

SOCIAL RESPONSIBILITY



SOCAR Petroleum S.A. is the Romanian representative entity of the oil and natural gas company owned by the Republic of Azerbaijan (SOCAR - State Oil Company of Azerbaijan Republic), one of the best-rated international companies in the oil field. In this capacity, we engage in creating social values and providing benefits to our environment and to the entire community with all our energy. We carry out important projects in this field by adopting state-of-the-art technologies and applications, at international standards.

Through the quality of the services and products provided, we want to prove to our customers that SOCAR is constantly concerned with the continuous improvement of the performance of its products and services, by meeting the needs and expectations of all stakeholders (customers, suppliers, partners, authorities, employees, society).

SOCAR complies with the current applicable legislation regarding the environment, occupational health and safety, food safety, as well as any changes in the Romanian or European legislation regarding its own processes and activities, thus supporting the maintenance of a balance between social, economic and environmental requirements.

In order to systematically coordinate and control activities and processes, to increase environmental performance, to control factors that influence the level of occupational health and safety of employees and food safety, SOCAR is committed to implementing and maintaining an integrated management system for quality, environment, occupational health and safety, food safety, in accordance with the provisions of SREN ISO 9001:2015, SREN ISO 14001:2015, SREN ISO 45001:2018, SREN ISO 22000:2019 standards.

HUMAN RESOURCES



Our employees represent our most valuable resource, therefore our performance would not be possible without the involvement and know-how of our employees. That is why SOCAR Petroleum is constantly concerned with the professional development of its employees and with the creation of a motivating work environment.

SOCAR is concerned about the safety of its employees, who work in an area with operational risk, and to this end, the company adopts ecological approaches to its projects. Consequently, it implements not only the quality and environmental management systems, prescribed by ISO, but also carries out its activities in the Integrated Management System, established in 2014 and periodically recertified on time, the last edition, in March 2023. SOCAR targets the development of the work technology and use of the available equipment and materials that can ensure a high level of security for its employees.

The education and personal and professional development of our employees is one of the company's objectives, being our responsibility to stimulate their growth and the growth of the communities in which we operate.

Professional training is carried out on the basis of training plans, which take into account the level of training, basic skills, the need and requirements of the position the employee occupies, the possibilities of progress, as well as the requirements of the organization at that time.

Dedicated professional programs are available to all our colleagues and focus on the specifics of the activity and their development needs, aiming at improving both technical (hard skills) and non-technical (soft skills) skills.

We support the principle of equal opportunities between men and women and we want SOCAR's staff structure to have a balance between the number of women and the number of men, but we are aware that this is strongly influenced by the profile of the activities we perform, and thus achieving a balanced gender ratio is a challenge. Thus, employees of different nationalities, different religions work in the company, making a very good team together. The gender distribution is also fair, with a rate of 42% men and 58% women.

The respect for diversity and inclusion is an integral part of our set of values and is present in all interactions within the company. Thus, SOCAR's commitment to diversity, inclusion and equal opportunities encompasses all aspects of the employment relationship, from recruitment and employment, training, promotion and career development, to remuneration and working conditions.

SOCAR ended 2022 with 760 employees, 11 more than the in previous year.

The employees carry out their activity on the basis of individual employment contracts concluded for an indefinite term, thus offering greater confidence to the employees in their future within the SOCAR team. Approximately 85% of them represent directly productive staff and 15% represent indirectly productive staff, including technical, economic and administrative staff.

It is important to mention that SOCAR Petroleum operates in a competitive market, where the workforce faces many challenges, such as migration and the lack of qualified staff. Also, both the approach of the companies and the employees is changing in relation to the work process, as it was defined in the past. Thus, competitive salary packages are no longer the only motivation, and non-financial benefits and organizational culture are becoming more and more important for attracting and retaining employees.

The package of compensations and benefits/bonus schemes was reanalyzed and adjusted in 2022, taking into account market trends, legislative changes, as well as the challenges of the current economic context. Thus, the company offers employees a series of benefits, regardless of the type of contract (indefinite/definite), the employee's work schedule or work experience. Salary benefits are established in accordance with the Collective Labour Agreement and are based on the activity, results, experience and individual performance of each employee.

A fundamental principle by which SOCAR guides its activity is the non-existence of any kind of discrimination or harassment based on ethnic, racial, sexual, political, religious or any other criteria, in the hiring and promotion processes, as well as in the relationship with partners, collaborators and our clients.

The company's approach to the issues of corruption and bribery is based on the following working principles: corruption is wrong, illegal, destructive, and in this regard, accepting and offering bribes is prohibited. In addition, our business model is protected from the occurrence of such behaviours, as the company has long-term relationships based on trust with all its partners. Anti-corruption policies and procedures are also found in the company's Internal Rules of Procedure and are communicated to new employees during the on-boarding program. The company encourages a working environment with both external and internal partners, based on fairness, loyalty, respect and professionalism.

OCCUPATIONAL HEALTH AND SAFETY



Since the safety of our employees also depends on the level of understanding and knowledge of the occupational risks and dangers, we regularly organize training on the main causes of accidents, as well as prevention and protection measures.

The implementation of the Occupational Safety and Health management system complements the existing organizational system at the company level and encourages the systematic application of occupational safety and health legislation, achieving the integration of this field into the SOCAR integrated general management. The general objectives of Occupational Safety and Health Management within SOCAR refer to the achievement of the global long-term objective “Zero occupational accidents”, achievable by preventing occupational accidents by ensuring safe and healthy working conditions for employees, contractors and visitors and maintaining this system at a developed level, in order to continuously improve OHS performance and to actively manage risks.

The process regarding the identification of hazards, the assessment and management of OSH risks is documented at the company level through implemented procedures, which include several instructions covering specific activities: the identification, reporting and treatment of OSH events, the communication of OSH events, the measurement of OSH performance and the monitoring of occupational health and safety indicators, as well as training in the OHS field.

Following hazards identification and risk assessment for the workplaces in the company, prevention and protection measures of a technical, organizational, hygienic-sanitary and other nature are defined for each of them, necessary to eliminate/reduce risks and ensure employees' security and health.

FOOD SAFETY



SOCAR is preoccupied with the continuous improvement of the activity of organizing, preparing and carrying out specific food safety activities with the resources and means available: the optimal management, based on economic efficiency criteria, of the logistic potential and the allocated financial resources, for the fulfilment of the objectives in the field food safety; providing specialized technical assistance to all sectors of activity for the organization and implementation of specific food safety activities; the participation of the company's management in the development and implementation of development projects and programs in order to modernize work processes related to food safety.

SPONSORSHIPS/DONATIONS



SOCAR supports charitable events and makes donations especially in local projects represented by Non-Governmental Associations for helping children with disabilities and serious conditions, but also by sponsoring some sports events. Through all our actions and projects, we aim to contribute to the sustainable development of communities, taking care to offer the following generations as well the chance for a promising future.

SOCAR desires to contribute to the evolution of the society and the development of the civic spirit, through permanent concern for alignment with global trends. Thus, we will continue, responsibly and in accordance with our sponsorship policies, to support initiatives that help to the development of the communities and offer our support to organizations that implement projects with an impact on society.



SOCAR uses modern execution technologies and carries out projects focused on environmental and health protection.

Thus, the company adopted principles of sustainable development from an environmental perspective, by:

- complying with environmental legal requirements
- waste minimization and pollution prevention
- preserving natural resources
- sustainable land use
- continuously improving the environmental management

These projects are supported through continuous environmental training, through the monitoring and permanent reduction of emissions and polluting agents from air, water, soil.

In accordance with these principles of company sustainable development, it is constantly envisaged:

- reducing electricity consumption by implementing projects based on the state-of-the-art technologies for all registered consumers, both for new investments and for the adequate modernization of existing units;
- reducing the consumption of fossil fuels by monitoring the operating consumption and complying with the scheduled technical overhaul programs for specific equipment (cars, generators, etc.);
- reducing water/gas consumption (as appropriate) by monitoring consumption, modernizing equipment and automating installations;
- reduction of municipal waste by 50% by 2030 according to the legislation in force and the equivalent increase in the share of recycled waste by 50%.

The provisions of the legislation in force, recorded in the operating permits, are complied with through the execution technologies, the selective collection and storage of the waste generated from the current activity in dedicated containers and spaces, the recycling of used batteries, the management of used oils by using suitable containers for collection, thus acting to avoid air, soil or underground water contamination. Continuous air, water and soil quality monitoring programs are provided for compliance. Waste and used oils are recovered and disposed of only through authorized companies, thus complying with the applicable legislation in the field.

Focusing on the environment and people, while making its long-term investments, SOCAR aims to pass on a clean and liveable world to future generations.

ENERGY



Adopting as a strategy making investments to meet Romania's energy needs, SOCAR contributes to the supply of superior, state-of-the-art products, thus delivering clean and renewable energy. In order to respond to the latest trends regarding the promotion of ecological engines, SOCAR has installed equipment to supply cars with electric energy, thus acting in accordance with its responsibilities to business partners and the environment.

The installation of photovoltaic panels in some of the fuel distribution stations and the expansion of the implementation of this project in the following years in the entire network is another proof of the company's focus on the pillar of green energy.

Consequently, SOCAR sets goals for reducing energy consumption, allocating resources for the development of projects to increase energy efficiency, to minimize the carbon footprint in energy management, thus providing a guarantee for the environmental protection.

SOCAR brings its contribution to the market through high quality products, in accordance with international norms and standards.

THE INSTRUMENTS ESTABLISHED TO COMBAT CORRUPTION AND BRIBERY.



The approach to the issues of corruption and bribery is supported by the company's management and starts from the most basic idea: corruption is wrong, illegal and we do not offer or accept bribes. In addition, our business model is protected from the occurrence of such behaviours, as the company has long-standing, trust-based relationships with all of its partners. Anti-corruption policies and procedures are communicated to new employees during employment training; the anti-corruption policies and procedures are periodically communicated to all our employees. Through the measures taken by the company, there were no incidents of corruption or bribery during the reporting period.

SOCAR Petroleum has **no cases of bribery or corruption, cases of discrimination, there were no incidents related to the work of minors and no legal actions** regarding anti-competitive behaviour, related to monopoly or anti-trust practices.

SOCAR Petroleum has a business model that prevents the occurrence of such cases/behaviours. The policies and procedures that must be observed in order to eliminate such situations, which are communicated and complied by all company employees, can be found in the Internal Rules of Procedure.

INFORMATION ON THE PREVENTION OF HUMAN RIGHTS ABUSES



Respect for human rights is an integral part of the company's entrepreneurial responsibility. SOCAR respects the dignity and personal rights of each individual employee and colleague, as well as of the third parties with whom the company has business relations, so that the company's activities are consistent with national policies, development priorities and structure and social objectives of the countries in which it operates. Employees are trained on human rights policies or procedures every year.

In the case of SOCAR Petroleum, taking into account the amendments of OMF 1802/2014 regarding the applicability of the European Union regulation 2020/852, regarding the establishment of a framework to facilitate sustainable investments and amending the European Union regulation 2019/2088, regarding the presentation of non-financial information, the company had analyzed the activities carried out and did not identify any material activity carried out that is eligible from the taxonomy point of view, according to the Annex of EU Regulation 2020/852.