the initial stages of branding, as well as its logo and visual identity. As a result, brand recognition increased by 12%, and pop-up events were successfully organized at 8,000 Vintages and Terminal Coworking. Through this campaign, her cheese enterprise now actively participates in both local and national exhibitions, including Expo Georgia 2025.

## THE VALUE CREATED LOCALLY

Our community investments are designed to be mutually beneficial—addressing pressing local issues while strengthening social cohesion, skills, and confidence. The impacts extend beyond project participation: access to first-aid know-how, inclusive sports and active

living, market access for women, youth leadership and civic engagement, and cleaner public spaces. Delivered with partners, these programs help channel resources into local organizations and suppliers, mobilize volunteers, and build networks that continue working after a specific event ends. In short, we focus on initiatives that keep value and capability



in the community—a practical contribution to local development.

We will continue to work through trusted partners and our five-priority framework, focusing on initiatives that communities tell us make a difference.

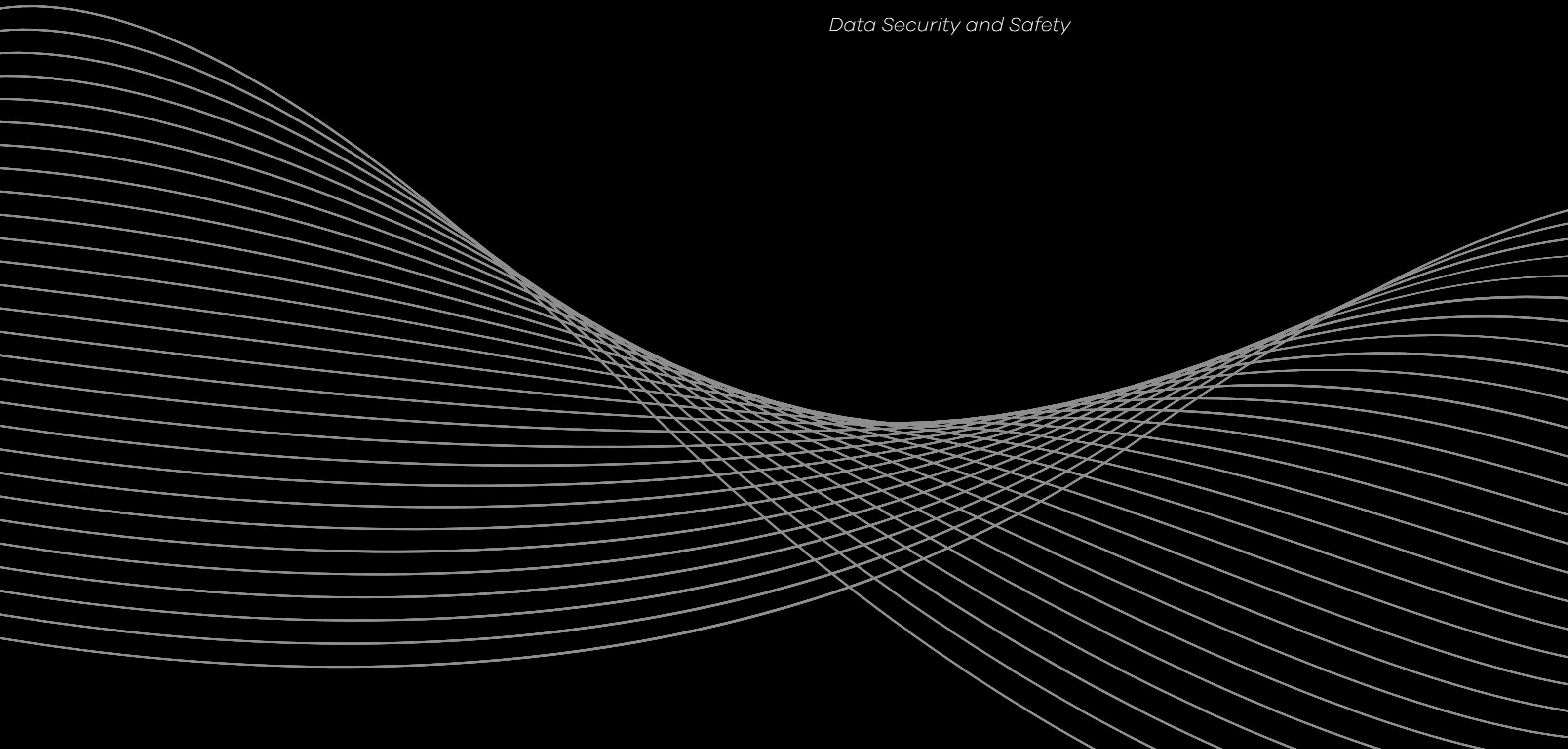
# Health, Safety and Security

## In this section

*Safe Operations*

*Physical Security and Infrastructure Protection*

*Data Security and Safety*



# Safe Operations

## OUR APPROACH

The operations of both major subsidiaries of SOCAR Energy Georgia — SOCAR Georgia Petroleum and SOCAR Georgia Gas — involve activities that are inherently associated with elevated levels of occupational and operational risk. As such, safety stands as one of the company's top strategic priorities. Ensuring the safety of people and assets, and reinforcing a strong, proactive safety culture, is fundamental to SOCAR Energy Georgia's values and long-term vision.

SOCAR has consistently placed great emphasis on protecting the health and

safety of its employees, customers, and other stakeholders across its business units. This commitment is reflected in the development of internal procedures, risk-based policies, and awareness initiatives tailored to the specific nature of each company's operations.

Although both companies share a common vision and core principles regarding safety, their operational activities differ significantly. SOCAR Georgia Gas is primarily focused on the distribution and infrastructure of natural gas, while SOCAR Georgia Petroleum operates an extensive network of filling stations and manages the storage and retail of

oil products. These differences lead to distinct risk profiles, and therefore, to specific approaches to safety management, including the application of different policies, procedures, targets, and performance monitoring systems.

For this reason — and in the interest of clarity and transparency — this section presents the health and safety policies, systems, and performance of SOCAR Georgia Petroleum and SOCAR Georgia Gas separately.

## HEALTH AND SAFETY OF EMPLOYEES AND CUSTOMERS AT SOCAR GEORGIA PETROLEUM (SGP)

SOCAR Georgia Petroleum operates in an inherently high-risk industry, with its core assets — including filling stations and oil terminals — officially classified as hazardous sites under Georgian legislation. As such, health and safety is not only a strategic priority, but a foundational element of daily operations across the company.

Strict national regulations govern multiple aspects of occupational and public safety in this sector, including requirements for risk assessment, fire safety, emergency preparedness, technical equipment, and environmental controls. SOCAR Georgia Petroleum has implemented a robust internal health and safety (HS) framework designed to ensure full legal compliance and safeguard employees, customers, and local communities.

Although the company has not yet adopted a formal management system certified to international standards such as ISO 45001, its current practices fulfill many of the key functions of such

systems. These include structured risk identification, documented procedures, internal oversight, and systematic training. The company is currently assessing options for formalizing and enhancing its HS management system in alignment with globally recognized standards.

All employees working at SOCAR Georgia Petroleum facilities are covered by the internal health and safety system (100% coverage). The same policies and systems are expected to be extended to the company's subsidiary, Way Mart supermarkets, starting in 2025. Although the current system does not yet apply to Way Mart in full, safety protocols implemented at filling stations already provide indirect protection to Way Mart customers.

### HAZARD IDENTIFICATION AND RISK MANAGEMENT

In 2024, when the company developed its integrated risk framework, the health and safety risks for both employees and customers were reviewed and updated.

Risk assessments are conducted in accordance with Georgian regulatory requirements and based on observation, workplace inspection, and operational review. Hazards are evaluated using a weighted scale of 5 to 25 points, considering both severity and probability. According to the score, the risk review frequency is determined, typically ranging from 30 to 90 days.

Health and safety risks for customers are primarily associated with service delivery at filling stations, such as fuel dispensing and compressed gas operations. Employee risks, in contrast, are broader and more complex, including exposure to fuel vapors, fire hazards, mechanical injury, and contact with hazardous materials.

### Key risks identified in 2024 include:

- **Fire and explosion risk** at filling stations and oil terminals. The company mitigates these risks through strict technical controls, fire prevention infrastructure, emergency evacuation

protocols, and safety instructions for staff and customers. Fire extinguishers, alarm systems, fire suppression systems, and first-aid kits are installed at all facilities.

### • Fuel quality and contamination risks.

Multi-level fuel quality control via in-house and third-party laboratories at every stage of the supply chain ensures safety for both employees and customers. This is particularly relevant at self-service stations, where customer contact with fuel is more likely.

### • Compressed or liquefied gas handling risks.

Customers are required to exit vehicles during refueling. Waiting areas are available, and mobility-impaired customers are provided wheelchairs as needed.

### • Hazards during internal cleaning of tanks and reservoirs.

Particular attention is given to the safe cleaning of fuel tanks and reservoirs. These tasks are carried out either by draining and entering tanks (at terminals) or by top-surface cleaning (at filling stations). In both cases, specific protocols regulate equipment, personal protection, ventilation, frequency of cleaning, and hazardous waste management. These procedures are closely monitored by the HSE department and performed by trained subcontractors who receive pre-job safety briefings and sign off on risk awareness.

### • Volatile Organic Compounds (VOCs) exposure during fuel transfer.

In line with upcoming legislative changes in Georgia in a forward-looking move, the company began installing vapor recovery systems to reduce employee exposure to fuel vapors across its logistics chain. Installation is underway as part of the ongoing reconstruction of the Samtredia oil terminal and will be expanded to the Tbilisi terminal, fuel trucks, and ultimately to dispensing nozzles at filling stations.

### SAFETY MONITORING AND CONTROL SYSTEMS

To enforce safety protocols, the company applies a rigorous system of oversight and internal control:

#### • Daily inspections

by site and regional managers to assess facility safety compliance

#### • Quarterly unannounced audits

by the company's monitoring division using

formal checklists

- **Annual facility inspections** to plan and implement large-scale maintenance or upgrades

- **External inspections** by Georgian public agencies, including the Emergency Management Service and municipal authorities

All findings are documented, corrective actions are assigned, and deadlines are enforced. Follow-up inspections confirm resolution.

### INCIDENT MANAGEMENT AND REPORTING

SOCAR Georgia Petroleum maintains a formal procedure for investigating and responding to safety-related incidents. Reflecting its commitment to accountability, all incidents involving employee or customer health and safety are recorded by the HSE manager and reviewed quarterly by the SOCAR Georgia Petroleum Director, and annually by SOCAR headquarters in Baku.

In the event of an incident, the company ensures immediate on-site response. In serious cases, the HSE manager is dispatched directly to the location to assess the situation, identify root causes, and compile a full incident report. This report is submitted to company leadership, and corrective actions — including compensation or remediation — are planned and implemented. Follow-up inspections are conducted after resolution.

Findings from each incident are analyzed across the company to prevent recurrence. If systemic weaknesses are identified, additional preventive measures are rolled out group-wide. For example, a minor electrical fire at a single filling station in 2024 triggered a full review of electrical systems across all locations, leading to upgraded equipment and closer coordination with utility providers.

**+9,000 HOURS  
SAFETY TRAINING**

While no workplace injuries or accidents were reported in 2024, two non-compliance incidents related to the health and safety impacts of products and services were documented and addressed.

### EMPLOYEE TRAINING AND AWARENESS

Reflecting its commitment to knowledge-driven safety, the company delivered over 9,000 hours of safety training in 2024 alone. Internal HSE trainers conducted semi-annual training for all staff, while new hires received onboarding instruction. In addition, station-level managers deliver refresher briefings every two weeks. Employees also receive periodic training in basic first aid.

In 2025, the company will expand its training program on safety-related topics to include all managers of the Way Mart supermarket network as part of its broader integration of OHS principles across the group.

### OCCUPATIONAL HEALTH MONITORING

The company does not currently track or report occupational illness cases. It does not operate on-site medical facilities or conduct mandatory health screenings. However, all employees are covered by private insurance and may undergo voluntary health checks twice annually. Workers in high-risk positions, such as those based at oil terminals and filling stations, are additionally covered by workplace accident insurance as required by law. Occasional informational sessions with medical professionals are organized for administrative staff.

### SAFETY FOR CONTRACTORS AND SUBCONTRACTED WORKERS

Contractor safety is managed through contractual clauses and job-specific safety briefings. All subcontractors are required to review and sign worksite access logs acknowledging potential risks prior to starting any task. SOCAR Georgia Petroleum does not formally monitor contractor OHS practices.

An exception is made for long-term logistics partner AGI, which operates SOCAR-owned fuel truck fleet. These drivers are included in company-led safety training and equipment monitoring procedures.

# HEALTH AND SAFETY OF EMPLOYEES AND CUSTOMERS AT SOCAR GEORGIA GAZ

## LEGAL REGULATIONS AND INTERNAL MANAGEMENT SYSTEMS

Operating a national gas distribution network places SOCAR Georgia Gas (SGG) in a high-risk sector with strict legal oversight. Georgian legislation and government decrees regulate everything from occupational safety norms and workplace risk assessment to customer safety, natural gas supply rules, fire safety, and accident recording and investigation. Within this framework, SGG maintains an Occupational Health and Safety Management System certified to ISO 45001, covering the company's entire footprint and ensuring alignment with national law and the standard. Clear responsibilities underpin delivery. Employee health and safety are led by the Construction, Standardization and Occupational Safety Service, while customer safety—including dispatching and emergency response—is handled by the Emergency & Operations Service. These teams are supported by a suite of internal instruments: an Emergency Response Plan, profession-specific OHS instructions, daily instructions for emergency and operations crews, procedures for incident detection and response, and safety management procedures for subcontractors. For customer interface points, SGG uses instructions for planned preventive works, response to emergency calls, and planned patrols of gas pipelines.

The employee safety system covers all SGG employees, and the customer-safety procedures apply across SGG's operations.

## HAZARD IDENTIFICATION AND RISK MANAGEMENT

We manage risk at two fronts—the safety of our workforce and the safety of customers and the public—through one integrated approach. SGG conducts a legislatively mandated risk assessment that evaluates both safety and occupational disease risks by profession and by work environment (office, field). The most material exposures arise in Emergency & Operations activities and among contractor companies performing high-risk work.

Risk identification is embedded in routine operations. We analyze work processes continuously, reassess risks monthly, and, for high-risk tasks, every two weeks. Findings are consolidated into a monthly risk report that assigns actions and accountabilities aimed at eliminating or reducing risk. A comprehensive annual re-assessment complements this cadence, and ad-hoc reviews are triggered by external changes such as new legislation or altered working conditions.

To strengthen line ownership, a Director's Order requires all employees to flag potential hazards to the safety service; employees who identify not-yet-realized hazards receive an additional day off—a practical incentive that reinforces proactive behavior. Monitoring is supported by DobiQuity, a digital platform that enables certified staff to carry out field checks via a mobile app and predefined checklists.

Risks are prioritized using a standard classification (low, medium, high, very

high, critical). Based on the assessment, SGG plans preventive actions, assigns accountabilities, and monitors implementation. Where needed, the company undertakes systemic changes to safety processes. Compliance with professional/service-level safety instructions is checked regularly.

**On the customer side,** while a formal, standalone customer-safety risk assessment is not required by law or internal policy, we target the most consequential hazards with focused controls.

- The highest risk to life—**gas leakage in enclosed spaces** due to damaged or improperly installed internal networks or appliances—is addressed through a licensing obligation to visit every customer annually and verify compliance of internal gas networks with the technical regulation (per GNERC decree). Where defects are found, supply is suspended until rectified, residents receive on-site instruction, and a safety memo is provided.

- In open spaces, **pipeline damage and leakage** are managed through planned patrols two to three times per year and unscheduled patrols where reasonable suspicion exists, alongside the renewal and repair of aging infrastructure to prevent leaks.

- To address unsafe installation or use driven by limited awareness, SGG runs **periodic customer communications** (including social media) explaining potential hazards and safe behavior—such as correct installation, ventilation, recognizing odor and leaks, and safe appliance use, closing a critical gap that often underlies household incidents.

## Emergency Response System

The company has implemented an effective and clearly defined system for responding to emergency calls.

Responsibility for the proper functioning of this system lies with the Emergency and Operational Service for Gas Consumer Safety and the Dispatch Service.

Once an emergency call is received via the telephone hotline, the information is forwarded to the Dispatch Service, which then redirects the request to the emergency response team that operates 24/7.

From there, the Dispatch Service

exercises strict oversight of each stage of the emergency team's response process:

- The emergency team confirms receipt of the call
- Records departure to the emergency site
- Confirms arrival at the location
- Reports the completion of the work
- Finally, submits a report to the Dispatch Service on the actions taken.

The process is fully digitized and subject to strict daily monitoring. All emergency calls are logged, including records of timely responses and delays. In cases

of delay, causes are investigated and corrective measures are taken. Responsibilities and response protocols for delays are clearly outlined.

Work performed by the emergency response teams is also closely monitored, both through unannounced test calls and verification of completed work.

## SAFETY MONITORING AND CONTROL SYSTEMS

Assurance is both internal and external. SGG performs an annual internal audit of the ISO 45001 system, conducted by a certified employee with results reviewed by the Company Director. We also conduct effectiveness evaluations of the OHS system in line with ISO 45001. Externally, SGG undergoes annual surveillance audits and re-certification every three years.

While we do not currently audit the effectiveness of customer-safety procedures as a distinct stream, we monitor and enforce the operational controls described above—annual internal-network checks, pipeline patrols, emergency response, and awareness efforts—and maintain regulatory compliance as evidenced by our 2024 results.

## INCIDENT MANAGEMENT AND REPORTING

When incidents occur, response and learning are immediate. SGG has defined procedures for identifying and responding to incidents. If an employee is injured, we submit the statutory notification to the Labor Inspection authority and conduct a formal investigation led by OHS staff. Corrective and preventive actions are assigned, and briefings reinforce lessons learned; injured employees' recovery is actively monitored. Incident data are kept in a central log that management reviews annually, and after every incident we analyze causes and plan preventive measures to avoid recurrence.

**For customer and public incidents,** SGG operates a comprehensive emergency-call response: any safety information received via the hotline or other channels is dispatched to Emergency

and Operations teams, relevant official acts are completed, and the Patrol Police is engaged if required. We record all emergency calls and report to regulators. In 2024, SGG recorded no cases of non-compliance with legal requirements related to customer safety. Tragically, three fatal accidents occurred in private premises, linked to unsafe use; these events reinforce the importance of our annual internal-network checks and customer education.

For employees, three injury incidents were recorded in 2024—one road accident, one fall from a construction ladder (broken arm), and one slip during meter reading (broken leg)—which corresponds to a **recordable work-related injury rate of 0.13**. There were no fatalities and no high-consequence work-related injuries. There were also no cases of non-compliance with OHS legal requirements.

## ISO 45001 CERTIFIED OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

**Methodological note:** The injury rate is calculated as the number of recordable work-related injuries per 200,000 hours worked, based on total employee hours in 2024.

**EMPLOYEE TRAINING AND AWARENESS**

Building capability is central to prevention. Every year, employees across Emergency, Operations, and Service Centers receive training on occupational safety, fire safety, and prevention of occupa-

tional diseases, delivered by internal trainers certified by state authorities. In addition, external certified trainers provide first-aid and fire-safety courses. New employees review OHS instructions at hiring and complete training thereafter. Preparedness is reinforced through fire-alarm drills twice per year

and daily five-minute safety briefings for Emergency & Operations crews. Looking ahead, SGG will introduce electronic testing after trainings from 2025, reinforcing retention and competence.

## In 2024, employees of SOCAR Georgia Gas collectively completed 1,752 hours of health and safety training

**OCCUPATIONAL HEALTH MONITORING**

Preventing occupational illness complements injury prevention. SGG maintains role-specific instructions and procedures and provides periodic trainings and informational briefings on occupational health. All employees benefit from private health insurance and additional accident insurance financed by the company.

To support a healthy office environment year-round, we routinely monitor temperature, humidity, noise, ventilation, and lighting during both cold and warm seasons.

**SAFETY FOR CONTRACTORS AND SUBCONTRACTED WORKERS**

Our safety expectations extend to partners. Contractually, suppliers and subcontractors are required to comply with legal safety requirements. Each year SGG conducts a safety risk assessment of suppliers' work within our operational areas and shares the assessment with suppliers, requiring risk management measures—an expectation embedded in contracts. Compliance is systematically monitored through control inspections every two weeks or monthly, depending on the activity.

At present, SGG does not maintain centralized records of subcontractor incidents, and we continue to emphasize on-site supervision, corrective actions, and alignment with our safety procedures.



# Physical Security and Infrastructure Protection

**SCOPE AND GOVERNANCE**

Physical security at SOCAR Energy Georgia (SEG)—covering SOCAR Georgia Petroleum (SGP) and SOCAR Georgia Gas (SGG)—is part of a unified security strategy within our broader Health, Safety and Security framework. The company does not operate in conflict or war zones; accordingly, our threat profile is shaped primarily by property-related risks rather than armed conflict. Protection of assets is delivered through a mixed model: selected facilities are guarded by the State Protection Service of Georgia under contract, while others are protected by SOCAR Georgia Security, a dedicated SEG subsidiary whose sole mandate is the protection of SEG's facilities and offices (e.g., oil terminals, warehouses, retail outlets at filling stations, service centers, regional offices, and SEG's head office in Tbilisi, as well as sites of other SOCAR Group subsidiaries in Georgia). The State supervises both state-provided and private security activities.

SOCAR Georgia Security operates strictly under Georgian law, including the Law on Private Security Activity and the Law on Protection of Private Property. Security officers wear a uniform approved by the Ministry of Internal Affairs (MIA) and may use special equipment as permitted by law. The MIA's dedicated oversight body monitors compliance. Rules on use of force, conflict de-escalation, and respect for civil liberties are prescribed by law and followed in practice.

*The company's approach is built on lawful conduct and respect for rights. The combination of state supervision, clear legal standards, and internal discipline provides assurance that deterrence and response are delivered safely, ethically, and consistently.*

**RISK LANDSCAPE AND APPROACH**

Our facilities face low to moderate security risks typical of downstream energy operations: theft, vandalism, trespass, and incidental disorder. By contrast, filling stations and gas pipeline corridors are not guarded by on-site personnel; the residual risks on these assets are managed primarily through engineering and operational controls (e.g., equipment integrity, routine patrols and inspections, and emergency response arrangements described in the Safe Operations section above). Guard coverage is therefore prioritized for offices and material-asset sites where the risk of property damage or loss is comparatively higher.

*We apply risk-based coverage rather than a one-size-fits-all model. Decisions on guard presence (state or private), patrol frequency, and technical measures are taken with reference to site type, asset criticality, history of incidents, and surrounding context, and are refreshed as conditions change.*

**PROTECTIVE CONTROLS**

A layered set of controls protects high-value and sensitive sites. Access control, perimeter integrity, lighting, and CCTV deter opportunistic threats and enable verification and investigation when needed. Security personnel provide visible presence and prevention, but they are unarmed and do not have a duty to physically neutralize threats; Georgian legislation requires a separate license for armed guarding, which the company does not employ. Where risks exceed on-site capabilities, guards escalate immediately through established channels.

CCTV systems are operated in line with Georgia's personal data protection requirements. Employees are notified about video monitoring, and the handling of recordings follows legal retention and access protocols to safeguard privacy while supporting legitimate security purposes.

**MONITORING AND INCIDENT RESPONSE**

In case of a threat or incident, security personnel activate the national Public Safety Management Center (112) under a standing contract and proceed with immediate escalation to police. This ensures a rapid, lawful response by the competent public authorities. On-site guards focus on reporting, scene preservation, and safety of people until law enforcement arrives; they do not attempt disarmament or apprehension. Coordination with public authorities and internal stakeholders is practiced as part of routine operations and reviewed after incidents to strengthen future readiness.

# Information Security & Data Privacy

Information security and data privacy is a material topic for SOCAR Georgia, which comprises two major companies – SOCAR Petroleum and SOCAR Gaz – both operating in the downstream sector, encompassing the distribution and retail of oil and gas products. As part of their operations, both companies process and store a significant amount of sensitive customer information, including personal and payment data.

With the ongoing digitalization of business processes – from billing and service management to customer interaction – the potential exposure to cyber threats and data breaches increases. Ensuring robust information security and data privacy practices is therefore essential not only to comply with regulatory requirements and protect customers' trust, but also to safeguard the company's operational continuity and reputation in an increasingly data-driven environment.

## GOVERNANCE AND ORGANIZATION

SEG has established a consolidated information security and data protection framework that covers the holding company and all subsidiaries (SGG, SGP, and SOCAR Security). The Information Security Board, chaired by SEG's CEO and composed of subsidiary directors and senior IT/IS managers, approves policies, methodologies, and risk treatment plans; selects and endorses controls; allocates resources; and oversees ISMS implementation and performance. Its remit includes audit oversight, incident response governance, awareness and training, and continuous improvement.

## REGULATORY FRAMEWORK AND GROUPWIDE ALIGNMENT

Our practices are aligned to Georgia's legal requirements, including the Law of Georgia on Personal Data Protection and the Law of Georgia on Information Security. In 2022, Government Resolution No. 646 (2021) on defining critical information system subjects came into force, extending enhanced regulatory requirements to SOCAR Georgia Gas. SGG developed and executed a three-year compliance plan (2022–2024) to meet these obligations.

Although Resolution No. 646 formally applies to SGG, SEG extended the strengthened information security requirements across the entire holding, updating internal policies and management systems groupwide to the same standard.

## POLICY, STANDARDS, AND ISMS SCOPE

SEG operates an Information Security Management System (ISMS) built to the requirements of ISO/IEC 27001:2022. While the ISMS is not yet certified, SEG considers external certification a medium-term objective.

To operationalize these domains, SEG has issued a suite of framework documents (policies and methodologies) and dozens of procedures and instructions detailing technical and organizational measures for information security and personal data protection across customer and employee data.

## RISK MANAGEMENT

The ISMS rests on a documented risk management methodology applied annually. The process identifies threats and vulnerabilities, evaluates risks by likelihood and impact, and defines treatment plans (mitigate, avoid, transfer, accept) with responsible owners and timelines. Outcomes inform control selection, technology investments, and training priorities.

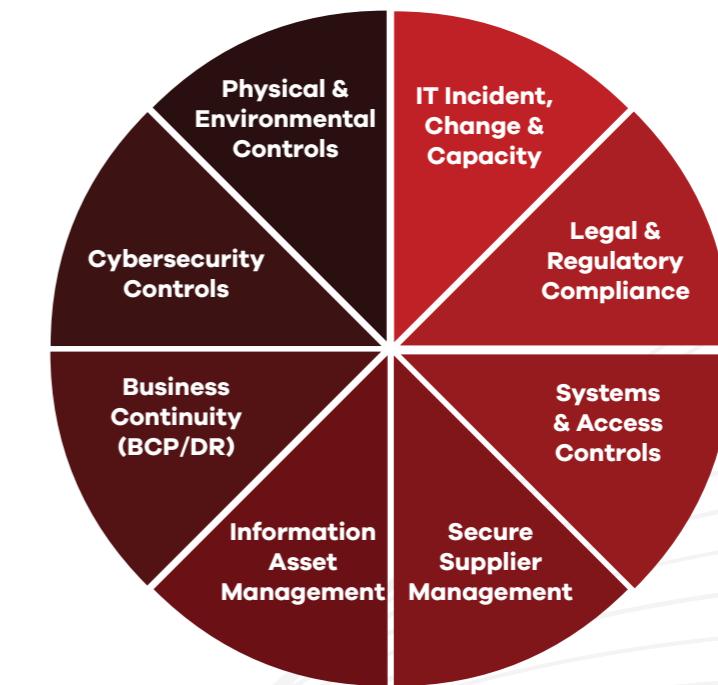
## MONITORING, DETECTION, AND CONTROL ENVIRONMENT

SEG operates layered monitoring and detection capabilities, including: Trellick EDR for endpoint anomaly detection and response; IBM QRadar SIEM for centralized security event collection, correlation, and alerting. These tools support continuous visibility, accelerate investigation and response, and strengthen the evidence base for audit and improvement.

## INCIDENT MANAGEMENT AND PRIVACY PROTECTION

SEG maintains an integrated incident management procedure covering information security and personal data leakage events. The procedure sets out step-by-step instructions and timelines for containment, response, notification of affected parties, and planning of post-incident preventive measures. Where required, SEG notifies the competent state regulator about such incidents in line with Georgian law.

## ISMS DOMAINS (ISO/IEC 27001:2022-ALIGNED)



**2024 performance: 0 Substantiated complaints concerning breaches of customer privacy**

## ASSURANCE: AUDITS AND TESTING

- Internal audit: In 2024, SEG conducted its first internal audit of the ISMS. Activities were performed by the Information Security Manager, covering design, implementation, and operating effectiveness of key controls.
- External audit: Starting 2025, SEG will conduct annual external audits of information security systems.
- Penetration testing: In 2023 and 2024, an authorized external firm performed penetration testing under the new regulatory requirements to assess systems' security posture and recommend improvements.

## CAPABILITY BUILDING AND AWARENESS

SEG complements technical controls with human-centric safeguards. All major rollouts include awareness materials; in 2025, SEG will deliver online information security training for all SOCAR Georgia Gas employees, with phased expansion across the group. Training focuses on secure handling of personal data, phishing resistance, password hygiene, and incident escalation pathways.

## OBJECTIVES AND NEXT STEPS

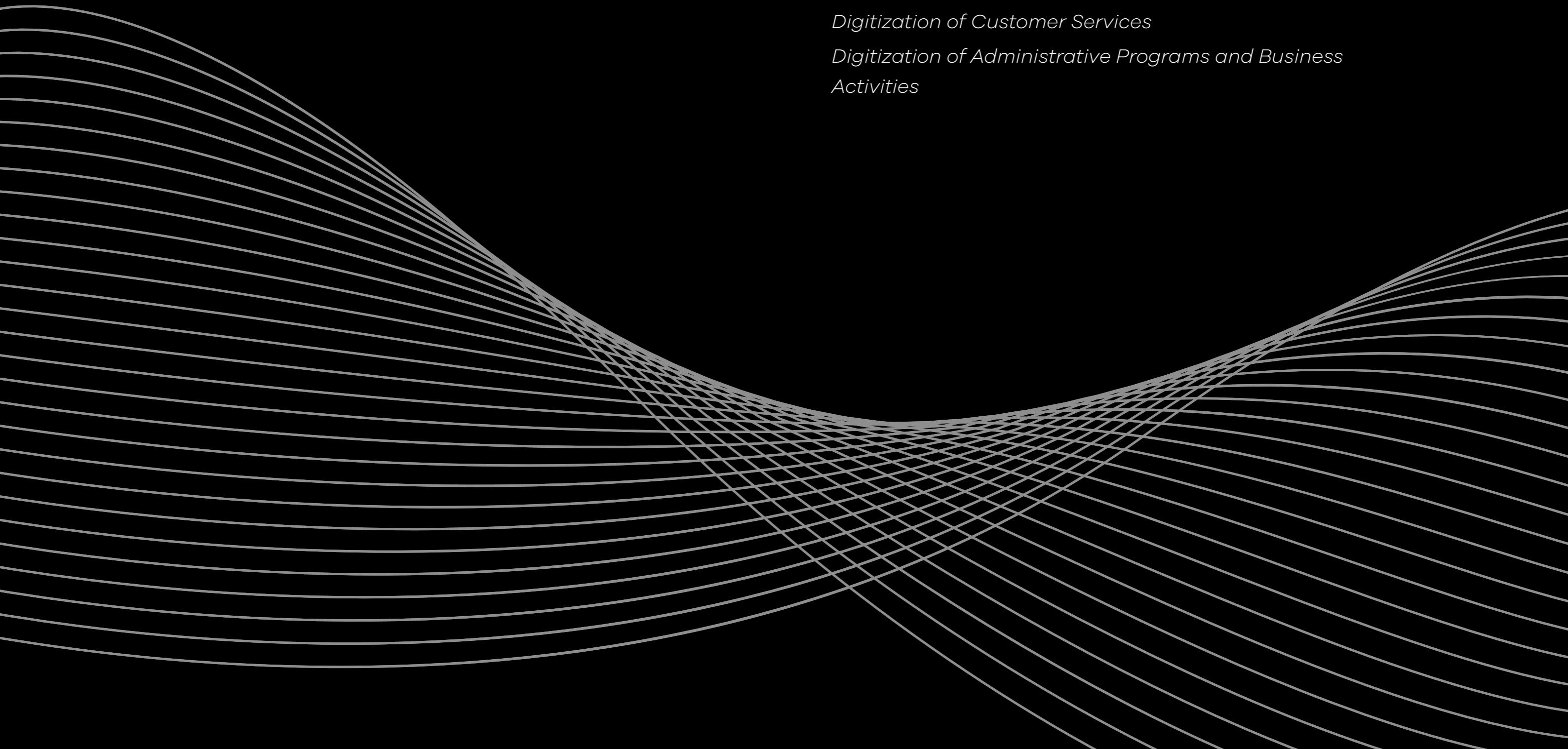
- Pursue ISO/IEC 27001:2022 certification for the ISMS (medium-term).
- Raise security assurance of in-house software (secure SDLC, code review, and vulnerability management).
- Enhance business continuity management (BCP/DR drills, recovery time objectives testing).
- Expand awareness and role-based training, beginning with SGG in 2025 and scaling across SEG.
- Mature third-party security oversight (risk-based onboarding, continuous monitoring, contract clauses).

# Technology and Digital Transformation

## In this section

*Digitization of Customer Services*

*Digitization of Administrative Programs and Business Activities*



# Why this Matters

Digital technology underpins how SOCAR Energy Georgia (SEG) serves customers, runs operations, and controls risk. In 2024 we advanced two streams in parallel: (1) digitization of customer services, and (2) digitization of adminis-

trative and business processes. Shared, holding-level platforms provide the foundation, while SOCAR Georgia Petroleum (SGP) and SOCAR Georgia Gas (SGG) deploy solutions tailored to their operating models.

## Digitization of Customer Services

**Group foundations:** Across all customer-facing products (apps, portals, etc.) SEG IT sets common baselines for identity and access, data privacy, and secure

integrations. Rollouts are supported with short video walkthroughs and onboarding materials for staff, when relevant.

### SOCAR GEORGIA PETROLEUM (SGP)

#### Online corporate purchasing platform (pilot in 2024)

A web platform gives fleet and corporate clients a remote end-to-end journey—from order to settlement—integrated with major Georgian banks (BOG, TBC, ProCredit). Clients can allocate volumes, control usage, and pay by invoice or bank card, with instant confirmation and auditability.

#### Energy Card (loyalty) — enhanced in 2024

SGP strengthened its multi-tier loyalty program that combines discounts, point accrual/redeemption and level-based benefits reflecting prior-month consumption. Front-end changes focused on clarity, redemption ease and engagement across fuel and Way Mart purchases.

#### New consumer mobile app (in development; launch planned 2025)

The SOCAR GEO app (iOS/Android) is designed as the single digital touchpoint for retail customers: exclusive offers, points tracking and redemption (incl. Way Mart), purchase history, station locator (services/prices), news, ratings, voucher and promo code management, and point sharing within families or teams.

### SOCAR GEORGIA GAS (SGG)

#### Customer portal — mygas.ge (expanded in 2024)

The portal consolidates online payments, service-center info, smart-meter requests, supply-status checks and in-

cident reporting. 2024 extensions added smart-meter views (daily consumption and costs), remote reading submission, and—where equipped—online pressure monitoring, reducing technician visits for routine checks.

Next: embed online subscription/connection applications with e-forms, document upload and self-service status tracking.

#### What this means for customers (2024 highlights)

- More services completed online, without a branch visit.
- Faster corporate purchases and clearer controls for fleet managers.
- Transparent usage and billing for households using smart-meter features

## Digitization of Administrative Programs and Business Activities

#### Holding-level electronic document management

SEG operates a group-wide e-documentation system DocFlow (operating since 2014) centralizes correspondence, tasking, approvals, contract lifecycle, procurement registration, and controlled document access—delivering faster cycle times, paper reduction, and stronger audit trails.

#### Digital skills & onboarding

New technology rollouts include short video instructions shared with all relevant staff. Digital modules are embedded in the core training curriculum for new employees

## SOCAR GEORGIA PETROLEUM (SGP)

### Station Automation System

Every station operates on a unified electronic backbone covering retail, corporate, coupon/fuel/loyalty cards, vehicle identification system (VIS), self-service, dry-goods (Way Mart) and AS24 where applicable—ensuring consistent controls and visibility from forecourt to ledger.

### Cash management platform

A dedicated platform captures all cash inflows by employee and service, with

automated reconciliation to banking platforms. This strengthens daily controls and shortens the cash-to-bank cycle.

### Analytical map

A data product launched in 2024 that compiles a national database of fueling stations and monitors peer activity (services, prices, footprint). It supports price policy planning, siting decisions and reporting (distance, service sets, sales overlays).

### Station evaluation system

A multi-component electronic tool to assess filling station and staff performance—combining mystery shopper inputs, sales-plan delivery, and regional manager reviews.

It pinpoints training needs, supports fair evaluations, and protects both employee and employer with documented, traceable assessments.



## SOCAR GEORGIA GAS (SGG)

### CRM — customer relationship management

A unified system registers all customer applications and interactions across channels (service centers, hotline, email), manages escalations to responsible units, and provides analytics on service quality.

### Incident registration & management.

An electronic incident system oversees rapid response and follow-up—covering call-center reports, field repair work orders on assets, and alarm escalations triggered by pressure change monitoring in pipelines, enabling faster dispatch and targeted resolution.

### Gas distribution billing & operations (GDBS) mobile/desktop app

A central app supports field and back-office processes:

- Reading: assignment and capture of meter readings.
- Disconnect/Reconnect: manages supply suspension and restoration with automatic status updates.
- Inventory: registers installed equipment at premises (stoves, heaters, devices).
- Sealing: tracks meter seal data and status changes.
- Shut-off valves: registration and hierarchical mapping.

### GIS — geospatial digitization

A licensed geographic information system records and monitors the distribution network and infrastructure on maps. Functions include asset capture and modification, routing, analytical reporting, and real-time incident visibility on map layers—supporting better planning and response.

### Unified integration platform

In 2024 work began on a standardized integration layer to broker secure, fast, and governed data exchange among internal systems. This reduces point-to-point complexity, speeds delivery of new features (APIs instead of bespoke links), and improves data protection.

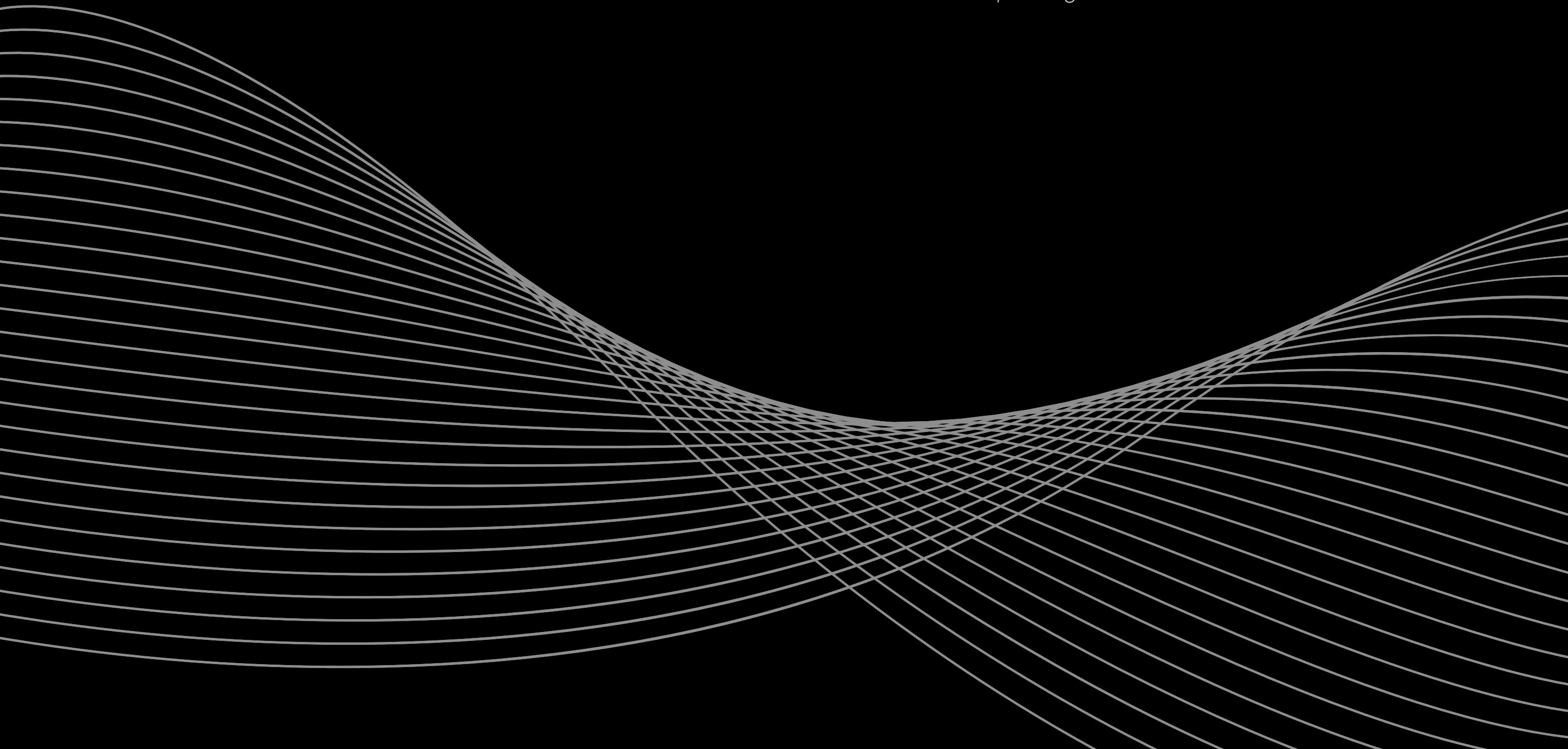


# Indices

## In this section

*GRI Content Index*

*UN GC Ten Principles Alignment Index*



# GRI content index

STATEMENT OF USE		SOCAR Energy Georgia has reported with reference to the GRI Standards for the period January 1, 2024 to December 31, 2024			
GRI 1 USED		GRI 1: Foundation 2021			
APPLICABLE GRI SECTOR STANDARD(S)		GRI 11: Oil and Gas Sector 2021			
GRI STANDARD	DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
<b>GENERAL DISCLOSURES</b>					
GRI 2: GENERAL DISCLOSURES 2021	2-1	ORGANIZATIONAL DETAILS	SOCAR ENERGY GEORGIA: WHO WE ARE AND WHAT WE DO	18-19	
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	2-3	REPORTING PERIOD, FREQUENCY AND CONTACT POINT	ABOUT THIS REPORT	10-11	
	2-4	RESTATEMENTS OF INFORMATION	ABOUT THIS REPORT		N/A, FIRST SUSTAINABILITY REPORT; NO PRIOR DISCLOSURES
	2-5	EXTERNAL ASSURANCE	ABOUT THIS REPORT		THE REPORT HAS NOT BEEN EXTERNALLY ASSURED FOR THIS REPORTING CYCLE
	2-6	ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS	SOCAR ENERGY GEORGIA: WHO WE ARE AND WHAT WE DO; SUPPLIER RELATIONS	22-31, 104-107	PARTLY DISCLOSED, INFORMATION INCOMPLETE
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	2-8	WORKERS WHO ARE NOT EMPLOYEES	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE PROFILE	71-76	
	2-9	GOVERNANCE STRUCTURE AND COMPOSITION	GOVERNANCE, ETHICS AND INTEGRITY > GOVERNANCE FRAMEWORK AND STRUCTURE	34-35	
	2-10	NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY			NOT DISCLOSED, INFORMATION IS CONSIDERED CONFIDENTIAL DUE TO BUSINESS SENSITIVITY

GRI STANDARD	DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
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	2-12	ROLE OF THE HIGHEST GOVERNANCE BODY IN OVERSEEING THE MANAGEMENT OF IMPACTS	GOVERNANCE, ETHICS AND INTEGRITY > -OUR APPROACH TO SUSTAINABILITY; -RISK MANAGEMENT FRAMEWORK	36-37	PARTLY DISCLOSED, INFORMATION INCOMPLETE
	2-13	DELEGATION OF RESPONSIBILITY FOR MANAGING IMPACTS	GOVERNANCE, ETHICS AND INTEGRITY > -OUR APPROACH TO SUSTAINABILITY; -RISK MANAGEMENT FRAMEWORK	36-37	PARTLY DISCLOSED, INFORMATION INCOMPLETE
	2-14	ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING	GOVERNANCE, ETHICS AND INTEGRITY > OUR APPROACH TO SUSTAINABILITY; ABOUT THIS REPORT	11, 36	PARTLY DISCLOSED, INFORMATION INCOMPLETE
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	2-16	COMMUNICATION OF CRITICAL CONCERNS	GOVERNANCE, ETHICS AND INTEGRITY > ACTING IN ACCORDANCE WITH BUSINESS ETHICS	38	
	2-17	COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY			NOT DISCLOSED, PRACTICE NOT IN PLACE
	2-18	EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY	GOVERNANCE, ETHICS AND INTEGRITY > GOVERNANCE FRAMEWORK AND STRUCTURE	34-35	PARTLY DISCLOSED, INFORMATION INCOMPLETE
	2-19	REMUNERATION POLICIES			NOT DISCLOSED, THE INFORMATION IS CONSIDERED CONFIDENTIAL DUE TO BUSINESS SENSITIVITY
	2-20	PROCESS TO DETERMINE REMUNERATION			NOT DISCLOSED, THE INFORMATION IS CONSIDERED CONFIDENTIAL DUE TO BUSINESS SENSITIVITY
	2-21	ANNUAL TOTAL COMPENSATION RATIO			NOT DISCLOSED, THE INFORMATION IS CONSIDERED CONFIDENTIAL DUE TO BUSINESS SENSITIVITY
	2-22	STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY	GOVERNANCE, ETHICS AND INTEGRITY > - OUR APPROACH TO SUSTAINABILITY; - ACTING IN ACCORDANCE WITH BUSINESS ETHICS	36, 38	PARTLY DISCLOSED, INFORMATION INCOMPLETE
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	2-25	PROCESSES TO REMEDIATE NEGATIVE IMPACTS	GOVERNANCE, ETHICS AND INTEGRITY > ACTING IN ACCORDANCE WITH BUSINESS ETHICS	38	PARTLY DISCLOSED, INFORMATION INCOMPLETE
	2-26	MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERN	GOVERNANCE, ETHICS AND INTEGRITY > ACTING IN ACCORDANCE WITH BUSINESS ETHICS	38	
	2-27	COMPLIANCE WITH LAWS AND REGULATIONS	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	39	

GRI STANDARD		DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
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	2-29	APPROACH TO STAKEHOLDER ENGAGEMENT	STAKEHOLDER ENGAGEMENT	14		
	2-30	COLLECTIVE BARGAINING AGREEMENTS	RESPONSIBLE EMPLOYEE PRACTICES > PROTECTING EMPLOYEE RIGHTS	92		
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GRI 3: MATERIAL TOPICS 2021	3-1	PROCESS TO DETERMINE MATERIAL TOPICS	FOCUSING ON MATERIAL TOPICS	13		
	3-2	LIST OF MATERIAL TOPICS	FOCUSING ON MATERIAL TOPICS	13		
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	CREATING ECONOMIC VALUE	42-46		11.14.1
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	CREATING ECONOMIC VALUE	42-43		11.14.2; 11.21.2
	201-2	FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	60		11.2.2
	201-3	DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE WELL-BEING	79		
	201-4	FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT	CREATING ECONOMIC VALUE	44		11.21.3
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	REMUNERATION POLICY & PRACTICE	77		
GRI 202: MARKET PRESENCE 2016	202-1	RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE WELL-BEING	77		
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	CREATING ECONOMIC VALUE	42-46		
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1	INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED	CREATING ECONOMIC VALUE; SUPPLIER RELATIONS	42-46; 104-107		11.14.4
	203-2	SIGNIFICANT INDIRECT ECONOMIC IMPACTS	CREATING ECONOMIC VALUE; SUPPLIER RELATIONS	45-46; 104-107		11.14.5

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GRI 204: PROCUREMENT PRACTICES 2016	204-1	PROPORTION OF SPENDING ON LOCAL SUPPLIERS	SUPPLIER RELATIONS	104-106		11.14.6
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	GOVERNANCE, ETHICS AND INTEGRITY > ACTING IN ACCORDANCE WITH BUSINESS ETHICS	38		11.20.1
GRI 205: ANTI-CORRUPTION 2016	205-1	OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION			NOT DISCLOSED, PRACTICE NOT IN PLACE	11.20.2
	205-2	COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	GOVERNANCE, ETHICS AND INTEGRITY > ACTING IN ACCORDANCE WITH BUSINESS ETHICS	38		11.20.3
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	39		11.19.1
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1	LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	39		11.19.2
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	39		
GRI 207: TAX 2019	207-1	APPROACH TO TAX	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	39		11.21.4
	207-2	TAX GOVERNANCE, CONTROL, AND RISK MANAGEMENT	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	39		11.21.5
	207-3	STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF CONCERN RELATED TO TAX			NOT DISCLOSED, PRACTICE NOT IN PLACE	11.21.6
	207-4	COUNTRY-BY-COUNTRY REPORTING	CREATING ECONOMIC VALUE	44		11.21.7
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS			N/A, NOT A MATERIAL TOPIC	

GRI STANDARD		DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
GRI 301: MATERIALS 2016	301-1	MATERIALS USED BY WEIGHT OR VOLUME			N/A, NOT A MATERIAL TOPIC	
	301-2	RECYCLED INPUT MATERIALS USED			N/A, NOT A MATERIAL TOPIC	
	301-3	RECLAIMED PRODUCTS AND THEIR PACKAGING MATERIALS			N/A, NOT A MATERIAL TOPIC	
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	PROTECTING THE ENVIRONMENT > ENERGY	51		11.1
GRI 302: ENERGY 2016	302-1	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	PROTECTING THE ENVIRONMENT > ENERGY	51-53		11.1.2
	302-2	ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION			NOT DISCLOSED, INFORMATION UNAVAILABLE	11.1.3
	302-3	ENERGY INTENSITY	PROTECTING THE ENVIRONMENT > ENERGY	53		11.1.4
	302-4	REDUCTION OF ENERGY CONSUMPTION			NOT DISCLOSED, INFORMATION UNAVAILABLE	
	302-5	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES			N/A, NOT A MATERIAL TOPIC	
WATER AND EFFLUENTS						
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	PROTECTING THE ENVIRONMENT > WATER & EFFLUENTS	62-63		11.6.1; 11.8.1
GRI 303: WATER AND EFFLUENTS 2018	303-1	INTERACTIONS WITH WATER AS A SHARED RESOURCE	PROTECTING THE ENVIRONMENT > WATER & EFFLUENTS	62-63		11.6.2
	303-2	MANAGEMENT OF WATER DISCHARGE-RELATED IMPACTS	PROTECTING THE ENVIRONMENT > WATER & EFFLUENTS	63		11.6.3
	303-3	WATER WITHDRAWAL	PROTECTING THE ENVIRONMENT > WATER & EFFLUENTS	62	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.6.4
	303-4	WATER DISCHARGE	PROTECTING THE ENVIRONMENT > WATER & EFFLUENTS	63	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.6.5
	303-5	WATER CONSUMPTION	PROTECTING THE ENVIRONMENT > WATER & EFFLUENTS	62-63	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.6.6
BIODIVERSITY						
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	PROTECTING THE ENVIRONMENT > BIODIVERSITY	65	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.4.1

GRI STANDARD		DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
GRI 304: BIODIVERSITY 2016	304-1	OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS			NOT DISCLOSED, INFORMATION UNAVAILABLE	11.4.2
	304-2	SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY			NOT DISCLOSED, INFORMATION UNAVAILABLE	11.4.3
	304-3	HABITATS PROTECTED OR RESTORED			NOT DISCLOSED, INFORMATION UNAVAILABLE	11.4.4
	304-4	IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS			NOT DISCLOSED, INFORMATION UNAVAILABLE	11.4.5
EMISSIONS						
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	54-59		11.1
GRI 305: EMISSIONS 2016	305-1	DIRECT (SCOPE 1) GHG EMISSIONS	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	54-56		11.1.5
	305-2	ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	56-57		11.1.6
	305-3	OTHER INDIRECT (SCOPE 3) GHG EMISSIONS	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	57-58	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.1.7
	305-4	GHG EMISSIONS INTENSITY	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	59	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.1.8
	305-5	REDUCTION OF GHG EMISSIONS	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	59	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.2.3
	305-6	EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)			NOT DISCLOSED, INFORMATION UNAVAILABLE	
	305-7	NITROGEN OXIDES (NO <sub>x</sub> ), SULFUR OXIDES (SO <sub>x</sub> ), AND OTHER SIGNIFICANT AIR EMISSIONS	PROTECTING THE ENVIRONMENT > CLIMATE & EMISSIONS	61	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.3.2
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	PROTECTING THE ENVIRONMENT > WASTE	64		11.5.1
	306-1	WASTE GENERATION AND SIGNIFICANT WASTE-RELATED IMPACTS	PROTECTING THE ENVIRONMENT > WASTE	64		11.5.2

GRI STANDARD		DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
GRI 306: WASTE 2020	306-2	MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACTS	PROTECTING THE ENVIRONMENT > WASTE	64	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.5.3
	306-3	WASTE GENERATED	PROTECTING THE ENVIRONMENT > WASTE	64	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.5.4, 11.8.2
	306-4	WASTE DIVERTED FROM DISPOSAL			NOT DISCLOSED, INFORMATION UNAVAILABLE	11.5.5
	306-5	WASTE DIRECTED TO DISPOSAL	PROTECTING THE ENVIRONMENT > WASTE	64	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.5.6
SUPPLIER ENVIRONMENTAL ASSESSMENT						
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS			NOT DISCLOSED, PRACTICE NOT IN PLACE	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA			NOT DISCLOSED, THE COMPANY DOES NOT SCREEN SUPPLIERS FOR ENVIRONMENTAL RISKS	
	308-2	NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN			NOT DISCLOSED, THE COMPANY DOES NOT SCREEN SUPPLIERS FOR ENVIRONMENTAL RISKS	
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	RESPONSIBLE EMPLOYEE PRACTICES	70		11.10.1
GRI 401: EMPLOYMENT 2016	401-1	NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER	RESPONSIBLE EMPLOYEE PRACTICES > - EMPLOYEE PROFILE; - DIVERSITY, NON-DISCRIMINATION AND EQUAL OPPORTUNITIES	73-76; 90		11.10.2
	401-2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE WELL-BEING	77-79		11.10.3
	401-3	PARENTAL LEAVE	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE WELL-BEING	78-79		11.10.4; 11.11.3
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	RESPONSIBLE EMPLOYEE PRACTICES	77		
GRI 402: LABOR-MANAGEMENT RELATIONS 2016	402-1	MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE WELL-BEING	77		11.10.5, 11.7.2
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GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	HEALTH, SAFETY AND SECURITY	116-120		11.9.1
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	116-120		11.9.2
	403-2	HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	116-120		11.9.3

GRI STANDARD		DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
GRI 403: DIVERSITY AND EQUAL OPPORTUNITY 2016	403-3	OCCUPATIONAL HEALTH SERVICES	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	116-120		11.9.4
	403-4	WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	116-120		11.9.5
	403-5	WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	117, 120		11.9.6
	403-6	PROMOTION OF WORKER HEALTH	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	116-120		11.9.7
	403-7	PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	117, 120		11.9.8
	403-8	WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	116-120		11.9.9
	403-9	WORK-RELATED INJURIES	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	117, 119		11.9.10
	403-10	WORK-RELATED ILL HEALTH	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS	117, 120	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.9.11
TRAINING AND EDUCATION						
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE TRAINING AND TALENT DEVELOPMENT	80-82		
GRI 404: TRAINING AND EDUCATION 2016	404-1	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	RESPONSIBLE EMPLOYEE PRACTICES > - EMPLOYEE TRAINING AND TALENT DEVELOPMENT; - DIVERSITY, NON-DISCRIMINATION AND EQUAL OPPORTUNITIES	80-82		11.10.6; 11.11.4
	404-2	PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS	RESPONSIBLE EMPLOYEE PRACTICES > EMPLOYEE TRAINING AND TALENT DEVELOPMENT	80-82		11.10.7; 11.7.3
	404-3	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS			NOT DISCLOSED, THE COMPANY DOES NOT PROVIDE REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	
DIVERSITY AND EQUAL OPPORTUNITY						
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	RESPONSIBLE EMPLOYEE PRACTICES > DIVERSITY, NON-DISCRIMINATION AND EQUAL OPPORTUNITIES	84		
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES	GOVERNANCE, ETHICS AND INTEGRITY > GOVERNANCE FRAMEWORK AND STRUCTURE; RESPONSIBLE EMPLOYEE PRACTICES > DIVERSITY, NON-DISCRIMINATION AND EQUAL OPPORTUNITIES	35, 84-89		11.11.5
	405-2	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	RESPONSIBLE EMPLOYEE PRACTICES > DIVERSITY, NON-DISCRIMINATION AND EQUAL OPPORTUNITIES	90-91	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.11.6

GRI STANDARD	DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
<b>NON-DISCRIMINATION</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	84	RESPONSIBLE EMPLOYEE PRACTICES > DIVERSITY, NON-DISCRIMINATION AND EQUAL OPPORTUNITIES	11.11.1
GRI 406: NON-DISCRIMINATION 2016	406-1	INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	84	RESPONSIBLE EMPLOYEE PRACTICES > DIVERSITY, NON-DISCRIMINATION AND EQUAL OPPORTUNITIES	11.11.7
<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS		NOT DISCLOSED — THE COMPANY DOES NOT SCREEN SUPPLIERS FOR SOCIAL RISKS	11.13.1
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1	OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK		NOT DISCLOSED — THE COMPANY DOES NOT SCREEN SUPPLIERS FOR SOCIAL RISKS	11.13.2
<b>CHILD LABOR</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS		N/A, NOT A MATERIAL TOPIC	
GRI 408: CHILD LABOR 2016	408-1	OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR		N/A, NOT A MATERIAL TOPIC	
<b>FORCED OR COMPULSORY LABOR</b>					
GRI 3: MATERIAL TOPICS 2021		MANAGEMENT OF MATERIAL TOPICS		NOT DISCLOSED, THE COMPANY DOES NOT SCREEN SUPPLIERS FOR SOCIAL RISKS	11.12.1
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR		NOT DISCLOSED, THE COMPANY DOES NOT SCREEN SUPPLIERS FOR SOCIAL RISKS	11.12.2
<b>SECURITY PRACTICES</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	121	HEALTH, SAFETY AND SECURITY > PHYSICAL SECURITY AND INFRASTRUCTURE PROTECTION	11.18.1
GRI 410: SECURITY PRACTICES 2016	410-1	SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES		NOT DISCLOSED, PRACTICE NOT IN PLACE	11.18.2
<b>RIGHTS OF INDIGENOUS PEOPLES</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS		N/A, NOT A MATERIAL TOPIC	11.17.1
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1	INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES		N/A, NOT A MATERIAL TOPIC	11.17.2

GRI STANDARD	DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
<b>LOCAL COMMUNITIES</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	110		11.15.1
GRI 413: LOCAL COMMUNITIES 2016	413-1	OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS	110-113	PARTLY DISCLOSED, INFORMATION INCOMPLETE	11.15.2
	413-2	OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES		NOT DISCLOSED, COMPANY DOES NOT ASSESS IMPACT OF ITS OPERATIONS ON LOCAL COMMUNITIES	11.15.3
<b>SUPPLIER SOCIAL ASSESSMENT</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS		NOT DISCLOSED, THE COMPANY DOES NOT SCREEN SUPPLIERS FOR SOCIAL RISKS	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA		NOT DISCLOSED, THE COMPANY DOES NOT SCREEN SUPPLIERS FOR SOCIAL RISKS	11.10.8, 11.12.3
	414-2	NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN		NOT DISCLOSED, THE COMPANY DOES NOT SCREEN SUPPLIERS FOR SOCIAL RISKS	11.10.9
<b>PUBLIC POLICY</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	39	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	11.22.1
GRI 415: PUBLIC POLICY 2016	415-1	POLITICAL CONTRIBUTIONS	39	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION	11.22.2
<b>CUSTOMER HEALTH AND SAFETY</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	116-119, 96-101	HEALTH, SAFETY AND SECURITY > SAFE OPERATIONS; CUSTOMER CARE AND QUALITY OF PRODUCTS AND SERVICES	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1	ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES		NOT DISCLOSED, PRACTICE NOT IN PLACE	11.3.3
	416-2	INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES	39, 117, 119, 96-101	GOVERNANCE, ETHICS AND INTEGRITY > COMPLIANCE, TRANSPARENCY AND FAIR COMPETITION; CUSTOMER CARE AND QUALITY OF PRODUCTS AND SERVICES	
<b>MARKETING AND LABELING</b>					
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS		N/A, NOT A MATERIAL TOPIC	

GRI STANDARD		DISCLOSURE	LOCATION WITHIN REPORT (CHAPTER)	PAGE(S)	OMISSION/ EXPLANATION	GRI 11 REF. NO.
GRI 417: MARKETING AND LABELING 2016	417-1	REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELING			N/A, NOT A MATERIAL TOPIC	
	417-2	INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING			N/A, NOT A MATERIAL TOPIC	
	417-3	INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS			N/A, NOT A MATERIAL TOPIC	
<b>CUSTOMER PRIVACY</b>						
GRI 3: MATERIAL TOPICS 2021	3-3	MANAGEMENT OF MATERIAL TOPICS	HEALTH, SAFETY & SECURITY > INFORMATION SECURITY & DATA PRIVACY	122-123		
GRI 418: CUSTOMER PRIVACY 2016	418-1	SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	HEALTH, SAFETY & SECURITY > INFORMATION SECURITY & DATA PRIVACY	122-123		

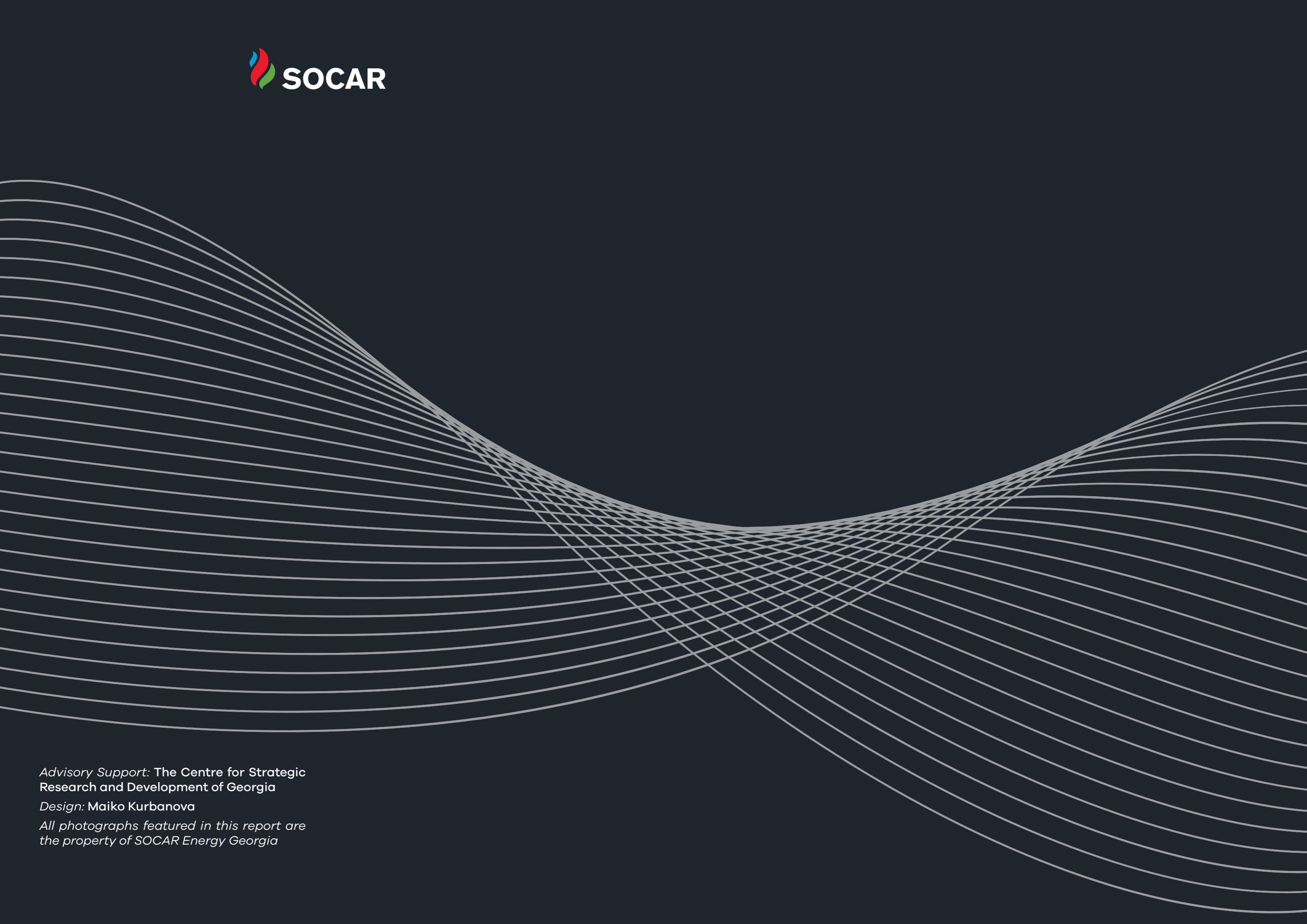
# UN Global Compact Ten Principles Alignment Index

This table illustrates how SOCAR Energy Georgia's Sustainability Report, addresses the Ten Principles of the United Nations Global Compact. The report serves as SOCAR Energy Georgia's Communication on Progress (CoP) for the reporting year, reaffirming its commitment to respect human rights, uphold fair labour practices, protect the environment, and combat corruption in all its forms.

the reporting year, reaffirming its commitment to respect human rights, uphold fair labour practices, protect the environment, and combat corruption in all its forms.

UN Global Compact Principle	Relevant Sections in this Report	Page(s)
<b>Human Rights</b>		
<b>Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.</b>	<b>Governance, ethics and integrity</b>	<b>34-39</b>
	<b>Responsible Employee Practices &gt; Protecting Employee rights</b>	<b>92</b>
	<b>Health, Safety and Security</b>	<b>116-123</b>
<b>Principle 2. Businesses should make sure that they are not complicit in human rights abuses.</b>	<b>Governance, ethics and integrity</b>	<b>34-39</b>
	<b>Responsible Employee Practices &gt; Protecting Employee rights</b>	<b>92</b>
	<b>Supplier Relations</b>	<b>104-107</b>
	<b>Health, Safety and Security</b>	<b>116-123</b>
<b>Labour</b>		
<b>Principle 3. Business should uphold the freedom of association and the effective recognition of the right to collective</b>	<b>Responsible Employee Practices &gt; Protecting Employee rights</b>	<b>92</b>

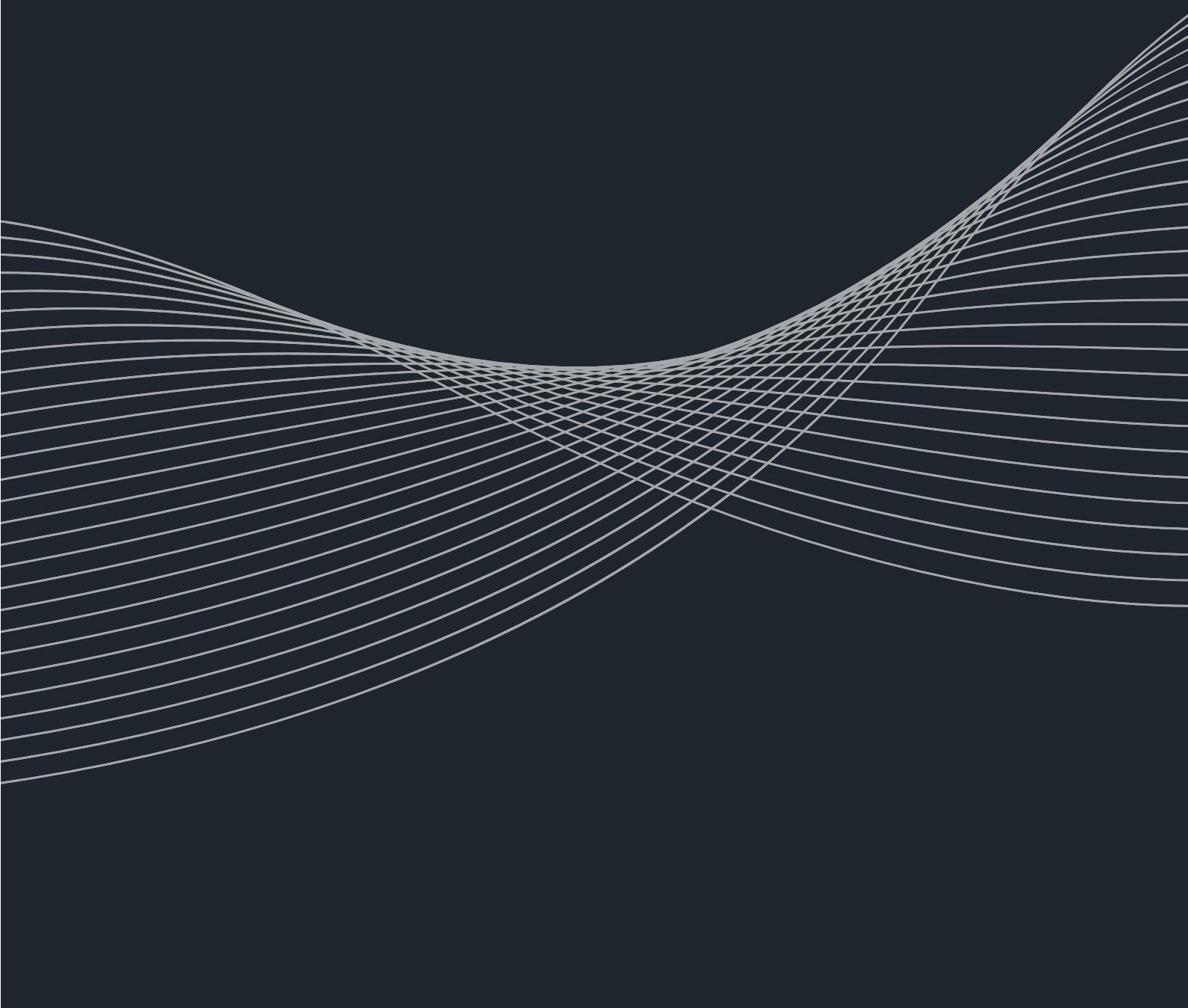
Labour			Environment		
<b>Principle 4. The elimination of all forms of forced and compulsory labour</b>	<b>Responsible Employee Practices</b>	70-92	<b>Principle 7. Business should support a precautionary approach to environmental challenges.</b>	<b>Protecting the environment</b>	50-65
	<b>Supplier Relations &gt; Compliance and risk basics in the supply chain</b>	105		<b>Governance, ethics and integrity &gt; Risk management framework</b>	37
	<b>Governance, ethics and integrity &gt;</b> <ul style="list-style-type: none"><li>- Risk management framework</li><li>- Acting in accordance with business ethics</li><li>- Compliance, transparency and fair competition</li></ul>	37-39		<b>Health, Safety and security &gt; Safe operations</b>	116-120
<b>Principle 5. The effective abolition of child labour.</b>	<b>Responsible Employee Practices</b>	70-92	<b>Principle 8. Undertake initiatives to promote greater environmental responsibility.</b>	<b>Protecting the environment</b>	50-65
	<b>Supplier Relations &gt; Compliance and risk basics in the supply chain</b>	105		<b>Protecting the environment &gt; Reducing our climate impact: renewables and e-mobility</b>	59
	<b>Governance, ethics and integrity &gt;</b> <ul style="list-style-type: none"><li>- Risk management framework</li><li>- Acting in accordance with business ethics</li><li>- Compliance, transparency and fair competition</li></ul>	37-39		<b>Supporting Communities</b>	110-113
<b>Principle 6. The elimination of discrimination in respect of employment and occupation.</b>	<b>Responsible Employee Practices &gt;</b> <ul style="list-style-type: none"><li>- Employee Well-being</li><li>- Training and Talent Development</li><li>- Diversity, Non-discrimination and Equal Opportunities</li></ul>	77-91	<b>Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery</b>	<b>Governance, ethics and integrity &gt;</b> <ul style="list-style-type: none"><li>- Acting in accordance with business ethics</li><li>- Risk management framework</li><li>- Compliance, transparency and fair competition</li></ul>	37-39
	<b>Governance, ethics and integrity &gt; Acting in Accordance with business ethics</b>				

A large, abstract graphic element occupies the background, consisting of a dark gray surface with a subtle, undulating texture. Overlaid on this surface is a series of thin, light gray lines that form a grid-like pattern, suggesting a wireframe or a series of connected points. The lines are more densely packed in the center and taper off towards the edges, creating a sense of depth and perspective.

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