ESG REPORT 2025

PUBLIC VERSION

SOCAR TRADING

SOCAR TRADING

ESG Report 2025

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SOCAR Trading ESG Report 2025

List of acronyms and abbreviations

Abbreviation	Definition
ADEME	French Environment and Energy Management Agency
AIS	Automatic Identification System
AML	Anti-money Laundering
BoD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CI	Carbon Intensity
CLO	Chief Legal Officer
CSSO	Chief Sustainability & Strategy Officer
CRO	Chief Risk Officer
COP	Conference of the Parties
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Trading Officer
DoA	Delegation of Authority
EF	Emission Factor
EEOI	Energy Efficiency Operational Indicator
ERM	Enterprise Risk Management
ESG[1]	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ETRM	Energy Trading and Risk Management
ETS	Emissions Trading System
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
HSEC	Health, Safety, Environment and Communities
HFO	Heavy fuel oil

1. *Throughout the Report, ESG and sustainability performance may be used interchangeably*

Abbreviation	Definition
LFO	Light fuel oil
IMO	International Maritime Organization
IPCC	Intergovernmental Panel on Climate Change
IROs	Impacts, Risks and Opportunities
IETA	International Emissions Trading Association
ICGN	International Corporate Governance Network
KPI	Key Performance Indicator
KYC	Know Your Counterparty
LCDS	Low Carbon Development Strategy
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MDO	Marine diesel oil
MGO	Marine gas oil
mmt	Million metric ton
MRV	Measurement, Reporting and Verification
MtM	Mark to Market
Mtoe	Metric ton of oil equivalent
NGO	Non-governmental Organization
NOC	National Oil Company
OKR	Objectives and Key Results
P&L	Profit and Loss
REMIT	Regulation on Wholesale Energy Market Integrity and Transparency
SDGs	Sustainable Development Goals
SASB	Sustainability Accounting Standards Board
SCC	Sea Cargo Charter
SOCAR	State Oil Company of the Azerbaijan Republic
SPP	Stockage de Produits Petroliers
TSO	Transmission System Operator
TCFD	Task Force on Climate-related Financial Disclosures
VaR	Value at Risk
WISTA	Women's International Shipping and Trading Association

SOCAR Trading ESG Report 2025

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Statement from the CEO


Natig Mustafayev,
CEO of SOCAR Trading

Dear stakeholders,

I am pleased to present SOCAR Trading's fifth ESG Report, highlighting our key achievements throughout 2025—my first year as Chief Executive Officer.

2025 was another strong year for the company. Despite operational challenges and market volatility, meeting our customers' needs remained our top priority. We successfully delivered over 47 MMT of crude oil and products and more than 7 MMT of LNG and gas, bringing total traded volumes to circa 55 MMT. This represents an approximately 11% year-on-year increase and the highest volume traded since 2019.

Over the year, we undertook several strategic workstreams to adapt to evolving market conditions. Our objective is to expand our global reach, build a diversified and sustainable portfolio, and better align our strategy with the broader objectives of the SOCAR Group and the needs of our customers.

LNG and gas volumes reached their highest absolute level in our history. Transitional commodities accounted for around 15% of our portfolio, maintained despite significant growth in our core crude trading activity, particularly in the Atlantic basin. Growth in LNG volumes was the primary contributor, and we expect further expansion as LNG increases its share in global gas markets.

Our EcoVadis ESG performance score placed SOCAR Trading in the 81st percentile among more than 150,000 companies globally and in the top 12% within our industry.

We also achieved an important milestone in carbon markets. In cooperation with Azerenerji OJSC, we brought small hydropower plants in Lachin, Azerbaijan, to the international carbon market. Certified by Gold Standard, the carbon credits issued in January 2026 represent the first internationally issued renewable voluntary carbon credits in Azerbaijan—a historic step for renewable energy and carbon project development in the country.

Looking ahead to 2026, our focus will be on deeper integration of the Group's asset ecosystem into trading, continued expansion of our core crude and refined products capabilities, and further build-out of low-carbon and transitional commodity trading. LNG and LPG portfolio expansion, alongside biofuels development, will remain our key near-term priorities.

This report outlines both our progress and areas of continued focus. I would like to thank our partners, colleagues, and stakeholders for their continued support and collaboration.

FLAME TOWERS

The Flame Towers are an iconic trio of skyscrapers that define Baku's modern skyline. Inspired by Azerbaijan's historic association with fire, their curved glass facades are illuminated by dynamic LED displays that resemble flickering flames, blending contemporary architecture with cultural symbolism.

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About This Report

SOCAR Trading presents its fifth ESG Report, published on an annual basis, outlining its aspirations and commitments as well as key achievements with respect to material ESG topics associated with its performance.

01

Reporting Standards

This Report was prepared *in accordance* with Global Reporting Initiative (GRI) Standards – the most widely used global sustainability reporting standards - and has been externally assured according to this standard[2].

The Report also draws on elements of the European Sustainability Reporting Standards (ESRS), particularly the Double Materiality Assessment (DMA), as well as the United Nations Sustainable Development Goals (SDGs), as additional, non-assured reference frameworks.

02

Adjustments

To ensure the transparency, comprehensiveness and accuracy of our disclosed indicators, we have provided explanatory notes throughout the Report for any indicators that have undergone adjustments or changes in calculation methodology compared to the previous Report.

03

Reporting boundaries

The information disclosed in this Report covers the period of 01.01.2025 – 31.12.2025 with the most significant events associated with SOCAR Trading's ESG performance in earlier years also being discussed. There are no differences between the list of entities and the reporting periods of our financial and sustainability reporting.

The entities covered by the sustainability reporting include our main trading hubs with the most material impacts, as listed below, if not indicated otherwise:

- SOCAR Trading SA - **Geneva**
- SOCAR Trading (UK) Limited - **London**
- SOCAR Trading Singapore Pte., Ltd. - **Singapore**
- SOCAR Trading (North America) LLC - **Houston**
- SOCAR Trading Middle East FZCO[3] – **Dubai**
- SOCAR Trading Gas & Power SARL - **Luxembourg**

As part of standard reporting procedures, the CEO of SOCAR Trading is responsible for the review and approval of the current Report. All material restatements to information for previous reporting years are indicated in their respective sections. Specific notes are provided to highlight assumptions and cases of expert judgment used for data compilation.

The GRI Content Index can be found at the end of the Report on pages 111-129. The Independent Practitioner's Assurance Report provided by EY can be found on pages 130-132 of the current Report.

Forward-looking statements

The following report includes forward-looking statements. Forward-looking statements describe the vision of the future presented by the Company based on its current or initial understanding of the organization's progress and capacity to reach its targets. SOCAR Trading expects report users to understand the natural limitation of these statements and, as such, cannot be held accountable for any kind of damage arising from the reliance of report users on these statements.

We welcome feedback and any questions that can arise regarding the information disclosed in this Report. We encourage you to address your feedback to the following point of contact:

Email: sustainability@socartrading.com

2. *Compared to the previous report, the TCFD is no longer used as a reference standard, as it has been superseded. Climate-related disclosures are now reported under the new GRI 102 – Climate Change standard, which incorporates key elements of the former TCFD framework. Although full alignment with GRI 102 is required from 2026, we have undertaken an early and partial adoption to support a gradual transition from the previous framework. We aim to further enhance and complete our climate-related disclosures in the next reporting cycle.*
3. *Including SOCAR Shipping FZCO and its subsidiaries, which are part of the reporting boundary*

HEYDAR ALIYEV **CULTURE CENTER**

The Heydar Aliyev Center is one of Baku's most recognizable landmarks, designed by renowned architect Zaha Hadid. As a vibrant cultural hub, it hosts exhibitions, events, and performances that celebrate contemporary Azerbaijani culture. Its flowing, wave-like form and smooth white surfaces create a sense of movement and elegance, offering visitors a striking visual experience both inside and out.

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About SOCAR Trading

3.1 SOCAR Trading at a glance

SOCAR Trading is a global commodity trading organization, which was established in 2007 as a marketing arm of the State Oil Company of Azerbaijan Republic (SOCAR). Initially, SOCAR Trading was founded with the mandate to market crude oil from the Azeri-Chirag-Gunashli (ACG) and surrounding fields. Today, SOCAR Trading is a global commodity trader headquartered in Geneva, with more than 200 employees in five trading offices spanning across Europe, Asia, Middle East and United States.

Through the years, SOCAR Trading has developed a variety of business relationships, particularly with state-owned entities, and steadily diversified its trading portfolio to include different types of commodities, spanning various hydrocarbon-based products, such as Crude Oil, Light and Middle distillates, LNG, LPG, Natural Gas as well as biofuels and environmental products.

Our signature product, Azeri crude, is traded predominantly through the Baku-Tbilisi-Ceyhan pipeline (BTC) from Ceyhan, Türkiye and the Western Route Export Pipeline (WREP) from Supsa, Georgia. SOCAR Trading trades various crude oil grades as well as a variety of petroleum products globally through its network of trading offices. In the East from Singapore, we continue building business relationships with our valuable partners in Asia. SOCAR Trading also develops important business bonds in several locations in the Middle East and Africa from its Dubai office. Our trading activity in North and South America is managed from the US office respectively.

We continue looking to combine our trading activities with continuous investment in physical infrastructure assets to generate sustainable trading flows.

	Total volume of commodities traded[4]	Total volume of crude oil and refined products traded
2025	54.97 mmt	47.43 mmt
2024	49.68 mmt	42.27 mmt
2023	51.63 mmt	46.41 mmt

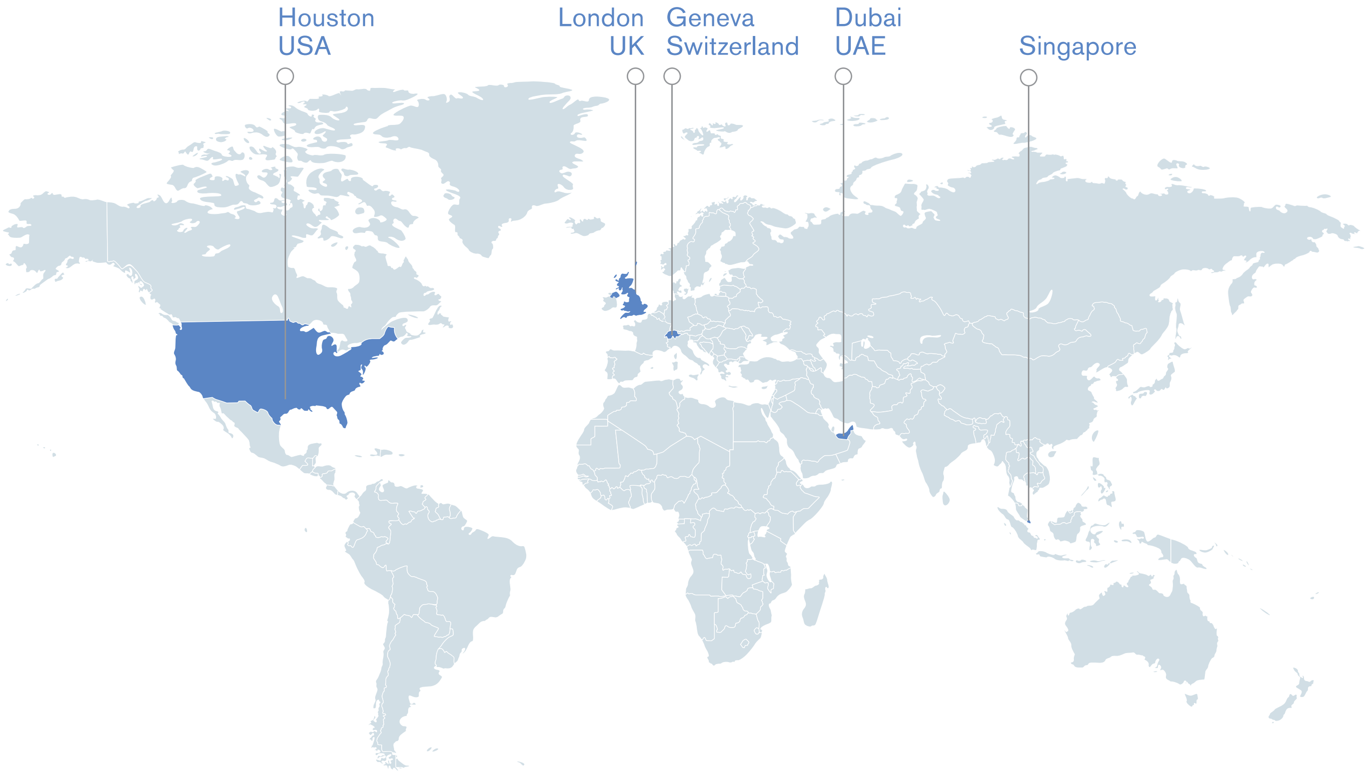
	Total volume of LNG/ Natural gas traded	Total number of employees worldwide
2025	7.54 mmt	251
2024	7.41 mmt	231
2023	5.22 mmt	214

	Total number of counterparties	Total GHG emissions in metric tons[5]
2025	284	917,240
2024	251	927,205
2023	253	1,006,918

4. 2023 volumes have been subject to minor adjustments to align with the accounting methodology adopted from 2024 onwards.

5. Total GHG emissions include Scope 1, Scope 2 market-based, Scope 3 (Capital goods, Fuel and energy related activities, Upstream transportation and distribution, Business travel, Employee commuting, Upstream leased assets, Investments). For more details, please refer to Section 5.2.1.

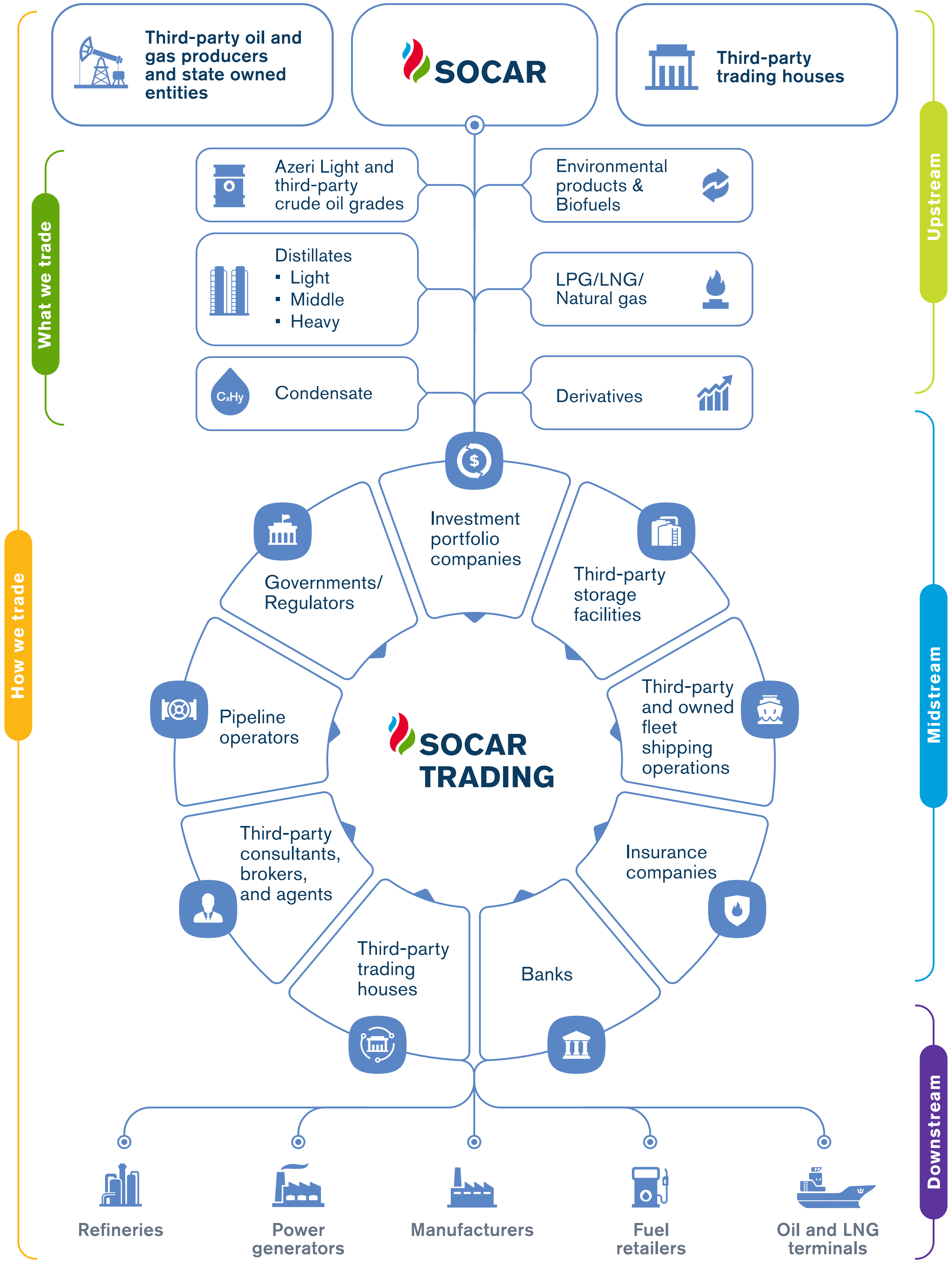
Figure 1. SOCAR Trading offices around the globe



Total number of employees per office:

Geneva	London	Dubai	Houston	Singapore
112	28	86	8	17

3.2 The value chain

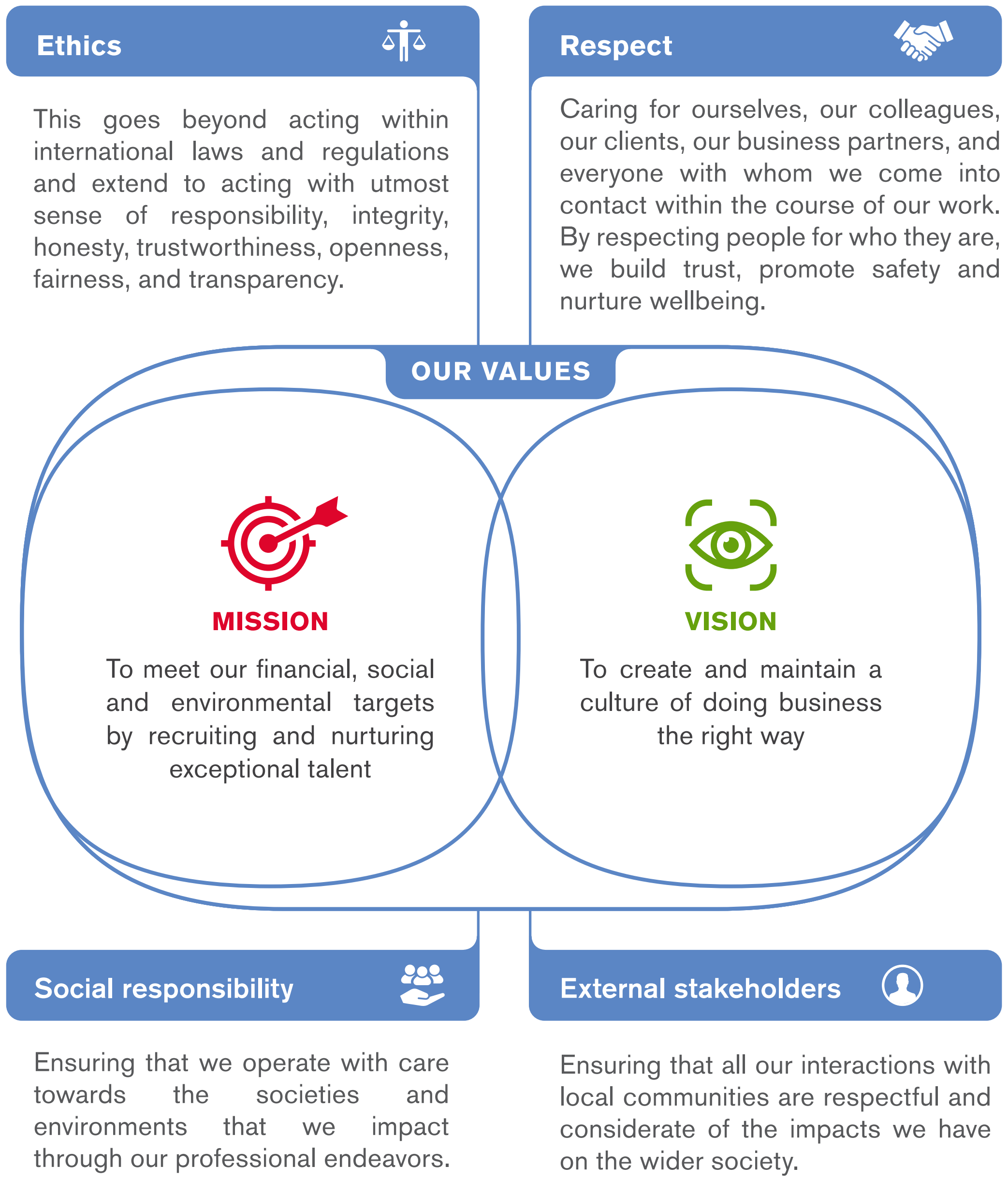


3.3 Mission, vision and values

As an ambitious commodity trading organization, we are aligning our future aspirations and targets with our overarching purpose and sustainability framework.

We are inspired by the idea that our everyday actions allow us to bring energy security to where it is needed the most. We are committed to enhancing positive and reducing negative impacts on our stakeholders by integrating our responsible business approach into all our operations and strategic objectives. **Our mission, vision, and values shape our strategic trajectory and are an indispensable part of our organizational identity.**

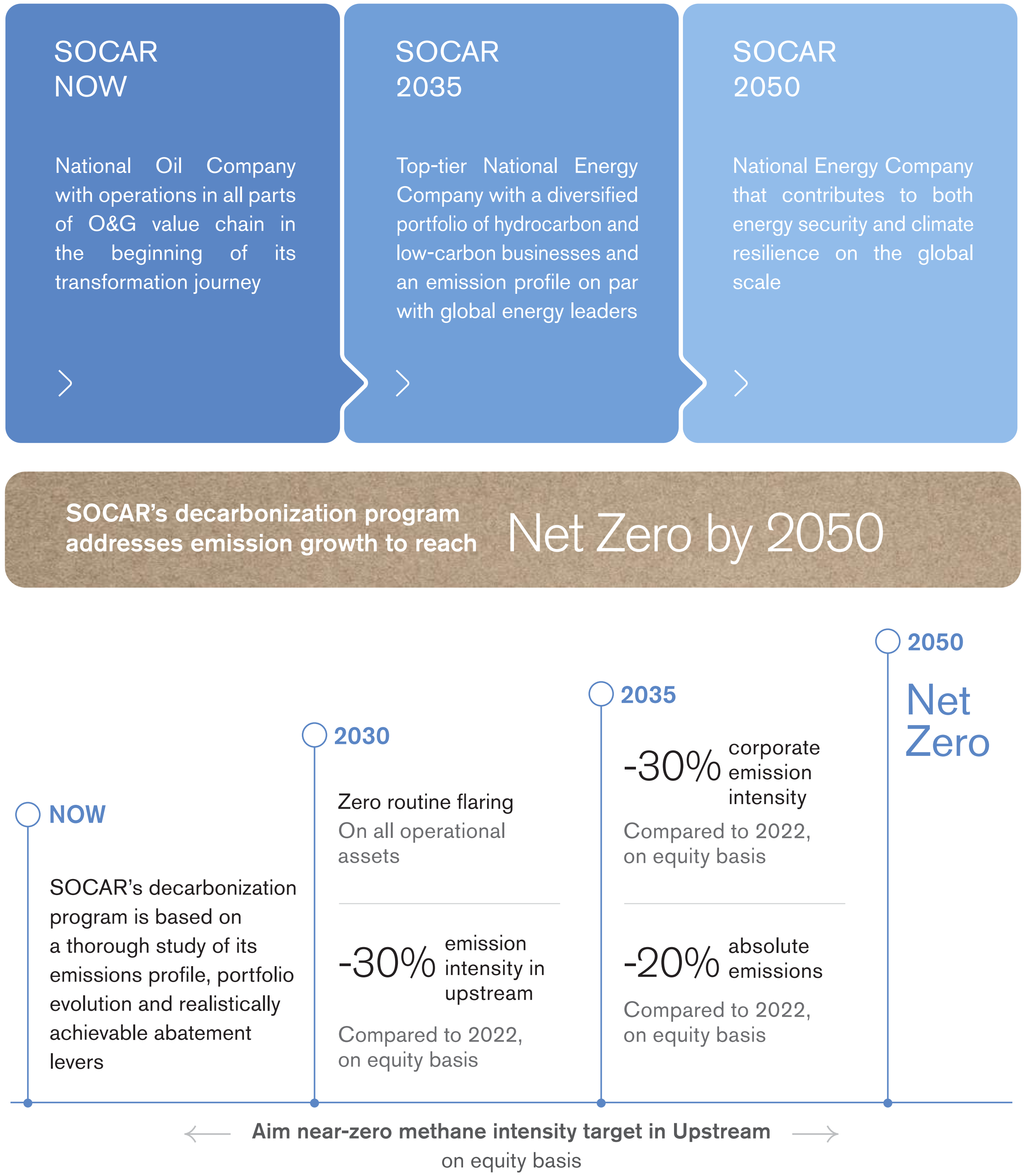
Figure 2. SOCAR Trading's mission, vision and values



3.4 SOCAR Decarbonization Strategy

In 2025, SOCAR progressed in the implementation of its decarbonization strategy, in line with its broader objective of evolving into a National Energy Company providing affordable, secure and sustainable energy globally.

Figure 3. Transformation of SOCAR



To reach its decarbonization goals, SOCAR leverages internal enablers, such as core decarbonization, low-carbon businesses and organizational transformation and partnerships.

Decarbonization of the core

Launched full-scale decarbonization program of our operations across all key geographies.

Organizational transformation and partnerships

Commenced the change of the company's operational model and DNA to support the energy transition: new procedures, tools and organizational units aimed at decarbonization and growing low-carbon businesses.

Low-carbon businesses

Established new low-carbon business line in partnerships with leading global companies – renewables (solar, wind and geothermal), green hydrogen and sustainable fuels.

SOCAR aims to decarbonize the core of its operations via the program launched in January 2024 within all SOCAR assets covering 9 main levers:

- Carbon Capture and Utilization (CCU) units to convert CO2 into products at chemical assets
- Energy efficiency programs
- Deflaring in Downstream
- Substitution of Scope 2 with renewable energy
- Biogas production to replace fossil fuels
- Electrification of equipment
- Offsetting
- Methane abatement program / Leak detection and repair (LDAR)
- Carbon Capture, Utilization and Storage (CCUS)

PALACE OF NAKHCHIVAN KHANS

The Palace of Nakhchivan Khans in Nakhchivan is an 18th century architectural monument, showcasing traditional Azerbaijani palace design in the style of the Nakhchivan-Maragha school. The palace embodies the craftsmanship of the period while preserving the historic legacy of the Nakhchivan Khanate.

4 ESG management at SOCAR Trading

ESG PROGRESS

2025 represented a significant year for SOCAR Trading and its ESG framework, as sustainability considerations continued to gain prominence amid a dynamic geopolitical environment and evolving regulatory measures worldwide. In this context of increasing complexity, we continued to advance our ESG agenda in a structured and pragmatic manner.

During the year, we further strengthened and streamlined our ESG reporting practices, enhanced monitoring of ESG-related regulatory developments, continued tracking key performance indicators, and progressed targeted CSR initiatives.

In response to the rapidly changing regulatory landscape, we developed the ESG Regulatory Compass—an internal tool designed to support ongoing monitoring of regulatory developments and readiness for future compliance requirements. The Compass covers ESG-related regulations relevant to the jurisdictions in which our main trading hubs operate and is regularly updated and shared across relevant functions.

Following the acquisition of a fleet of nine vessels during the year, we initiated the collection of relevant environmental, health, and safety metrics to establish a baseline that will inform future monitoring and decision-making related to our ESG approach.

ESG PROGRESS

In the final quarter of the year, we received our 2025 ESG rating from EcoVadis, with a score of 69 out of 100, representing a four-point improvement compared to the previous year and confirming the positive trajectory observed since our first assessment.

In parallel, we implemented several CSR initiatives across the locations where we operate and two biodiversity-focused projects in Azerbaijan.

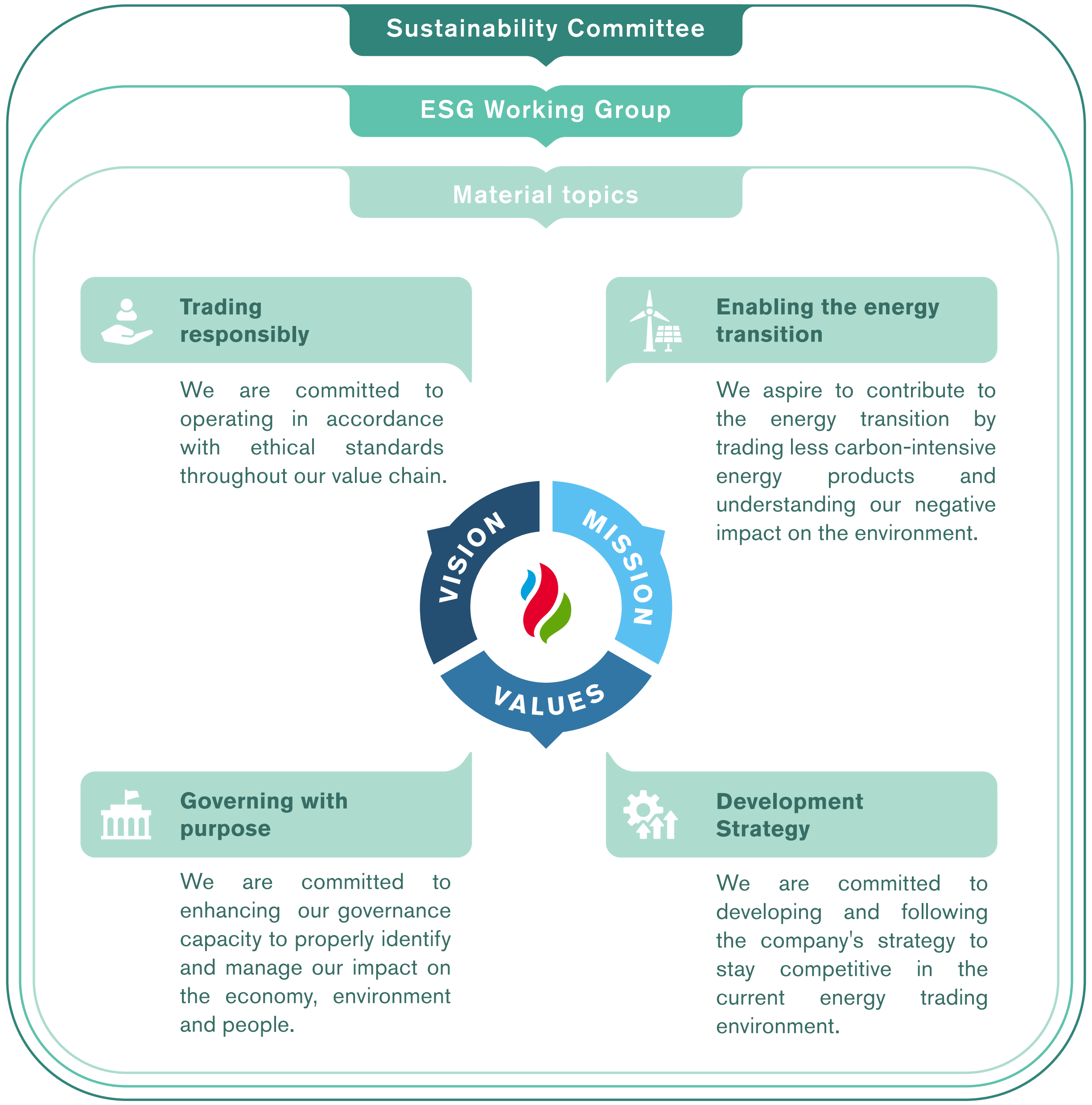
Governance of sustainability matters continued through regular Sustainability Committee meetings, which provided a forum for strategic discussions on ESG reporting, regulatory developments, and key activities undertaken during the year.

Building on this progress, we will continue to refine our ESG approach, focusing on data quality, regulatory preparedness, and targeted initiatives aligned with our business activities.

We intend to become a sustainability-driven organization with a diversified portfolio of energy commodities that not only brings energy security but also does so in line with the overarching goals and targets of the energy transition.

While trying to achieve our strategic goals, we intend to act responsibly in all our business engagements throughout the value chain.

Figure 4. SOCAR Trading's ESG framework



For more details on the ESG Governance Framework within SOCAR Trading, please see section 5.2 of the present document.

4.1 ESG strategic objectives and targets

The figure below outlines the three key pillars of our ESG Strategy. These pillars form the foundation of our ESG objectives, reflecting our strategic commitment to advancing ESG competence and contributing to global goals. **To ensure that our operations and aspirations align with ESG principles, we have updated our strategic KPIs and targets.** Figure 6 outlines our strategic objectives in relation to ESG initiatives while Table 1 includes specific targets associated with such objectives.

Figure 5. SOCAR Trading ESG Strategy

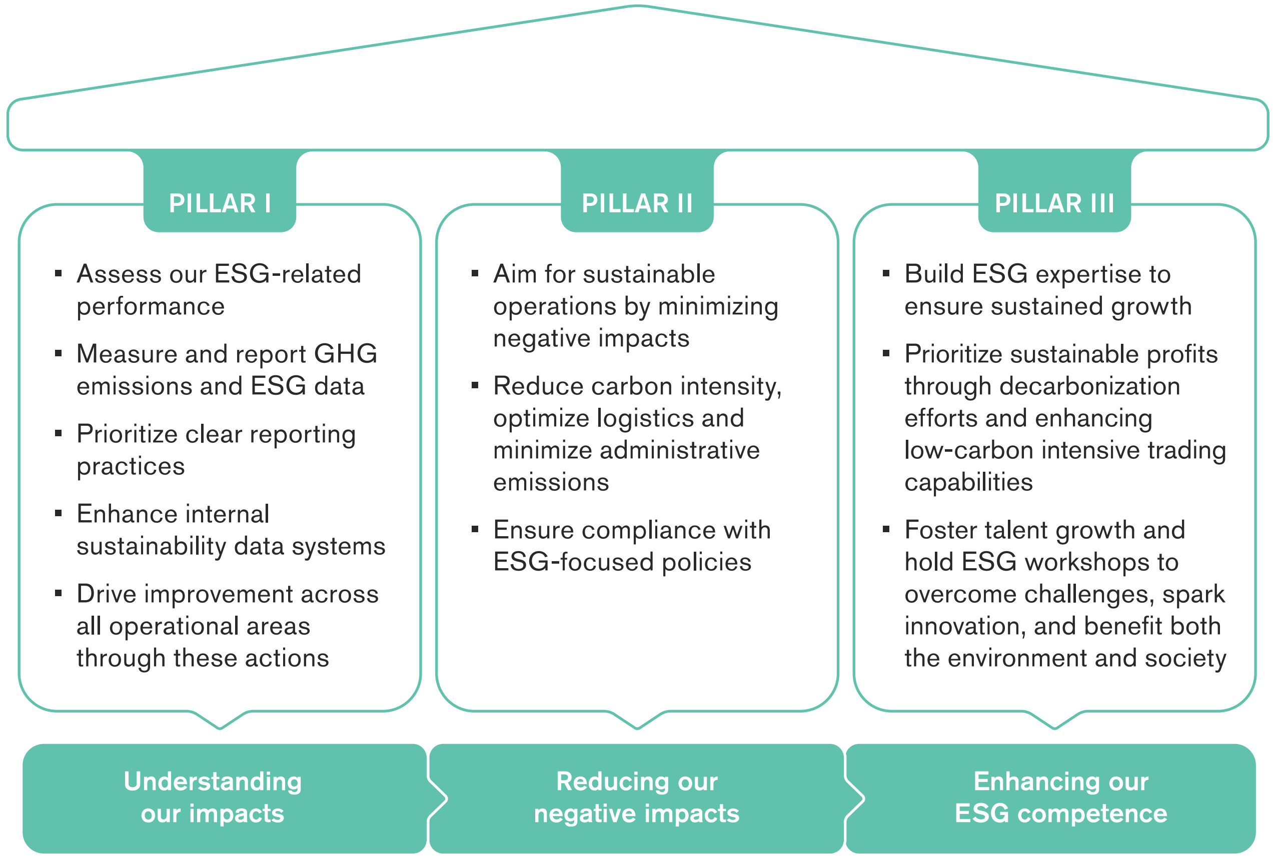


Figure 6. SOCAR Trading's ESG strategy

Pillar I: Understanding our impacts

These actions are intended to lay the foundation of our management approach of SOCAR Trading's most significant impacts on the economy, environment and people.

Assess our ESG-related performance

By establishing a basis for measuring our sustainability performance we are enabling appropriate target setting and reporting capabilities.

Our goals

- Continuously measure and report GHG emissions
- Ensure regular application of a GHG calculation tool for accurate and consistent measurements and reporting
- Continuously collect ESG related data (such as HR statistics and policy breaches) to understand performance

Report regularly on ESG-related performance

By maintaining an annual reporting practice, we are establishing accountability and building the appropriate framework for transparent and continuous reporting of our ESG performance.

Our goals

- Regularly disclose information about our most significant impacts in an annual ESG Report
- Regularly enhance our reporting practice
- Regularly improve our internal systems for consolidating sustainability-related data

Enhance ESG governance

By improving ESG governance of SOCAR Trading and our investment companies, we strengthen our capacity to identify and manage our most significant impacts on the economy, environment and people.

Our goals

- Hold regular Sustainability Committee meetings, at least two every year
- Perform an external assurance of ESG reporting
- Develop, review and follow ESG-focused policies and processes
- Ensure company's compliance with ESG-related policies
- Ensure regular ESG data reporting by non-controlled investment companies
- Hold regular sessions on ESG subjects tailored to specific functions

Pillar II: Reducing our negative impacts

These actions are intended to demonstrate our commitment to reduce our most significant negative impacts on the environment, society and stakeholders.

Reduce carbon-intensity of the trading portfolio

By measuring and tracking lifecycle carbon intensity of the physical commodities we trade, we can understand our negative impacts better and take definitive actions to reduce them.

Our goals

- Continue increasing traded volumes of transitional commodities (i.e., LNG, natural gas, LPG) in the portfolio
- Support SOCAR Group and sister companies on the decarbonization projects to reduce CI of system molecules

Reduce our administrative emissions

By improving efficiency in our offices and sourcing renewable electricity, we aim to reduce emissions associated with office-related energy consumption.

Our goals

- Electrify vehicle fleet
- Ensure efficient use of electricity and other resources at trading offices
- Procure renewable energy or emission abatement certificates at trading offices

Optimise logistics to reduce carbon intensity of the chartering activity

By chartering modern, energy-efficient vessels and optimizing logistics we intend to reduce the environmental impacts of our shipping operations.

Our goals

- Employ analytical tools and improve the skills of our employees for better logistics management
- Incentivise employees to reduce carbon intensity of the chartering activity
- Ensure alignment of own chartering operations with IMO carbon intensity targets

Manage operational, legal and regulatory risks

By implementing and enforcing ESG focused policies and procedures, monitoring the regulatory environment and evaluating ESG impacts, we manage key risks.

Our goals

- Continuously assess ESG related risks across trading transactions and investment companies
- Ensure continuous implementation and enforcement of key ESG focused policies
- Continuously monitor changes to ESG-related policies to identify risks and opportunities

Pillar III: Enhancing our ESG competence

These actions are intended to develop our market expertise and analytical capability, provide commercial know-how, upscale positive impacts and enable us to contribute to the energy transition.

Sustainable earnings from core business

By improving our ESG performance and achieving our ESG objectives, we contribute to sustainable profitability.

Our goals

- Support SOCAR Group companies on the projects to reduce CI of system molecules we trade
- Reduce negative impacts and upscale positive impacts across the value chain

Increase activity in transitional commodity trading

By leveraging our existing trading know-how, we intend to increase the share of transitional commodities in the trading portfolio, with a particular focus on LNG and natural gas.

Our goals

- Expand the gas value chain in Europe
- Increase our LNG trading volumes

Develop zero and low carbon trading capabilities

Since 2021, we have been developing our environmental product and biofuels trading capabilities. We are now active on both compliance and voluntary carbon markets and are developing carbon projects in our core markets.

Our goals

- Increase traded volumes of environmental products at both compliance and voluntary markets
- Develop carbon reduction, removal and avoidance projects
- Increase traded volumes of biofuels

Attract and develop talent

By engaging and providing development opportunities to our employees and contractors, our key stakeholder group, we create suitable environment to attract and retain top quality talent.

Our goals

- Identify and address training needs of the employees
- Hold regular function/subject specific sessions on ESG matters

During the reporting year, we have continued to strengthen our business practices by closely monitoring progress toward our ESG targets. The targets are classified into three categories (environmental, social, and governance) and presented in the Table 1. Each target is aligned with our overarching ESG objectives mentioned in the preceding figure.

Table 1. ESG KPIs[6]

Achieved | Partially achieved | Ongoing | Not Achieved

Pillar	Environment	Target Year	Status	Reference in Report
II	Ensure alignment of carbon intensity of chartering operations with IMO targets[7]	Continuous[8]	Not Achieved	Section 5.3
III	Implement at least one (CSR or commercial) project with positive biodiversity impact	Continuous	Achieved	Section 5.4
Pillar	**Social**	**Target Year**	**Status**	**Reference in Report**
I	Zero incidents of grievances about labor practices[9]	Continuous	Achieved	Section 6.1.4
I	Zero incidents of discrimination	Continuous	Achieved	Section 6.1.1
I	Zero incidents resulting in injury[10]	Continuous	Not Achieved	Section 6.1.6
I	Zero incidents of human rights violation (i.e., modern slavery practice)	Continuous	Achieved	Section 6.1.3
III	Implement at least two CSR projects	Continuous	Achieved	Section 6.4

6. The target to reduce Scope 1 and 2 emissions by 30% by 2025 has been removed from the table, as it was conditional on the company not bringing operational assets under its control during the target period. Following the acquisition of nine vessels in June 2025, the target is no longer applicable under the revised organizational boundary. In addition, the target was achieved ahead of schedule.

7. IMO target is based on the decarbonization trajectory target as defined by Sea Cargo Charter (SCC), which is consistent with the ambitions of the IMO, including its revised 2023 IMO GHG Strategy for GHG emissions from international shipping to drop to net-zero around 2050 compared to 2008 levels with indicative checkpoints in 2030 and 2040 on a well-to-wake basis. When calculating EEOI, voyages over data accuracy of which we had the highest degree of confidence were covered by calculations, representing more than 90% of total GHG emissions from chartering activity. Voyages in the Caspian region were excluded from the carbon intensity calculations due to limited direct and AIS data, as well as limited choice over fleet availability.

8. In light of the revised SCC decarbonization trajectories, the horizon over which this target is assessed is under internal review, including assessment against a 2030 checkpoint.

9. Grievances about labor practices are defined as concerns regarding potential violations of labor laws or employment-related obligations by the employer. This metric reflects grievances identified and addressed through internal processes during the reporting period. During the reporting period, two employee-related matters were reported to Human Resources. As these cases do not fall within the scope of labor practices grievances as defined above, the objective is considered to have been met.

10. During the reporting period, one occupational health and safety incident was recorded involving a non-employee worker engaged through a contractor. The incident did not result in a high-consequence work related injury. For additional information, please refer to section 6.1.6

Pillar	Governance	Target Year	Status	Reference in Report
I	Ensure water and electricity consumption reporting by offices is available	Continuous	Partially achieved	Section 5.5
I	Zero reported incidents of corruption	Continuous	Achieved	Section 7.2
I	Zero reported incidents of money laundering	Continuous	Achieved	Section 7.2
I	Zero reported instances of trading with sanctioned authorities	Continuous	Achieved	Section 7.2
I	Zero reported instances of market abuse	Continuous	Achieved	Section 7.2
III	Obtain a third EcoVadis ESG rating assessment, achieving a score of 66 or higher	2025	Achieved	Section 4.2
III	Obtain the fourth EcoVadis ESG rating assessment, further improving the current score	2026	Ongoing	Section 4.2

4.2 Our ESG rating score

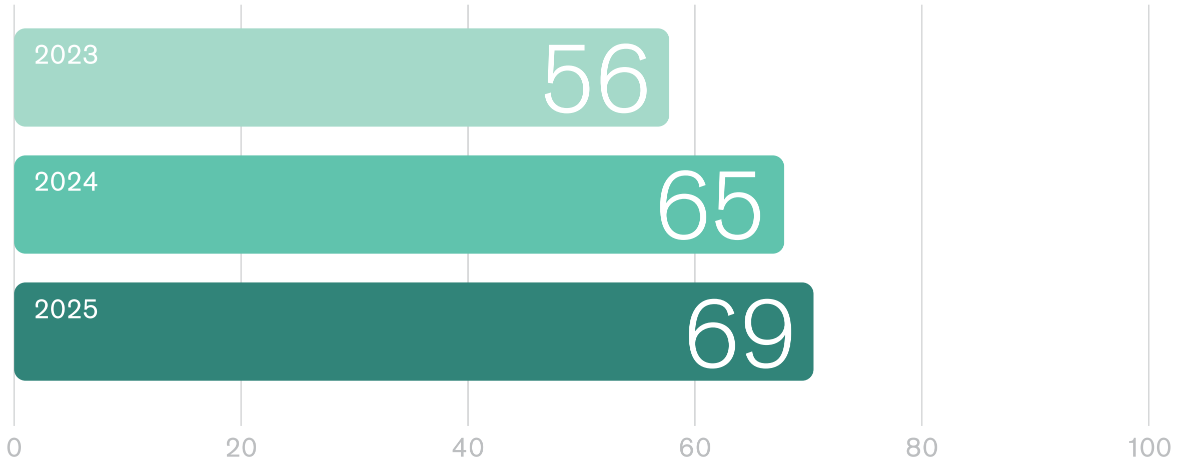
During the reporting period, SOCAR Trading underwent its third assessment of its ESG performance by EcoVadis, an independent sustainability rating provider. We achieved a score of 69 out of 100 (Figure 7),[11] representing an improvement of four points compared with the previous assessment and continuing the upward performance trend observed since its first EcoVadis evaluation. This result places us in the 81st percentile of the EcoVadis universe, indicating performance equal to or higher than that of 81% of the more than 150,000 companies rated globally.

The EcoVadis assessment covers four areas: (a) Environment, (b) Labour and Human Rights, (c) Ethics, and (d) Sustainable Procurement. Progress was observed primarily in the Environment, Ethics, and Sustainable Procurement themes, reflecting strengthened reporting practices and additional actions.

Building on these results, we will use the assessment outcomes to identify areas for further improvement and to inform the ongoing development of our ESG approach.

11. Please refer to the following link to view further details and methodology information about our EcoVadis recognition: https://recognition.ecovadis.com/IBVE5172akmYeC22wQMkuA

Figure 7. SOCAR Trading's ESG rating score



4.3 Defining what matters

We recognize that the process of 'defining what matters' is essential for aligning our ESG Strategy. As part of our effort to enhance our sustainability reporting practices and to align with upcoming regulatory standards, during the previous reporting cycle we conducted a Double Materiality Assessment to identify our sustainability material issues from both impact and financial perspectives. Further details on each step of the analysis are provided below:

Understanding the context

The process began with a comprehensive analysis of key business streams, activities and geographic locations. Business relationships were mapped across the upstream and downstream value chains to provide a holistic view of ESG impacts across the entire business ecosystem. Additionally, the legal and regulatory framework, media reports, peer activities, sector-specific benchmarks, sustainability publications and scientific literature were analyzed to ensure a robust evaluation.

Engaging with relevant stakeholders

To ensure a comprehensive perspective, a diverse range of stakeholders was actively engaged throughout the process. This structured engagement captured insights from all levels of the organization as well as from key external partners. The stakeholder groups involved included business partners, civil society representatives, corporate management and employees.

Identification of the actual and potential IROs related to sustainability matters

A comprehensive evaluation was conducted to identify sustainability matters relevant to the company's operations, value chain and broader business ecosystem. This process involved compiling a long list of sustainability topics and assessing actual and potential impacts, risks and opportunities (IROs). The identification process was based on:

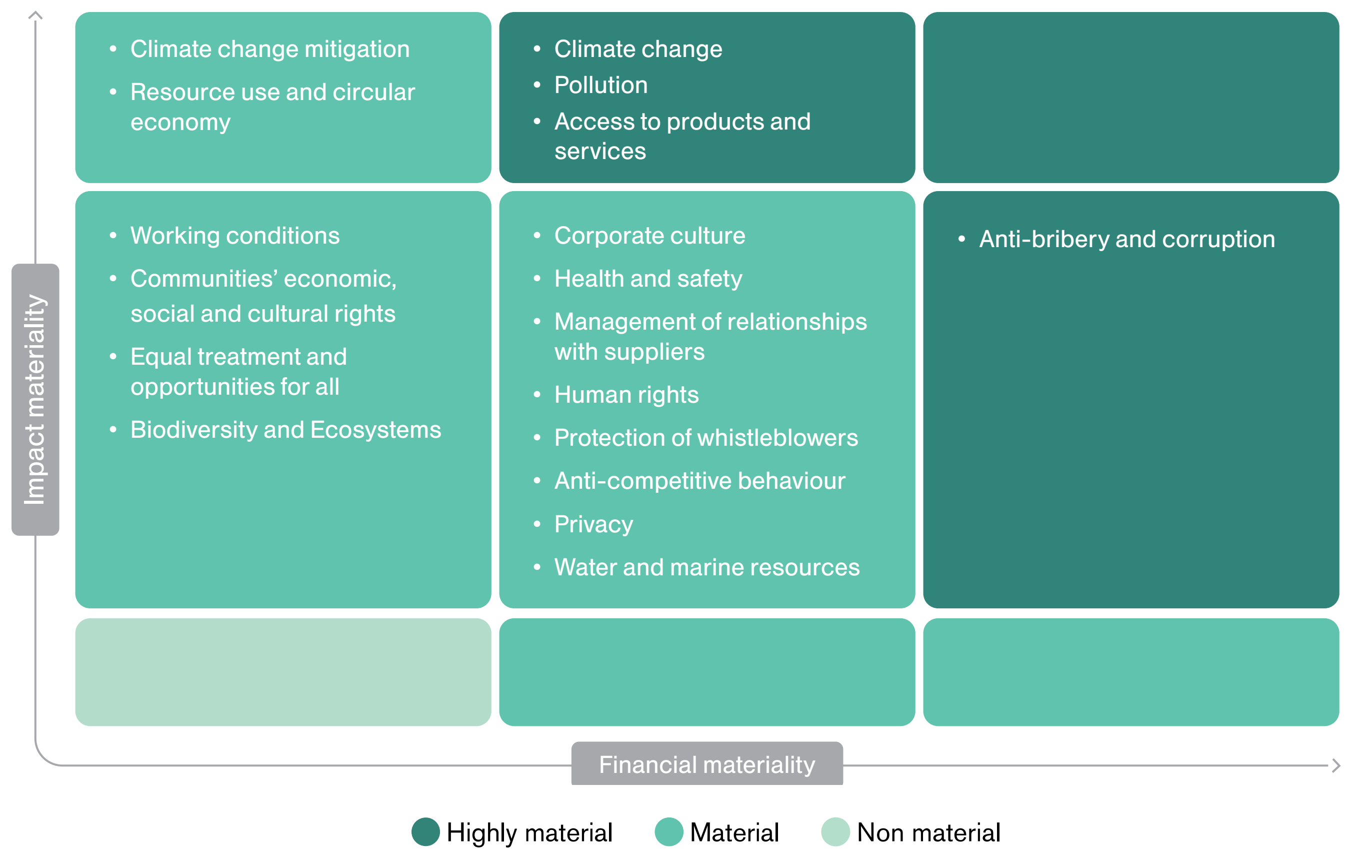
- Previous Impact Assessments: findings from past evaluations were reviewed to ensure continuity in tracking sustainability issues and to integrate lessons learned from previous reporting cycles.
- Peer Impact Materiality Assessments: sector-specific materiality analyses conducted by industry peers provided valuable benchmarking insights, ensuring alignment with evolving sustainability standards and stakeholder expectations.
- Sectoral Best Practices: industry-leading frameworks and best practices were incorporated to ensure the assessment reflects recognized sustainability trends, regulatory developments and stakeholder concerns.

Assessment and determination of material IROs related to sustainability matters

In line with relevant standards, the materiality of IROs and related sustainability matters was assessed from a dual perspective:

- Impact Materiality Assessment: nearly 500 participants - including external partners, civil society and employees - evaluated the scale, scope, and persistence of sustainability impacts. Their assessments also considered the likelihood and time horizon of potential impacts.
- Financial Materiality Assessment: Key company functions - spanning compliance, human resources, ESG, risk and IT - were involved in the analysis of sustainability-related risks and opportunities. This financial assessment focused on the magnitude, likelihood and time horizon financial impacts.

Figure 8. Double materiality matrix



The results of the Double Materiality Assessment are presented in a comprehensive matrix. The horizontal axis represents financial materiality, while the vertical axis captures impact materiality. This visual representation provides a balanced overview of our sustainability priorities, ensuring that both impact and financial dimensions are given due consideration in our strategic decision-making.

In 2025, we performed a targeted review of the DMA to reflect relevant developments in our business activities during the year, primarily the acquisition of a fleet of nine vessels. This review did not indicate changes to the overall outcomes of the previous assessment.

From an impact perspective, the environmental and social impacts associated with shipping activities had already been identified and assessed within our value chain, with the main change being that certain impacts are now direct rather than indirect. From the financial perspective, we revisited the prior assessment with input from relevant internal stakeholders across key functions. No material changes were identified, as the contribution remains limited in the context of the Group's consolidated results.

Therefore, the list of material topics identified through the 2024 DMA remains unchanged and continues to form the basis of our ESG disclosures for the reporting year. The table below offers detailed insights into our material topics, aligning them with our ESG strategy pillars and highlighting their connections to specific Sustainable Development Goals (SDGs).

Table 2. Material topics and connections to SDGs

	Topic	ESG Strategy Pillar	Description of our impact	Link to SDG	Reference
Environmental	Climate change	II	Our unwavering commitment to reducing our carbon footprint remains at the forefront of our efforts. To this end, we are dedicated to minimizing our Scope 2 emissions through the sourcing of renewable electricity. Additionally, we understand the significant role of energy efficiency and are continuously exploring innovative solutions to enhance our energy conservation efforts.	7 Affordable and clean energy; 13 Climate action	Sections 5.2 and 5.2.1 of the Report
Environmental	Climate change mitigation	III	As part of our commitment to advancing the global effort to combat climate change and accelerate the energy transition, we have taken proactive steps. These include participating in carbon markets and enhancing the global capacity to supply relatively low-carbon energy and environmental products. We remain dedicated to our efforts in pursuing carbon trading, as well as carbon removal and avoidance projects through our Carbon Desk.	7 Affordable and clean energy; 13 Climate action	Sections 5.2 and 5.2.1 of the Report
Environmental	Pollution	I	We acknowledge that pollution can arise at various stages of our value chain, affecting air, water, and soil quality. As we continue to assess our ability to influence our indirect impacts, we aim to identify opportunities to contribute to their mitigation.	7 Affordable and clean energy; 12 Responsible consumption and production	Section 5.3 of the Report
Environmental	Resource use and circular economy	I	Natural resources play a key role in our value chain and their finite nature underscores the importance of considering more circular models. We are committed to improving resource management within our operations by enhancing efficiency and further developing our trading capabilities around environmental products, such as biofuels.	12 Responsible consumption and production	Sections 3.1 and 5.5 of the Report
Environmental	Biodiversity and ecosystems	II	We recognize the critical role of biodiversity and ecosystem services in maintaining ecological balance and long-term sustainability. Through regular CSR initiatives that positively impact biodiversity, we aim to support conservation efforts, enhance ecosystem resilience, and contribute to the protection of natural habitats.	14 Life below water; 15 Life on land	Section 5.4 of the Report
Environmental	Water and marine resources	I	We understand that water is a vital and finite resource essential to sustaining life on our planet. As part of our commitment to responsible resource management, we ensure that all our offices accurately monitor and report their water consumption. While our direct water usage is limited to office operations, we acknowledge the broader environmental impacts that may arise throughout our value chain.	12 Responsible consumption and production	Sections 5.4 and 5.5 of the Report
Social	Equal treatment and opportunities for all	III	We recognize the importance of representation within the company, and we embed equal opportunities, diversity, and inclusion into our corporate culture. Our Equal Opportunities and Diversity provisions in our HR Handbook apply to everyone, including employees, workers, agency workers, contractors, as well as volunteers, and prohibits discrimination based on race, religion, ethnicity, nationality, age, gender, sexual orientation, disability, or other particulars protected by law.	5 Gender equality	Section 6.1.1 of the Report
Social	Working conditions	III	At SOCAR Trading, we emphasize the importance of job quality, including secure employment, adequate wages, social dialogue and work-life balance. Additionally, we consistently support and encourage our employees to enhance their knowledge and skills through both internal training sessions and external professional development opportunities. Our aim is to equip our employees with the necessary tools to excel in their roles and contribute positively to our operational excellence.	8 Decent work and economic growth	Sections 6.1, 6.1.2 and 6.1.5 of the Report

	Topic	ESG Strategy Pillar	Description of our impact	Link to SDG	Reference
Social	Human rights	II	We are dedicated to upholding international human rights standards, including the UN Guiding Principles on Business and Human Rights. Our commitment is to achieve our trading objectives while ensuring that our value chain remains free from violations. We prioritize the protection of fundamental human rights, including the prevention of child labor, forced or bonded labor, exploitative labor practices and other essential workers' rights.	8 DECENT WORK AND ECONOMIC GROWTH	Section 6.1.3 of the Report
Social	Health and safety	II	Ensuring the health and safety of our workforce is a fundamental responsibility. We prioritize the well-being of our employees, contractors, suppliers, customers, partners, and the communities in which we operate. We are committed to preventing injuries, incidents, and occupational illnesses through the development of robust monitoring and reporting mechanisms, and by taking timely and effective action.	3 GOOD HEALTH AND WELL-BEING	Section 6.1.6 of the Report
Social	Communities' economic, social and cultural rights	II	At SOCAR Trading, we are committed to contributing positively to the well-being of the communities in which we operate. By implementing impact-driven CSR projects, we aim to promote mutual benefit and long-term positive impact.	11 SUSTAINABLE CITIES AND COMMUNITIES	Sections 6.2 and 6.3 of the Report
Social	Access to products and services	I	We recognize the importance of ensuring reliable and responsible access to energy products to meet the needs of our customers and markets. Our commitment extends to providing energy solutions that benefit society, reaching a wide geographical area and a significant number of people. As we continue to expand our portfolio, we aim to provide a diverse range of energy products that support the evolving needs of communities and contribute to sustainable development.	7 AFFORDABLE AND CLEAN ENERGY	Section 5.2 of the Report
Governance	Anti-competitive behaviour	I	At SOCAR Trading, we are dedicated to fostering fair competition. To achieve this goal, we have established robust monitoring and risk assessment protocols to oversee and regulate any potential anti-competitive practices. Our commitment extends to compliance with the EU's Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) No 1227/2011. Additionally, we continually evaluate our impact on market integrity through our Market Abuse Policy and REMIT Inside Information and Anti-Market Abuse Policy.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Section 7.2 of the Report

	Topic	ESG Strategy Pillar	Description of our impact	Link to SDG	Reference
Governance	Anti-bribery and corruption	I	We recognize the critical importance of antibribery and anti-corruption measures. These practices ensure legal compliance, protect reputation, promote fair competition, and effectively manage ESG risks. To achieve these goals, we have in place a comprehensive Anti-Bribery and Corruption Policy that adheres to international legal standards.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Section 7.2 of the Report
Governance	Corporate culture	I	We emphasize the importance of responsible governance in achieving sustainable business practices by prioritizing transparency and compliance with international declarations, conventions, and both national and local regulations. Additionally, we recognize the importance of incorporating ESG factors in governance to attract responsible investors, enhance our reputation, and create long-term value.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Sections 7.1 and 7.2 of the Report
Governance	Privacy	I	At SOCAR Trading, we recognize that data privacy and security are critical for safeguarding sensitive information and maintaining trust in our operations, as breaches can significantly impact both our organization and our counterparties. To address these challenges, our Cybersecurity Policy and Incident Response Plan provide a comprehensive framework to proactively manage cybersecurity threats.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Section 7.6 of the Report
Governance	Protection of whistleblowers	I	Employees and stakeholders, who expose wrongdoing, play a crucial role in safeguarding our company's reputation and ensuring compliance with legal and ethical guidelines. We recognize that fostering a culture that supports whistleblowers is essential for early detection of misconduct and mitigation of potential risks. Therefore, through our Whistleblower Policy, we encourage employees to report any concerns directly through the appropriate channels, assuring them that there will be no adverse consequences for doing so.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Section 7.2 of the Report
Governance	Management of relationships with suppliers	I	We recognize the importance of maintaining a responsible supply chain. Our Sustainable Procurement and Supply Chain Policy outlines our approach to mitigate social and environmental risks throughout the supply chain. Additionally, to this end we regularly evaluate the ESG performance of our main trading and financial counterparties using internally developed Key Performance Indicators (KPIs).	17 PARTNERSHIPS FOR THE GOALS	Section 6.4 of the Report

AZERBAIJAN CARPET MUSEUM

The Azerbaijan National Carpet Museum in Baku celebrates the country's rich tradition of carpet weaving, one of the most distinctive forms of Azerbaijani cultural heritage. The building, resembling a rolled carpet, displays historic and regional carpets, textiles, and weaving techniques that reflect centuries of craftsmanship and artistic expression across Azerbaijan.

5

The "E"

5.1 Our approach to environmental management

We recognize the critical importance of protecting the environment and are committed to enhancing our environmental performance and embedding sustainability across our company's activities. As an asset-light commodity trading company, our direct environmental impacts are comparatively lower than those of organizations engaged in upstream production and refining. However, we fully acknowledge the indirect impacts that arise across our value chain.

In June 2025, SOCAR Trading became the owner of nine vessels, whose operations now constitute the primary source of our direct environmental impacts. While these vessels account for a smaller share of overall activity and emissions compared with our broader chartering operations, we recognize the importance of accurately monitoring their environmental performance and managing related impacts over time.

Our Environmental Policy guides our approach to addressing the challenges posed by the energy transition and broader environmental considerations by setting relevant targets and identifying the main areas of action.

Our progress in focus:
Environmental Policy update

During the reporting year, SOCAR Trading updated its Environmental Policy to reflect changes in its activities and operating context. In particular, the policy was revised to take into account the acquisition of nine vessels in 2025 and the associated environmental impacts arising from their operation.

The update also aimed to improve alignment with current environmental frameworks and evolving context. In addition, a number of refinements were introduced to enhance the overall consistency of the policy with existing practices and to ensure it remains relevant to the Company's environmental risk profile and strategic priorities.

On a strategic level, our priorities with respect to the environment are centered around three pillars:

Figure 9. Three pillars shaping SOCAR Trading's environmental approach

- **Supply chain**
- **Asset management**
- **Products use**

5.2 Navigating the Energy Transition

Our approach goes beyond simply measuring and reporting – it is about a holistic understanding and evaluation of major impacts and actions aimed at mitigation.

In the context of increasing decarbonization requirements and the broader drive toward an energy transition, we continue to advance our understanding of both our direct and indirect climate-related impacts and how they can be mitigated.

In this regard, we have identified a set of key activity areas to guide our efforts as we navigate the transition to a lower-carbon energy system.

Figure 10. Key directions of SOCAR Trading's environmental initiatives

- **Understand and reduce our corporate carbon footprint**
- **Increase traded volume of transitional energy commodities**
- **Reduce the carbon intensity of shipping operations**
- **Develop trading capabilities around environmental products**
- **Invest in carbon avoidance and removal projects**

Transitional commodities play an important role in supporting the shift toward lower-carbon energy systems, particularly by enabling the displacement of more carbon-intensive fuels and supporting energy system reliability during the transition. In 2025, volumes of transitional commodities traded increased in absolute terms by more than 6%. However, their overall share within the portfolio decreased slightly, primarily due to higher volumes of crude oil traded during the year. As a result, the overall lifecycle carbon intensity of the portfolio remained relatively stable, with a slight increase of approximately 0.6% compared to the previous reporting period.

Figure 11. Share of transitional commodities in our portfolio

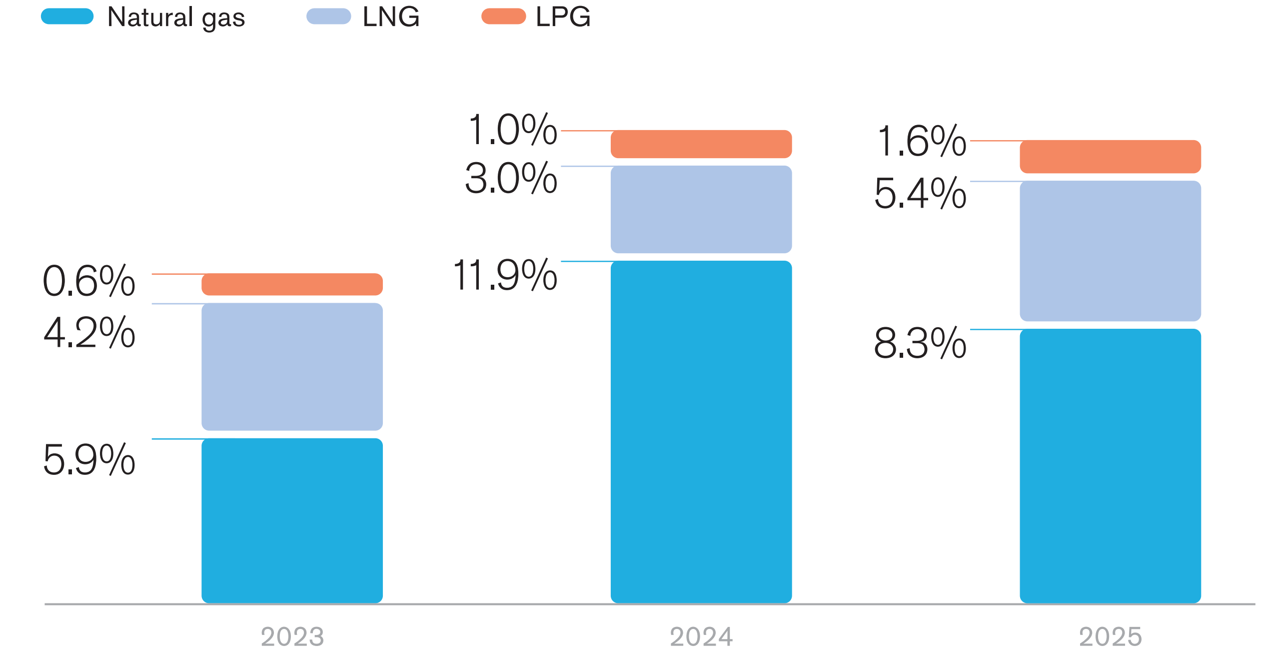
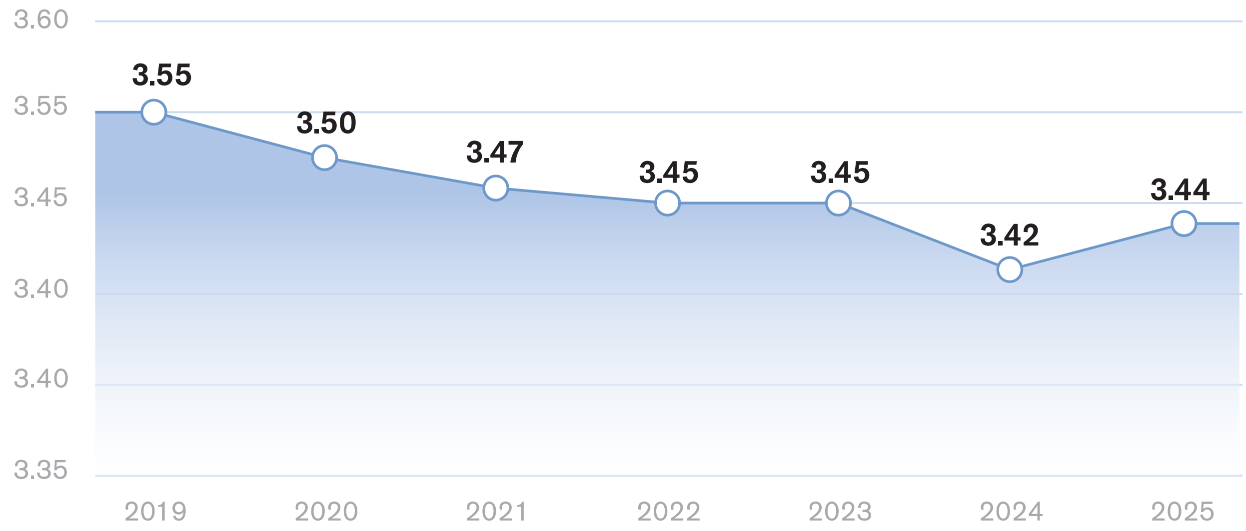


Figure 12. Lifecycle carbon intensity of SOCAR Trading's trading portfolio (tCO2e/Mtoe)[12]



Additionally, we continue evolving our capabilities around environmental products and carbon projects through our Carbon desk and Biofuels desk.

Carbon projects

Our Carbon Desk plays a key role in supporting SOCAR Trading's broader energy transition activities by trading environmental products in both compliance and voluntary markets, as well as developing carbon avoidance and removal projects. Some of these initiatives have the potential to contribute to reductions in greenhouse gas emissions associated with our value chain.

12. Following a refinement of our carbon-intensity calculations to better reflect the energy content of the products we trade, the reported 2022 and 2023 values have been adjusted resulting in a slight decrease compared to previously disclosed figures.

Carbon projects

In 2025, a small-scale hydropower project developed in collaboration with Azerenerji successfully completed verification for its first monitoring period under Gold Standard. Verified emission reductions cover the period from April 2024 to August 2025. This marks the first issuance of voluntary carbon credits from Azerbaijan.

Additionally, we secured the first issuance of carbon certificates for the 2024 compliance period under Germany's GHG Reduction Quota scheme, linked to the Fuel Quality Directive. The certificates were generated through an upstream emissions reduction project in Azerbaijan, delivered in collaboration with SOCAR and based on Leak Detection and Repair (LDAR) methodology. During the year, we also supported a major international climate event held in Baku, which achieved carbon neutrality through the retirement of carbon credits coordinated by SOCAR Trading.

In parallel, we continued progressing several additional workstreams aimed at expanding our capabilities in environmental markets, including further project development activities and market participation initiatives.

We remain committed to continuing the development of our capabilities in environmental products and related project activities. We keep assessing carbon projects and opportunities globally, with a focus on the EU and Azerbaijan.

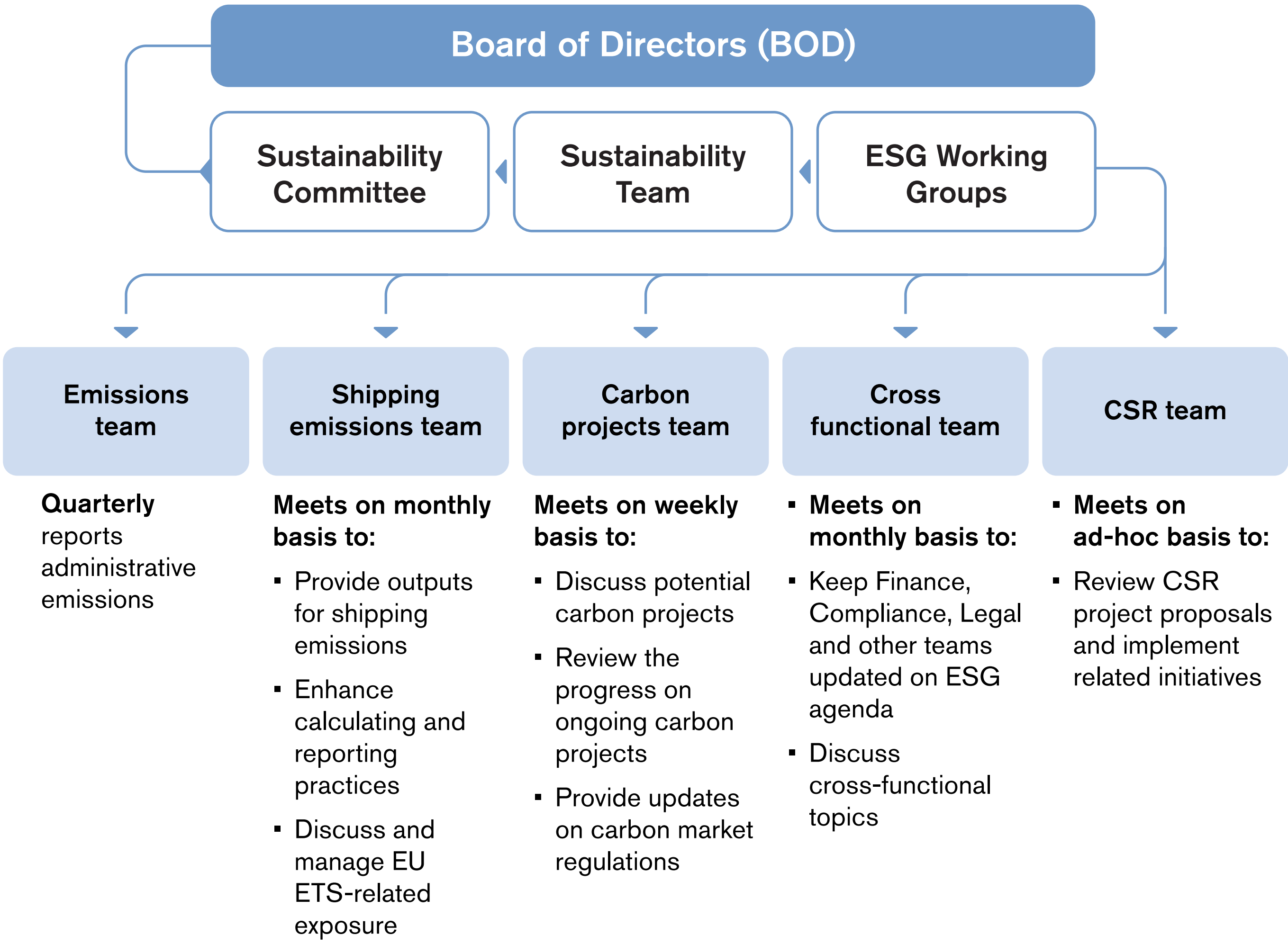
Biofuels desk

The recently established Biofuels Desk is a growing component of our sustainability and energy transition efforts. It plays a key role in integrating low-carbon biofuels into our trading portfolio, supporting the shift toward cleaner energy alternatives. By contributing to decarbonization and responding to rising global demand for renewable energy, the desk reflects our ESG objectives and reinforces our focus on practical, climate-relevant solutions. As part of its operations, the desk continuously monitors applicable regulations to ensure full compliance with evolving industry standards.

Overall, the management of climate change risks and opportunities is monitored at the Sustainability Committee level and is overseen by the Board, while operational aspects are managed by ESG Working Groups coordinated by the Chief Sustainability and Strategy Officer (CSSO). Our ESG working groups are built on the cross-functional approach which enables us to closely monitor, assess and manage climate-related risks and opportunities in different areas of our business.

Members of the Sustainability Committee play a vital role in the identification of emerging trends, risks and opportunities as well as monitoring the implementation of adaptation and mitigation measures to ensure SOCAR Trading's operations are resilient in the long-term.

Figure 13. SOCAR Trading's climate governance



To be better protected from potential negative impacts associated with climate change and ensure long-term sustainability, we have incorporated ESG aspects into key risk management processes such as Deal Committee procedure and Investment Project Lifecycle. Both processes are designed to provide cross-functional risk assessment for either a new trading deal/high risk transaction or investment project proposal. As a part of the screening exercise, an ESG impact assessment is held to ensure climate-related risks are not omitted.

Additionally, we actively monitor climate-related risks and opportunities. A detailed overview is provided in the table on pages 108-110.

5.2.1 Our corporate carbon footprint

Our approach towards measurement of our GHG emissions is based on the GHG inventory method outlined in the GHG Protocol standards. In accordance with these standards, we first identified major sources of GHG emissions associated with our operations by scope (see Figure 14). GHG inventory reporting includes carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O) gases.

Scope 1 emissions are direct emissions associated with company-controlled assets. We apply the "operational" control approach, meaning that we report emissions from operations over which we have control. Following the acquisition of a fleet of nine vessels in June 2025, our Scope 1 emissions profile changed materially. Previously, Scope 1 emissions were limited to company-owned vehicles, reflecting an organizational structure without operational assets under direct control.

Scope 2 emissions are indirect emissions associated with electricity, heating and cooling at SOCAR Trading offices. Since 2025, Scope 2 emissions also include electricity consumed by company-owned vessels during shipyard stays for maintenance purposes.

Our **Scope 3** emissions include other activities associated with the value chain (see Figure 14) and make up the majority of our GHG emissions. Due to materiality, we focus our efforts on the categories associated with **our chartering activity and non-controlled investments.** We recognize that these are the areas, over which we have the most influence and are constantly evaluating possible emission reduction targets and the measures to reduce the negative impacts caused by our operations.

Figure 14. GHG emission sources of SOCAR Trading

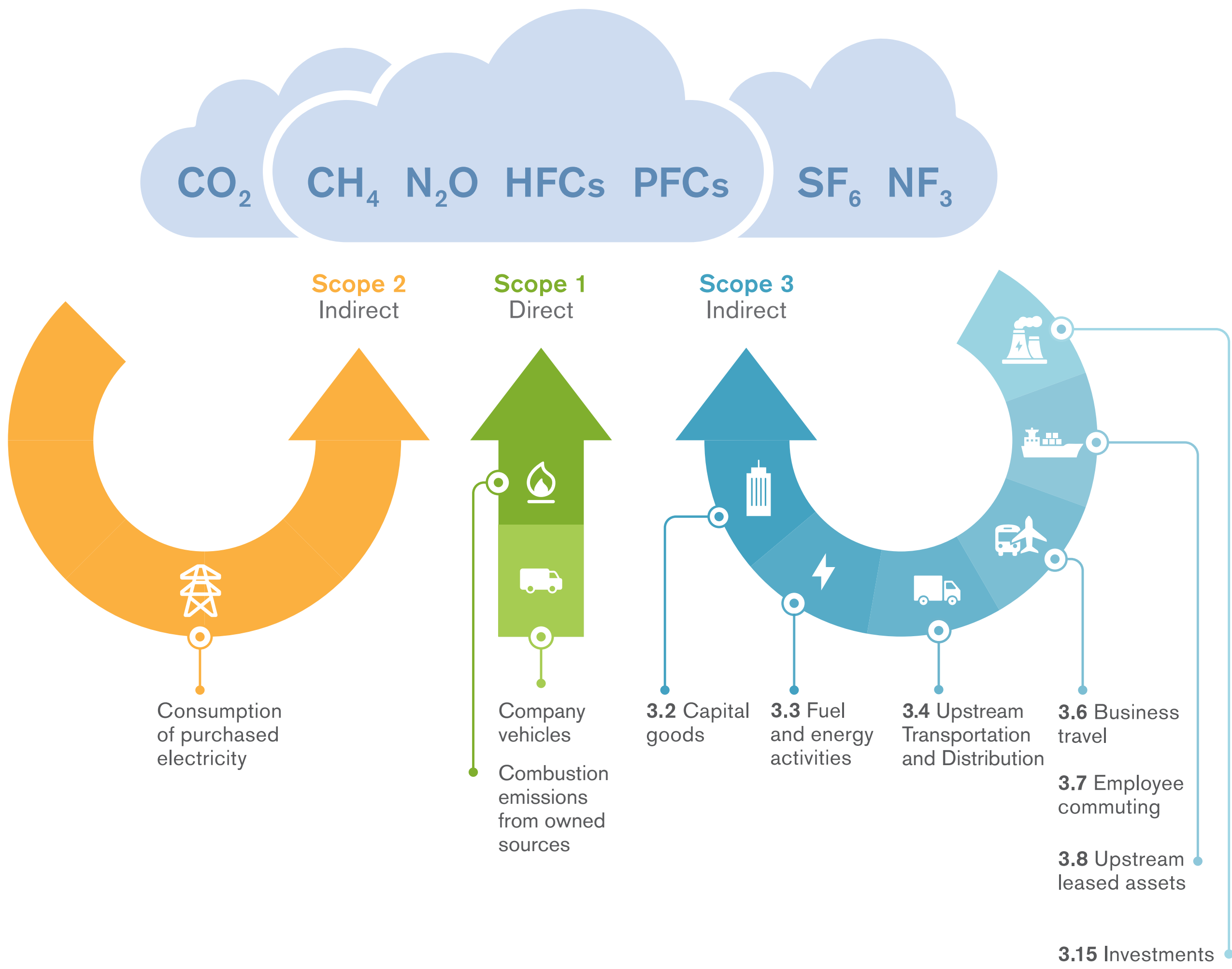


Table 3. GHG emissions by scopes, tCO2e

Direct (Scope 1) GHG emissions	2023	2024	2025
GHG direct emissions, metric tons of CO2 eq., from company owned vessels	-	-	27,170
GHG direct emissions, metric tons of CO2 eq, from company vehicles (comparable basis)	30	24	28

Energy indirect (Scope 2) GHG emissions	2023	2024	2025
GHG indirect emissions from purchased electricity, heating and cooling metric tons of CO2 eq. (location-based approach)[13]	137	169	201
GHG indirect emissions from purchased electricity, heating and cooling metric tons of CO2 eq. (market-based approach)[14]	58	87	91
Indirect (Scope 3) GHG emissions	**2023**	**2024**	**2025**
GHG other indirect emissions, metric tons of CO2 eq., from the following sources:			
3.2 Capital goods	65	42	55
3.3 Fuel and energy related activities	51	65	6,257
3.4 Upstream Transportation and Distribution; and 3.8 Upstream Leased Assets	669,150	600,395	643,422
3.6 Business travel	0[15]	0[16]	0[17]
3.7 Employee commuting	0[18]	178	195
3.15 Investments	337,564	326,414[19]	240,022
Total[20]	**1,006,918**	**927,205**	**917,240**

From June 2025 onward, emissions associated with the operation of company-owned vessels are included within Scope 1 and Scope 2, reflecting the Group's operational control over these assets. This has resulted in a structural increase in reported Scope 1 and Scope 3.3 emissions compared to prior years. Emissions for previous reporting periods are disclosed for transparency; however, they are not directly comparable due to the different organizational boundary in place at that time. To support meaningful year-on-year analysis, direct GHG emissions from company vehicles are presented separately on a comparable basis.

Scope 3 emissions decreased slightly year-on-year. The net reduction was primarily driven by a lower stake in one of our investment companies, which resulted in a decrease in reported Scope 3.15 Investments emissions. This decrease was partly offset by increased third-party chartering activity and the inclusion of upstream fuel emissions associated with fuel combustion from our owned fleet.

13. *Scope 2 (location-based) figures for 2022 and 2023 have been recalculated to reflect the adoption of updated emission factors derived from country-specific sources.*
14. *Scope 2 (market-based) figures for 2023 and 2024 have been recalculated to reflect more accurately the differences between electricity, heating and cooling*
15. *In 2023, we offset our GHG emissions arising from Business travels (466 tCO2eq).*
16. *We have offset our 2024 GHG emissions from Business Travel (524 tCO2eq).*
17. *In 2025, we offset our GHG emissions arising from Business travels (652 tCO2eq)*
18. *In 2023, we offset our GHG emissions arising from Commuting (158 tCO2eq).*
19. *2024 Scope 3.15 Investments figure was recalculated to account for a change in ownership stake in one investment company that occurred in Q4 2024.*
20. *Considering Scope 1, Scope 2 market-based and reported Scope 3.*

Our progress in focus:
Renewable energy procurement and offsetting initiatives

In 2025, we purchased Energy Attribute Certificates (EACs) to cover the annual electricity consumption of our offices in Dubai and Houston, as well as the electricity consumed by our owned vessels while undergoing maintenance. Additionally, we offset Scope 3.6 emissions arising from business travel, amounting to 652 tCO_2e, through the retirement of nature-based carbon credits. The credits were sourced from a verified nature-based project focused on peatland conservation and restoration, with associated biodiversity and community benefits.

Table 4. Our approach to measuring our carbon footprint

Category	What is covered?	Sources of primary data	Sources of secondary data	Main observations
Scope 1	Emissions that are associated with the combustion of fuels by SOCAR Trading's owned vehicles and owned feet when used for own purposes	Quantity of fuels consumed	For fuel combustion, tank-to-wake emission factors were sourced from the ADEME Base Carbone database, as well as from IMO MEPC.308(73) and SCC guidance version 5.2	Scope 1 emissions increased materially in 2025 following the acquisition of nine vessels, reflecting an expansion of the organizational boundary.
Scope 2	Emissions that are associated with purchased electricity, heating and cooling for administrative offices and owned vessels undergoing shipyard maintenance	Energy consumption based on utility bills (electricity, heating and cooling), supplemented where necessary by estimates derived from contracted office space, and including electricity consumption from company-owned vessels	For grid intensity factors, country-specific sources were used for the location-based approach. For the market-based approach, supplier-specific emission factors were applied where available; otherwise, residual mix factors were used.	Scope 2 emissions increased moderately, primarily reflecting the acquisition of nine vessels and the resulting change in the organizational boundary
Scope 3.2 – Capital goods	Emissions that are associated with cradle-to-gate emissions of purchased capital goods	Number of IT equipment units procured	For capital goods, ADEME Base Carbone EFs were used (i.e. IT equipment).	These emissions are immaterial compared to the other Scope 3 categories.
Scope 3.3 – Fuel and energy-related activities not included in Scope 1 and Scope 2	Emissions that are associated with upstream emissions of purchased fuels, electricity and cooling.	Energy consumption (electricity, heating and cooling) Liters of fuel consumed	For fuel-related activities not included in Scope 1, emission factors were sourced from the ADEME Base Carbone database, as well as from IMO MEPC.308(73) and SCC guidance (version 4.1). For energy-related activities not included in Scope 2, the IEA methodology was applied.	These emissions increased in relevance in the reporting period, primarily driven by fuel consumption from vessel operations, and remain linked to Scope 1 and Scope 2 emissions.

Category	What is covered?	Sources of primary data	Sources of secondary data	Main observations
Scope 3.4 - Upstream Transportation and Distribution; and Scope 3.8 - Upstream leased assets	Emissions associated with the transportation of traded commodities, including both maritime transport through third-party chartering activities and transportation via pipelines or other modes (truck). For maritime transport, emissions are included where we are responsible for the arrangement and payment of the transport service, and when owned vessels are chartered out. For practical purposes, emissions from these transportation activities are calculated together, as contractual arrangements may vary and influence the categorisation between transportation services and leased assets, without affecting the overall GHG footprint.	Quantity of commodities traded Specifications of chartered vessels Tons of fuel consumed during shipping voyages Distance traveled during shipping voyages. Manual estimates were based on voyage duration, distance, tonnage and observed emissions for ships within the same voyage. Square meters of space occupied by offices	For transportation emissions on upstream leased assets, we used EFs from IMO MEPC.308(73) and SCC guidance version 5.2 For oil pipeline transportation, specific emission factors were applied. For natural gas transportation, IPCC emission factors were used based on the volumes transported during the year.	This category accounts for c. 70% of total emissions in 2025. The majority of these emissions are from our chartering activity.
Scope 3.6 – Business travel	Emissions that are associated with the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses and passenger cars.	Average distance traveled in an aircraft Paid fare for business-related train trips Average distance traveled in a train Average distance traveled in a rented car Rental period for leased cars Expenses associated with hotel stays	For business travel, we used the EFs from ADEME Base Carbone for transportation and hotels whenever the travel agency/ company did not provide specific EFs.	We have fully offset our GHG emissions arising from our business travel in 2025.
Scope 3.7 – Employee commuting	Emissions that are associated with the transportation of employees between their homes and their worksites.	Number of days employees spent on site Average distance traveled, by mode of transport based on a survey	For commuting, we used country-specific emission factors where available. Otherwise, emission factors from ADEME Base Carbone were applied.	These emissions are immaterial compared to the other Scope 3 categories.

Category	What is covered?	Sources of primary data	Sources of secondary data	Main observations
Scope 3.15 Investments	Emissions that are associated with any entity where SOCAR Trading has at least 5%, but not more than 50% interest. Entities included in the reporting: • ElectroGas Malta (Scope 1)* • Octogone Product Terminal in Benin (Scope 1, 2 and Scope 3.11) ** Since ElectroGas Malta is a power generating facility, Scope 2 emissions were deemed as immaterial.*	Direct emission data for ElectroGas Malta already calculated under existing regulations Quantity of commodities traded for Octogone SPP	For Scope 3.11 of the investment portfolio companies, we used EFs from ADEME Base Carbone for each commodity type.	The emissions included in SOCAR Trading's carbon footprint assessment are equal to the percentage of SOCAR Trading's ownership in its investments and account for c. 26% of total emissions in 2025. In cases when Scope 1 and 2 emissions of our non-controlled investments were found to be immaterial, Scope 3 category 11 (Use of sold products) emissions were considered.

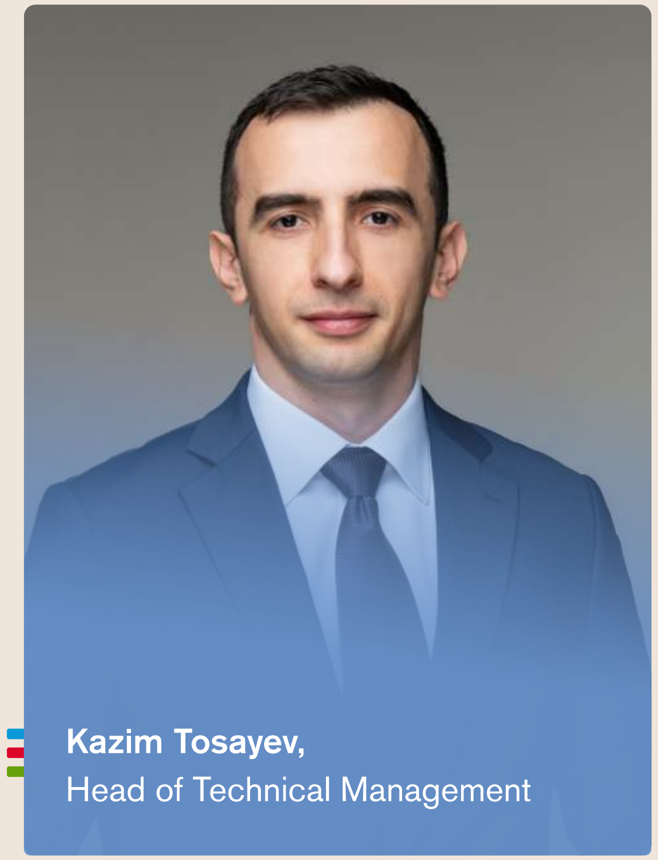
The table below presents the company's total energy consumption for the reporting period, used as input for GHG emissions calculations across relevant scopes.

Table 5. SOCAR Trading Energy consumption by source, Gj[21]

Source	2023	2024	2025
Fuel consumption for cars	**362**	**294**	**343**
Gasoline	215	162	222
Diesel	147	132	121
Fuel consumption for vessels	-	-	**354,215**
HFO	-	-	57,162
LFO	-	-	7,653
MDO/MGO	-	-	289,401
Purchased Electricity	**1,323**	**1,267**	**1,620**
Renewable	90%	91%	94%
Non-renewable	10%	9%	6%
Purchased Heating and Cooling	**547**	**830**	**874**
Total Energy	**2,232**	**2,391**	**357,052**

21. Conversion factors sources: IEA; IMO.

5.3 Shipping optimization



Kazim Tosayev,
Head of Technical Management

The importance of ESG in shipping has never been greater. Regulatory scrutiny continues to intensify worldwide, and the maritime industry is firmly in the spotlight. At SOCAR Shipping, our team is committed to embedding environmental responsibility into fleet operations while maintaining the highest standards of safety and reliability.

Our portfolio of owned and chartered vessels operates globally, navigating a complex regulatory framework and volatile market conditions. Getting this right is not only an environmental imperative but a commercial one - compliance costs, carbon pricing, and fuel efficiency all flow directly to the bottom line. As owners, we have been steadily growing our capability to exercise more direct oversight and control through the establishment of robust, lean procedures and processes by leveraging technology and sound governance decisions.

In 2025, our team assumed full responsibility for emissions measurement, reporting, and verification across all applicable regulatory frameworks. We work closely with SOCAR Trading's Carbon Trading desk to manage and optimise the cost of our emissions, ensuring alignment with the broader group's trading and sustainability capabilities.

We have deployed dedicated technology solutions to continuously monitor fleet performance - tracking speed, consumption, and emissions data to identify areas for improvement. Onboard, we work closely with vessel crews to drive behavioural change, and have optimised operational procedures such as tank cleaning to reduce waste, chemical usage, and fuel consumption.

These efforts, combined with the close collaboration of our commercial and chartering team, have delivered measurable results: the fleet's overall efficiency has shown significant improvement.

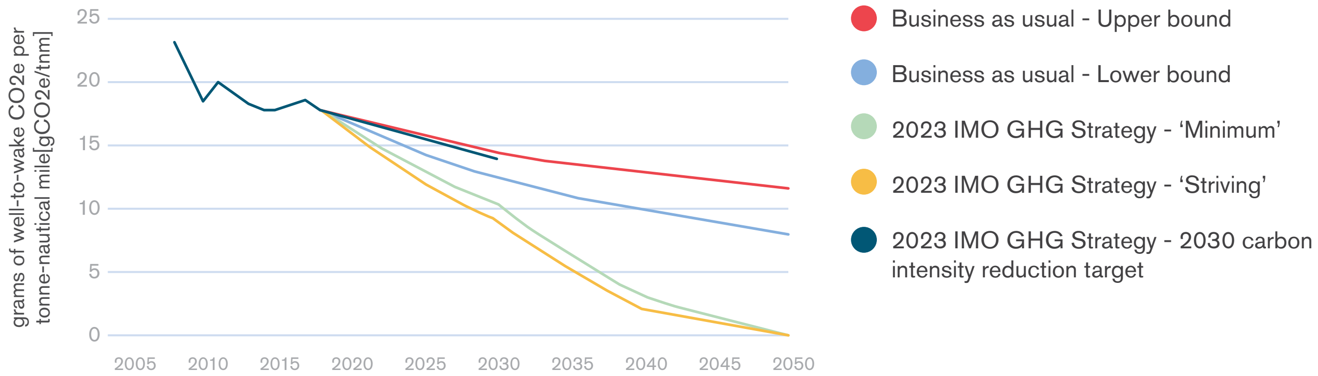
Looking ahead, 2026 presents further challenges as EU ETS becomes fully phased-in and its scope widens to include methane and nitrous oxide emissions, while the UK ETS comes into effect. We continue to monitor the evolving regulatory landscape and are committed to positioning our fleet to meet both current and future requirements.

Maritime transport is estimated to account for roughly 3% of global GHG emissions, making decarbonization within the sector a critical component of the broader energy transition. The International Maritime Organization (IMO) has progressively strengthened its climate ambitions, through the 2018 GHG Strategy and subsequently with the revised 2023 Strategy. The current framework sets the following emission reduction targets. The 2023 strategy also expands the emissions boundary from tank-to-wake to well-to-wake, requiring consideration of full lifecycle emissions of marine fuels.

IMO 2023 GHG Strategy

20%	70%	net zero
2018 – 2030	2018 – 2040	2018 – 2050
At least **20%** reduction in absolute emissions (striving for 30%).	At least **70%** reduction in absolute emissions (striving for 80%).	Sector-wide objective of reaching **net-zero emissions** by or around 2050

Figure 15. Global fleet's emissions targets and trajectories defined by the 2023 IMO GHG Strategy (grams of CO_2e per tonne-nautical mile [gCO_2e/tnm])



Shipping-related activities represent the largest source of our reported greenhouse gas emissions. As a result, we place particular emphasis on the robust measurement and monitoring of shipping emissions, as a foundation for understanding performance, identifying opportunities for improvements, and supporting informed decision-making over time.

We adopt the Energy Efficiency Operational Indicator (EEOI) as a key ESG metric to monitor: the carbon intensity of our shipping activities. This metric reflects actual voyage performance and is calculated on the basis of:

- GHG emissions over both ballast and laden legs;
- Actual distance travelled over laden leg; and
- The amount of cargo transported over the given voyage.

We track our performance against the decarbonization trajectories set by the Sea Cargo Charter (SCC)[22], which are aligned with the IMO GHG strategy. The performance presented reflects the SCC Climate Alignment Score of the company chartered vessels, expressed as the percentage delta between the EEOI of our chartering portfolio and the relevant SCC decarbonization trajectory.

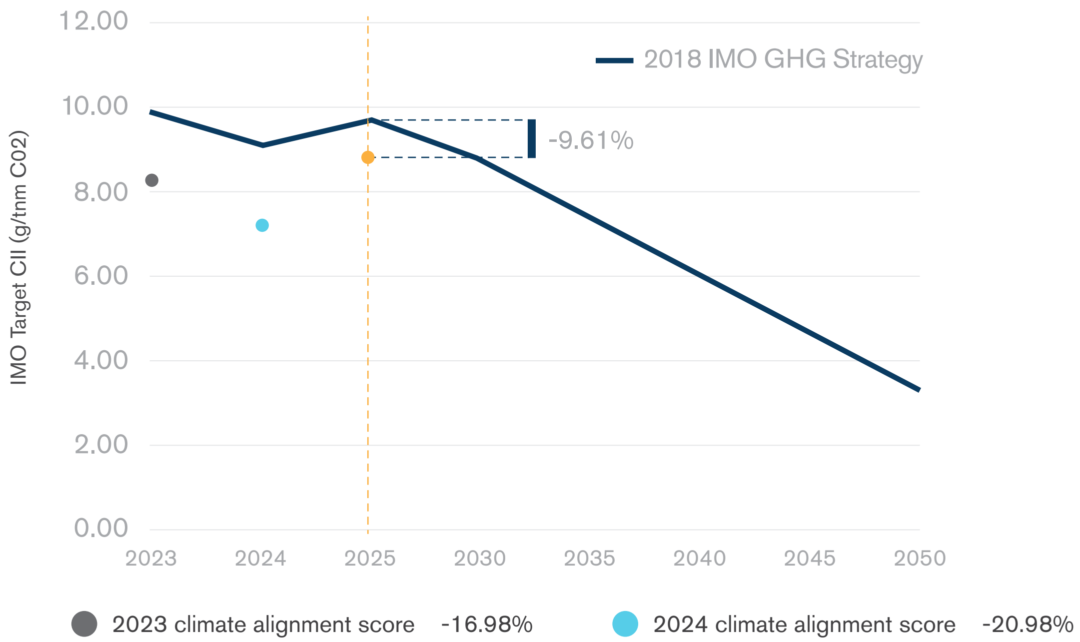
22. It should be mentioned that SOCAR Trading is currently not a signatory to the SCC.

In 2024, the SCC published a new guidance that incorporates updated decarbonisation trajectories aligned with IMO's revised 2023 strategy.

The guidance outlines two trajectories that are based on (1) minimum requirement of the 2023 IMO GHG Strategy with a 20% reduction in 2030, a 70% reduction in 2040 as opposed to the 2008 baseline leading to net zero by 2050; and (2) the higher level of ambition with a 30% reduction in 2030, an 80% reduction in 2040 as opposed to the 2008 baseline leading to net zero by 2050.

To maintain year-on-year comparability, we continue to present our performance against the previous SCC trajectory, which has been the reference framework in recent years and allows our progress over time to be assessed consistently.

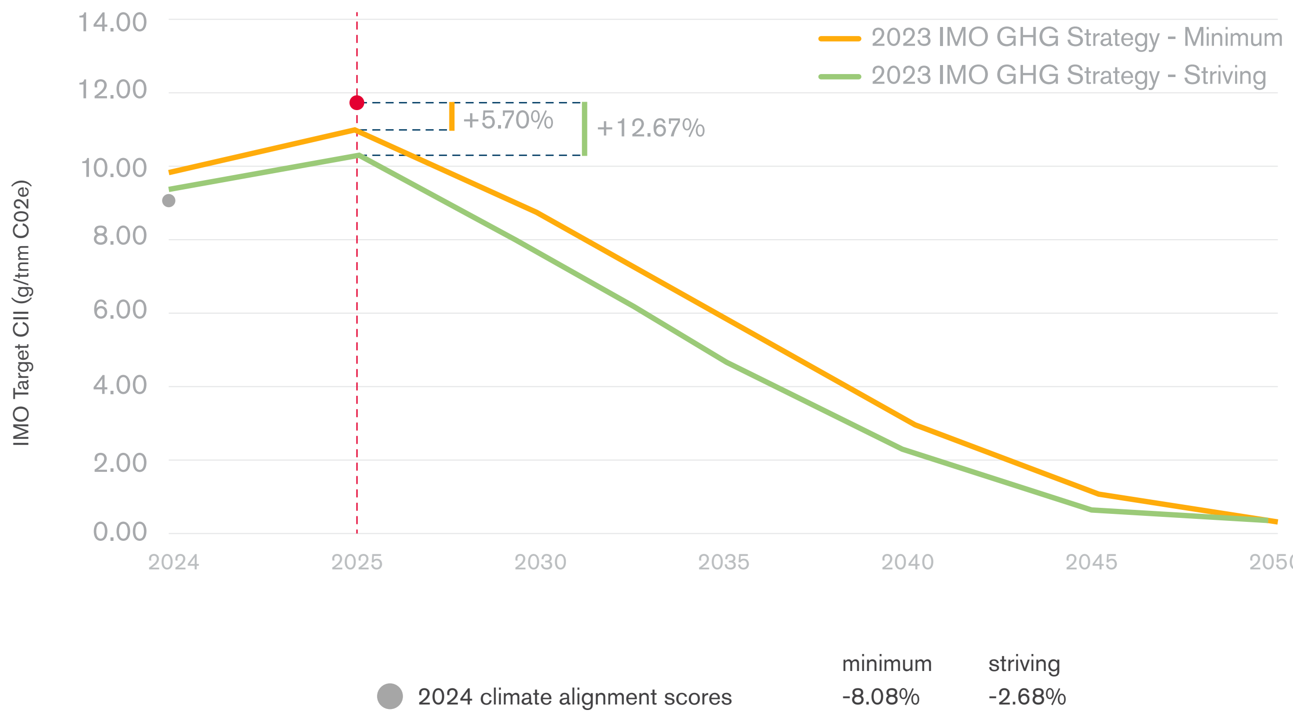
Figure 16. SOCAR Trading climate alignment score, 2018 IMO GHG Strategy[23]



Additionally, from 2024 onwards, we began reporting our performance against the revised SCC trajectories, aligned with the IMO's 2023 Strategy.

23. *The EEOI calculation covered voyages with the highest level of data accuracy confidence, representing more than 90% of total GHG emissions associated with chartering activities. Voyages in the Caspian Sea excluded from the calculations due to a limited direct and AIS data, as well as reduced choice over fleet availability.*

Figure 17. SOCAR Trading climate alignment score, 2023 IMO GHG Strategy



Under the updated SCC methodology, which has been revised to align with the IMO 2023 GHG Strategy, SOCAR Trading has established an internal target to maintain alignment with the "Minimum" decarbonization trajectory, while aiming to meet the more ambitious "Striving" trajectory.

Our progress in focus:
Incentivising staff to minimise environmental impact

Our Cost Allocation Policy incentivizes traders to use low-carbon intensity shipping options. The key metric we monitor and measure performance against is the alignment of a voyage carbon intensity as measured by EEOI with the SCC decarbonization trajectory that is consistent with the IMO 2050 absolute target. This initiative will help us to reduce our environmental impact and facilitate integration of ESG into the behaviour and mindset of our employees. In the reporting year, we implemented our incentivization initiatives within the company for the third time.

As environmental regulations tighten, SOCAR Trading and most of our shipping partners will be strongly incentivized to reduce the carbon footprint from shipping activities. We are also responsible for prompting our counterparties to reconsider their operations to avoid the risks of non-compliance and operational disruption in the future. We hold regular communication with shipping and trading teams to discover potential opportunities for shipping optimization to minimize the environmental impact of our activities.

We continue working with our shipping and trading teams on:

1. Improvement of data collection and reporting by our operators and shipping specialists directly from the ship owners and technical managers related to fuel consumption and other variables used as input for our calculation tool;

2. Measurement and reporting of energy efficiency performance metrics for our chartering activity, i.e., EEOI, together with the alignment with IMO and SCC targets;

3. Initiatives designed to incentivize traders and operators to use less carbon-intensive ships;

4. Risk Management and incorporation of environmental compliance costs (i.e., carbon tax) in decision-making.

Our progress in focus:
Improving data accuracy[24 25]

In the reporting year, we obtained direct CO2 emissions data for 99% of our fleet, with the exception of voyages conducted in the Caspian Sea, where direct emissions reporting has been partially established, and efforts are ongoing to further enhance it. This was made possible through our charterparty agreements, which require counterparties to provide detailed fuel consumption data, including fuel type, volume consumed during ballast and laden legs, as well as loading and discharge operations.

Additionally, we have continued to work on aligning with the compliance requirements of the EU ETS, further strengthening our commitment to transparent and accountable emissions reporting.

With respect to our owned fleet of nine vessels, operations are primarily concentrated in the Caspian Sea and the Mediterranean regions.

While the activity of these vessels remains limited compared to our broader chartering activities—accounting for less than 5% of total shipping-related GHG emissions—they now constitute our primary source of direct emissions. Accordingly, we recognize the importance of accurately monitoring their environmental performance and managing the associated impacts over time.

As an initial step following the acquisition, we initiated the systematic collection of relevant ESG data for the owned fleet[26]. During the reporting period, no spill incidents were recorded in connection with the operation of the owned fleet.

Table 6. Air pollutants emissions from STSA's owned vessels[27]

Air pollutant	Emissions (kg)
SOx	27,631
NOx	557,991

Table 7. Fuel consumption from STSA's owned vessels

Fuel type	Quantity (tons)
HFO	1,422
LFO	186
MDO/MGO	6,778

Additionally, our vessels consumed 78.4 MWh of electricity during maintenance activities at shipyards. This consumption relates to the use of onshore power while vessels were docked and undergoing servicing during the reporting period.

24. *Five voyages required an estimated GHG footprint for their ballast legs due to the absence of direct emissions data for the specific legs.*

25. *Although direct reporting for voyages in the Caspian Sea has only been partially established, we estimate the emissions from activities in this region using an alternative approach due to data limitations and report them in our scope 3.8.*

26. *Environmental data related to company-owned vessels presented in this report cover the period from the commencement of operational control in June 2025 through the end of the reporting year. Where monthly breakdowns were not available, estimates have been made.*

27. *Air pollutants emissions figures were sourced from a third-party provider specialized in maritime transportation.*

Table 8. Water withdrawal from STSA's owned vessels, m^3

Source	Quantity
Seawater - Ballast operations	460,173
Seawater - Freshwater generation	2,056
Total	**462,229**

Table 9. Wastewater discharge from STSA's owned vessels, m^3

Discharge and destination	Quantity
Treated sewage - Sea	2,558
Treated sewage - Shore facilities	988
Oily water residues - Sea	451
Oily water residues - Shore facilities	1,513
Noxious liquid substances - Sea	2,032
Total	**7,543**

Table 10. Water consumption from STSA's owned vessels, m^3

Use	Quantity
Domestic consumption	5,146
Technical consumption	2,323
Total	**7,469**

Technical management of the vessels is entrusted to specialized external partners, most of which are certified under ISO 14001 environmental management standards. In addition, pollution prevention and management on board these vessels are conducted in accordance with the MARPOL Convention. These measures support compliance with relevant international maritime environmental standards and form the baseline of our approach to managing environmental risks associated with vessel operations.

Future steps will include defining new targets, informed by ongoing work such as establishing a more comprehensive emissions baseline, further assessing the operational profiles of the vessels, and considering broader strategic factors related to their deployment. This process will also consider specific contextual factors, including the relatively small size of the vessels, the niche characteristics of the related markets, and operational complexities linked to the regions in which they operate — particularly the evolving conditions in the Caspian Sea, where declining water levels will increase operational challenges and costs. These considerations will be integrated into the ongoing assessment to ensure that future targets are both realistic and aligned with operational realities.

5.4 Biodiversity projects

We recognize the importance of biodiversity in sustaining essential ecosystem functions that societies and economies depend on, as well as its broader role in maintaining environmental stability. Biodiversity is also closely linked to climate change: shifting climate patterns can increase pressures on species and habitats, while healthy and intact ecosystems can contribute to greater resilience. These connections make biodiversity a critical lens for understanding environmental risks and dependencies.

In a global economy with complex and international supply chains, biodiversity-related risks and impacts can emerge at various stages of commodity sourcing, transport, and operations. Following our 2024 double materiality assessment, biodiversity was identified as a material topic for our business. We therefore aim to deepen our understanding of these issues, further assess our impacts, and integrate relevant insights into our ESG approach.

Our Environmental Policy lists among our commitments the financing and implementation of biodiversity projects. The policy applies to all our activities and business relationships. This commitment is complemented by our target to implement at least one project each year that aims to generate a positive impact on biodiversity.

A first exercise to identify potential biodiversity impacts associated with our supply chain was conducted as part of our 2024 double materiality assessment. Additionally, to monitor the main pressures linked to the commodities we trade, we refer to the SBTN High-Impact Commodity List, which includes natural gas and crude oil commodities that account for most of our portfolio, either directly or through derived products.

Regarding the company-owned vessels, all are equipped with ballast water management systems, the majority of which are certified in line with the International Convention for the Control and Management of Ships' Ballast Water and Sediments. These systems are intended to reduce the risk of transferring harmful aquatic organisms and pathogens between marine ecosystems, thereby helping to limit unintended ecological impacts associated with vessel operations.

As no other assets fall under the company's operational control, most biodiversity-related impacts occur within our value chain. In addition to our efforts to reduce climate-related impacts (see Section 5.2), we have been supporting biodiversity initiatives in the Caspian region over recent years. This is particularly relevant as most of the commodities we trade originate from or are linked to that area. In 2025, we financed two projects: one focused on the conservation of Caspian sturgeon and salmon species, and another dedicated to shoreline waste clean-up along the Caspian Sea. Further details on these projects are provided in the sections below.

Our progress in focus:
Sturgeon and Caspian Salmon Release Initiative

During the reporting year, SOCAR Trading co-sponsored a biodiversity-related initiative in the Caspian region focused on the conservation of endemic species. On 22 May, coinciding with the International Day for Biological Diversity, 100,000 sturgeon and 20,000 Caspian salmon were released into the Caspian Sea as part of this initiative.

The project aimed to support conservation efforts related to the ecological balance of the Caspian Sea. Both the Caspian sturgeon (Acipenser persicus) and the Caspian salmon (Salmo trutta caspius) are species endemic to the Kura River basin and the Caspian Sea. The Caspian sturgeon is currently listed as Critically Endangered on the IUCN Red List, while the Caspian salmon is included in the Red Book of Azerbaijan as a rare and declining species.

Our progress in focus:
"Protect the Caspian Sea!" Cleanup Initiative

For the third year, SOCAR Trading co-sponsored the "Protect the Caspian Sea" initiative organized by the environmental platform EcoHub and supported by the Ministry of Ecology and Natural Resources of the Azerbaijan Republic.

From September 1 to 20, 2025, volunteers covered several coastal areas, concluding at Bilgah Beach in Baku on September 20, where over 1,500 volunteers cleaned more than 25 hectares of coastal territory, removing approximately 8 tons of waste.

In 2025, the cleanup initiative targeted eight distinct regions along Azerbaijan's Caspian Sea coastline. These regions include: Baku, Khachmaz, Shabran, Siyazan, Sumgait, Neftchala, Lankaran and Astara.

5.5 Promoting resource efficiency in our offices

In managing leased assets such as office premises, we promote resource efficiency and responsible use of materials. These initiatives are particularly relevant to our Swiss office, where energy management practices are aligned with recommendations issued by the Geneva public authorities. Measures include encouraging the shutdown of lighting and electronic equipment outside working hours to limit unnecessary energy consumption. We have also reduced the use of disposable items by replacing single-use cutlery with reusable alternatives and continue to apply waste segregation practices, with dedicated collection for paper, plastic, glass, and food waste. To reduce paper consumption, employees are encouraged to rely on digital documentation where possible, and printers across all trading entities are configured by default for double-sided, grayscale printing.

Our progress in focus:
Sustainable Consumption Initiative

At SOCAR Trading, we continue to take steps to promote more sustainable consumption practices across our operations.

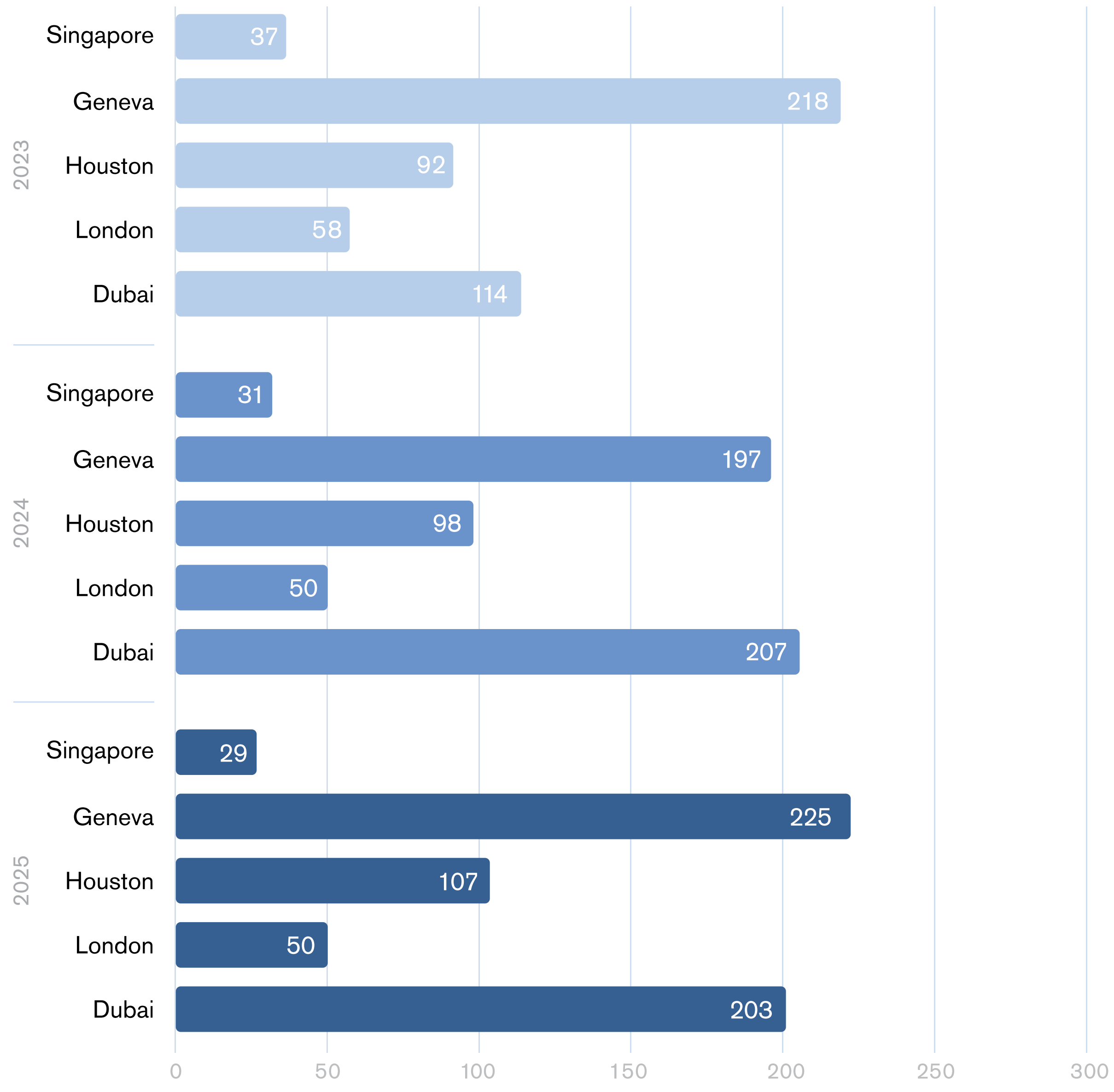
To raise awareness and foster sustainable habits, we regularly run internal campaigns, such as the "Sustainability Campaign" poster series. These campaigns offer practical advice to employees on effectively managing waste disposal and recycling, as well as optimizing electricity and water usage.

Our progress in focus:
IT waste recycling practices in Geneva office

At our Geneva office, IT waste recycling is coordinated by the IT department every two to three years. Obsolete or non-functional equipment—including computers, monitors, network and storage devices, printers, telephones, and peripheral accessories such as headphones, cables, mice and keyboards—is collected and transferred to a company specialized in the recycling of electronic equipment.

Furthermore, specific attention is given to hazardous materials: used printer toners are retrieved directly by supplier personnel to ensure proper handling, while alkaline batteries are deposited by employees in a dedicated collection box. Once the box reaches capacity, the batteries are delivered to an authorized collection point for disposal.

Figure 18. Consumption of purchased electricity, heating and cooling at SOCAR Trading offices, MWh[28]



For office locations, water is supplied by municipal or third-party utilities within the buildings we lease and is used primarily for sanitary and general office purposes. Wastewater is discharged through the local sewer systems. To identify locations in areas of water stress, we refer to the Aqueduct Water Risk Atlas. Based on this classification, offices located in Dubai and London fall within high water-stress areas, while Houston is classified as medium-high water stress. Offices in Geneva and Singapore are located in areas of low water stress.

28. *Cooling figures for Dubai office were estimated for 2025 due to limited bills availability.*

Table 11. Water consumption at SOCAR Trading offices, thousand liters[29]

Water consumption	2023	2024	2025
Geneva	506	457	479
Houston	231	82	101
Dubai	257	609	712
Singapore	73	141	141
London	112	247	223
Total	**1,179**	**1,537**	**1,656**

The table below provides the fuel consumption figures for our company-owned cars in Geneva and Dubai offices, as these are the only locations where company vehicles are registered.

Table 12. Fuel consumption from company-owned vehicles, liters

Fuel consumption	2023	2024	2025
Geneva (Gasoline)	1,483	1,339	1,212
Geneva (Diesel)	4,027	3,617	3,317
Dubai (Gasoline)	4,992	3,533	5,481
Total	**10,502**	**8,489**	**10,010**

29. Water consumption data is reported for all SOCAR Trading offices. Figures for our Singapore and Dubai offices were calculated based on average consumption per employee in 3 locations (Geneva, Dubai, and London).

ISMAILIYYA **PALACE**

The Ismailiyya Palace in Baku is an elegant historic building distinguished by its Venetian Gothic Revival architecture. Built in the early 20th century by oil magnate Musa Naghiyev in memory of his deceased son Ismayil, the palace combines architectural grandeur with deep personal and historical significance. Today, it serves as a key building of the Azerbaijan National Academy of Sciences, hosting important academic and cultural events.

6 The "S"

6.1 Our people

At SOCAR Trading, we are constantly looking for ways to enhance our employees' personal and professional abilities.

We believe that by contributing to the personal development of our employees, we invest in the Company's long-term success and sustainability. It is essential for us to act in a way befitting a responsible and attractive global employer. A core component of this is our ability to create a technologically sophisticated, healthy and safe working environment where our employees can fully achieve their potential.

SOCAR Trading maintains HR functions in all representative offices around the globe. The main HR management is based in the Head Office of the company in Geneva. Representative offices perform their key functions independently; however, all data are collected, provided and sent to the Head Office as part of a centralized global HR management system. Furthermore, we employ direct communication channels with all offices to promptly address any issues that may arise locally and globally.

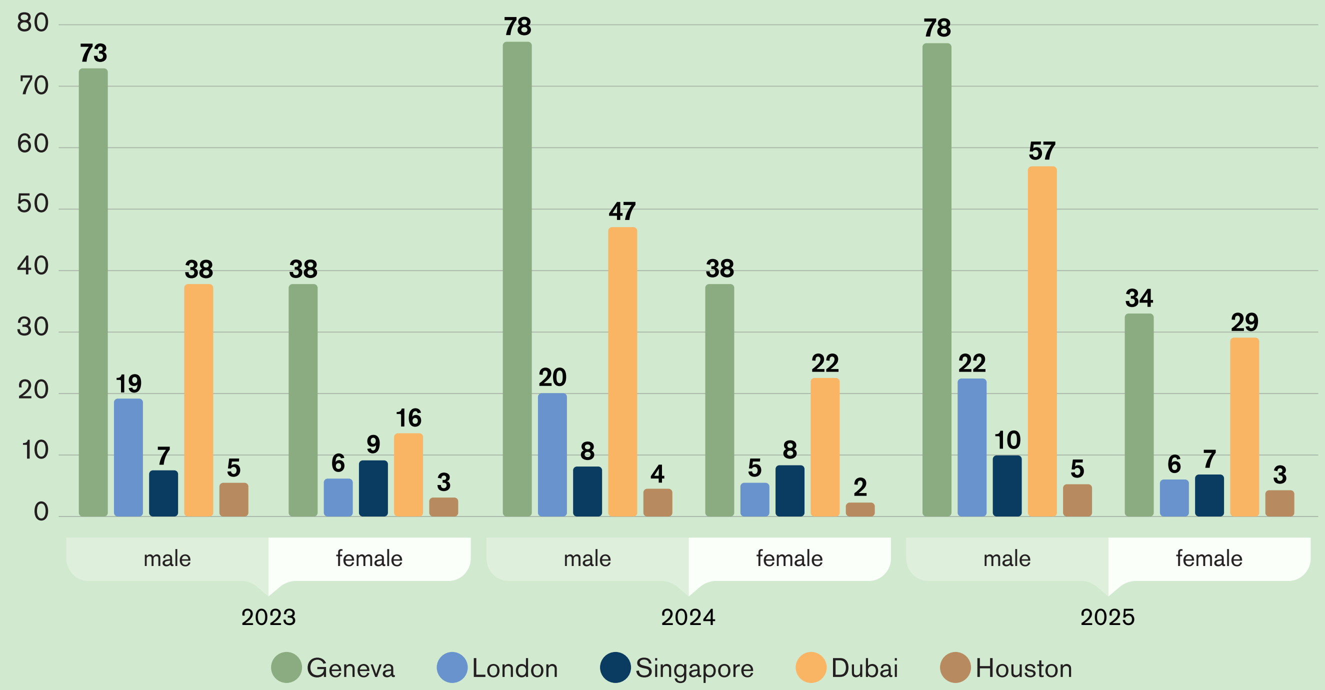
Part of the corporate strategy covering the HR management function involves strengthening reporting mechanisms, harmonizing variable compensation and bonuses, expanding the areas of operation and launching new product lines by supporting the C-level managers in charge of those functions.

We have developed a comprehensive Employee Handbook for each of our global offices. The Handbook provides general information and guidelines on SOCAR Trading policies, practices, procedures, ethical frameworks, expectations, standards, facilities, and benefits. It also reinforces our commitment to equal opportunity employment, employee support, and the prevention of workplace harassment. Despite the general similarity between versions, some regions have slight differences in the content of the Handbook to comply with local employment regulations. We believe that these policies and regulations do assist our employees in the alignment of their performance with the values and principles of the Company.

Personnel profile

In 2025, our headcount increased compared to the previous year, reaching 251 employees by the end of the year.

Figure 19. Number of employees in international representative offices, by gender



In the reporting year, the total workforce at SOCAR Trading was composed of 69% male and 31% female employees.

Figure 20. Total number of employees by gender

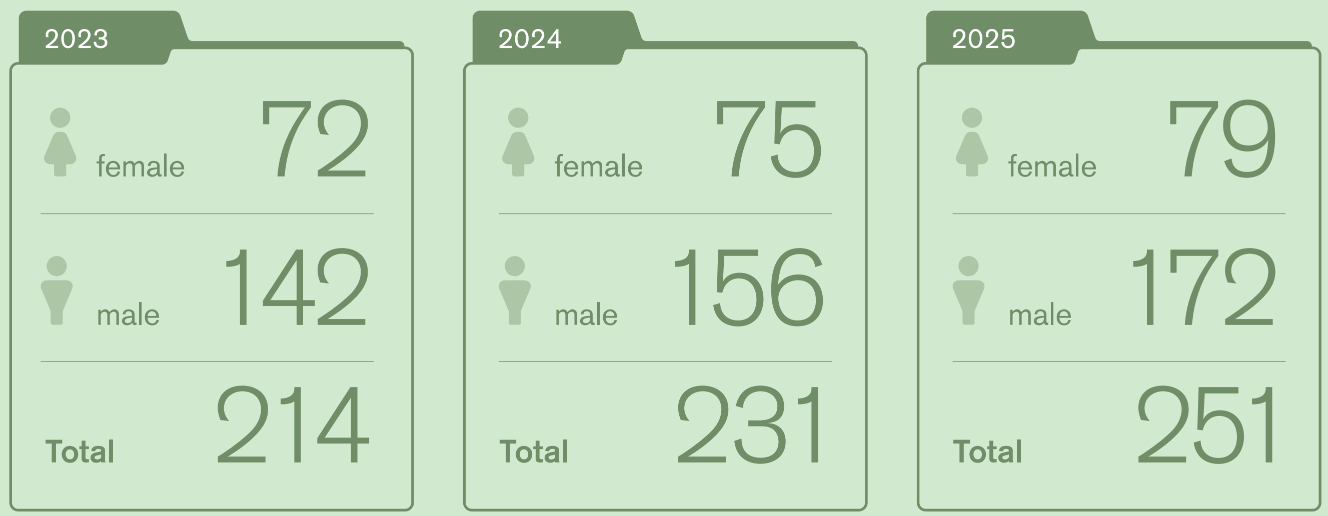


Figure 21. Total number of employees by age

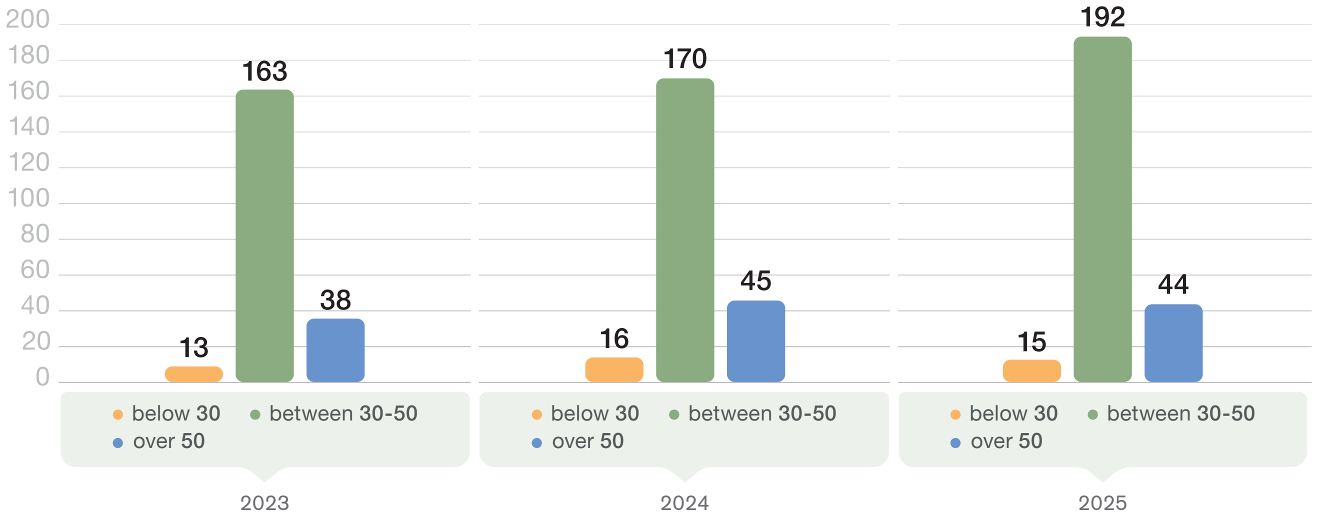


Figure 22. Total number of full-time and part-time employees by gender

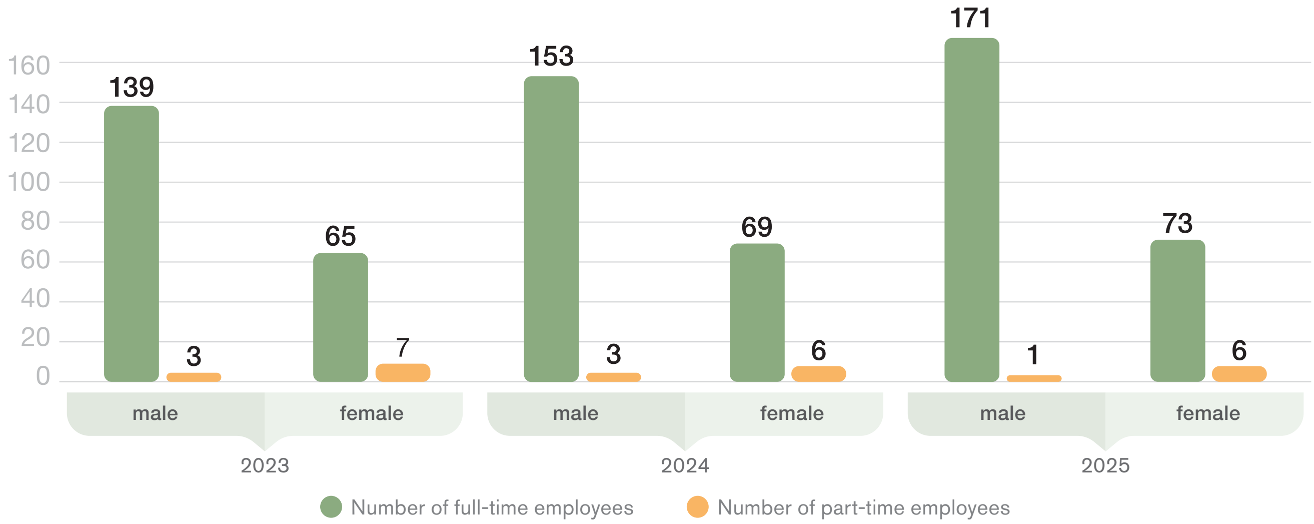
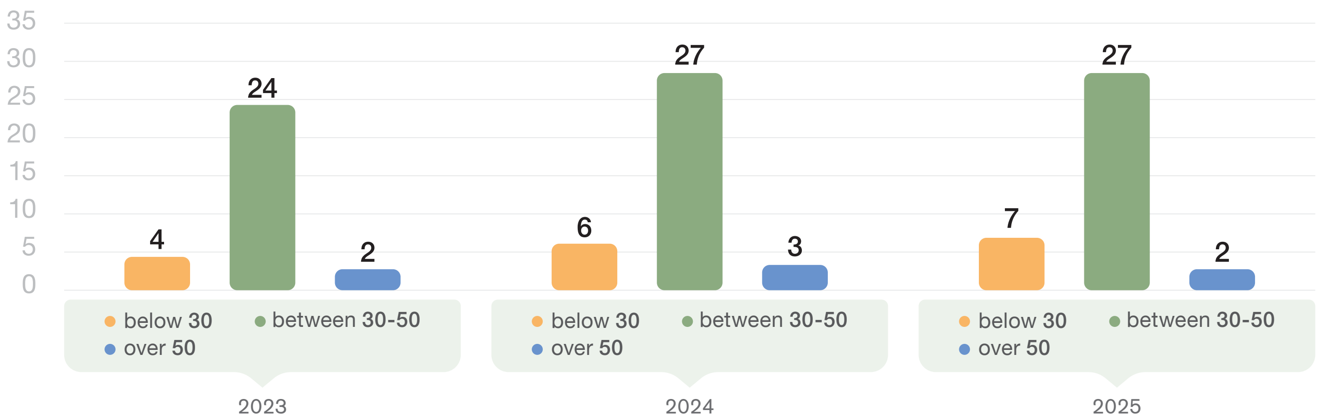


Figure 23. Total number of hired employees by age



6.1.1 Equal opportunities, Diversity and Inclusion

At SOCAR Trading, equal opportunities, diversity and inclusion are an integral part of our corporate culture. We are convinced that a diversified workforce, as well as an open and appreciative corporate culture, are important success factors in a globalized world. SOCAR Trading values diversity and is committed to promoting its values within the workplace by seeking to ensure that all individuals are treated with dignity and respect.

At the same time, we believe that diversity fosters employee engagement and development since it nurtures different ideas and approaches within the business. It contributes to business success by empowering leaders to maintain a workforce of the highest quality through targeted recruitment, retention, development and advancement of individuals from a diverse talent pool on the basis of merit.

Nationality distribution of SOCAR Trading's workforce:

- Australia
- Austria
- Azerbaijan
- Belarus
- Belgium
- Brazil
- Canada
- China
- Croatia
- Denmark
- Estonia
- France
- Germany
- Greece
- India
- Ireland
- Italy
- Japan
- Jordan
- Kosovo
- Kyrgyzstan
- Latvia
- Lithuania
- Malta
- Nepal
- The Netherlands
- Norway
- Pakistan
- Philippines
- Portugal
- Romania
- The Russian Federation
- Singapore
- Sri Lanka
- Switzerland
- Türkiye
- Ukraine
- The United Kingdom
- The United States of America
- Uzbekistan
- Venezuela
- Vietnam

To be aligned with these principles, we remain committed to the Equal Opportunities and Diversity provisions in our Employee Handbook, which is applied to all employees, workers, agency workers, self-employed contractors and volunteers. SOCAR Trading does not tolerate any form of discrimination based on race, religion, ethnicity, nationality, age, gender, sexual orientation, disability or other reasons protected by law. These provisions apply to all decisions relating to recruitment or employment, including job selection, work assignments, training, promotion, performance appraisal, career development, compensation and benefits, administration and conditions of employment.

Employees are expected to address all potential or actual cases of discrimination, harassment, or bullying within the Company through the grievance procedure described in the Employee Handbook. All complaints are treated seriously and investigated promptly.

When an issue arises, HR initiates an investigative process. Based on the conclusions drawn, appropriate actions are taken, such as internal transfers or disciplinary measures, as well as the implementation of training initiatives aimed at preventing future incidents. Moreover, an incident report is regularly submitted to senior management or the CEO for review and any further directives. During the reporting period, we had zero incidents of complaints regarding discrimination or similar cases arising from employees in all locations.

Table 13. Parental leave by gender

Parental leave by categories	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Total number of employees entitled to parental leave	140	69	156	75	172	79
Total number of employees that took parental leave	7	0	6	3	9	1
Total number of employees returned to work after parental leave	7	0	6	3	9	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	6	0	6	3	8	1

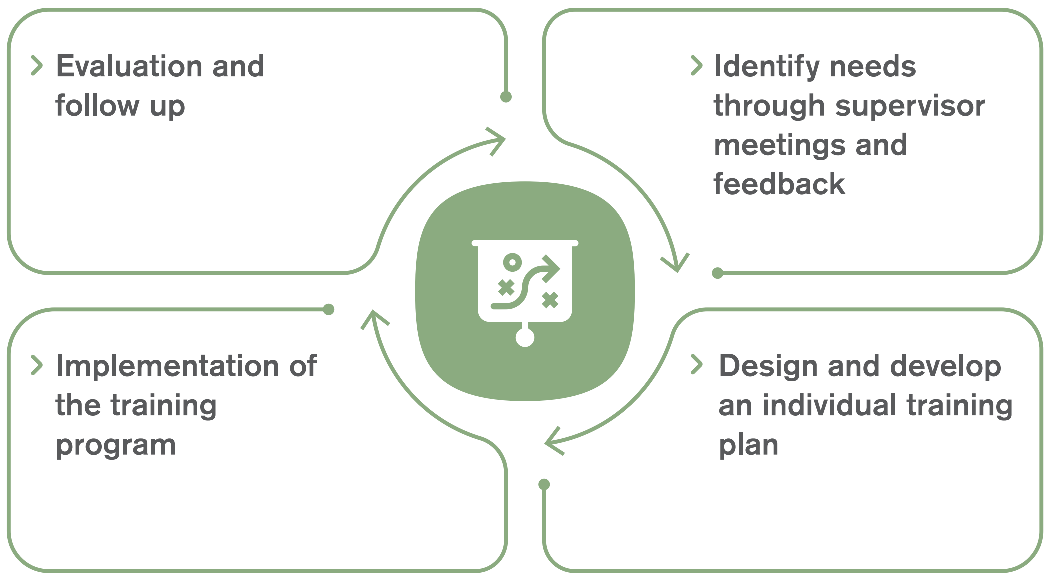
SOCAR Trading offers employees with disabilities an equal opportunity to succeed, learn and be compensated fairly. We do not tolerate discrimination against disabled employees and recognize our responsibility for taking reasonable actions to help avoid work practices that might place a disabled employee at a substantial disadvantage compared to other employees.

6.1.2 Employee training and development

We recognize that skilled employees lie at the centre of our long-term success as a Company. Consequently, the education and promotion of employee capabilities across all representative offices are one of our core priorities. SOCAR Trading regularly supports and encourages employees to enhance their knowledge and skills through external professional development opportunities and internal training sessions. These measures aim to equip our employees with the relevant tools to engage in professional development and streamline positive contributions to SOCAR Trading's operational excellence.

We provide both digital and in-person learning opportunities based on individual needs and relevance to each employee's industry or subject matter expertise. Individual development plans are designed through regular meetings of employees and their respective supervisors. This makes it easier to define individual development measures that address both the company's needs and each employee's ambitions and potential. The Company will also cover the costs associated with an external course or certification that was approved by a supervisor.

Figure 24. Individual training plan cycle



In addition to individual training plans, all employees are required to follow the mandatory annual training programs linked to KPIs, which are developed by the Compliance Department in association with HR. Department specific KPIs are set based on each employee's position and function within the Company. Additionally, all new hires are required to complete a series of training sessions focused on risk management, IT, and compliance to ensure they adhere to company policies from the outset.

Furthermore, SOCAR Trading provides access to online training platforms for all employees that are aimed at their professional development and continuing education. For instance, we partnered with an online course provider, LinkedIn Learning, which has a wide collection of online courses taught by industry experts in various fields, including commodity trading.

The Company has also adopted an Objectives and Key Results (OKR) goal-setting system to ensure that our employees work in alignment with organizational priorities and personal ambitions. OKR is a goal-setting methodology that helps us set measurable goals in relation to employee performance and development. We aim to increase employee engagement in goal setting and support the company in achieving its ambitious goals.

Figure 25. The general structure of the OKR goal-setting system

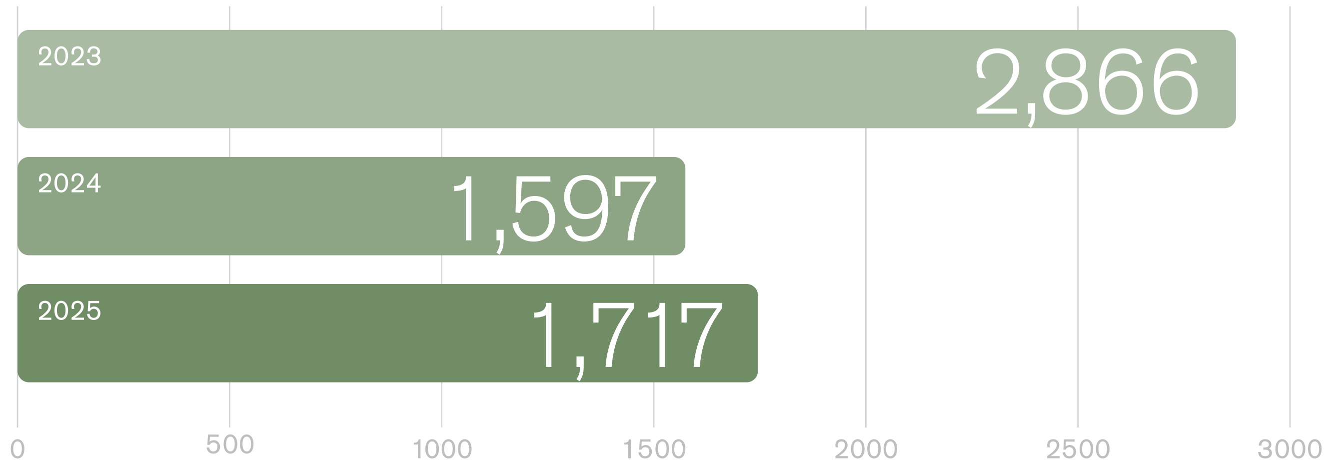
OKR is a simple, fast-cadence, bottom-up process that engages each team's perspective and creativity. Within this system, Executive Management and departmental objectives will be reviewed on a yearly basis. All employees are required to prepare their objectives, which are reviewed twice a year. The process is facilitated by the HR department and individual line managers.

Table 14. Average hours of training provided to employees

Average training hours		2023	2024	2025
Average hours of training by employee categories	Executive	20	30	30
	Senior	7	1	4
	Mid-Career	14	7	7
	Junior	26	14	7
Average hours of training by gender	Male	15	8	9
	Female	15	5	3

We are organizing regular workshops involving trading, shipping, and support functions to better understand and manage ESG-related risks and improve the accuracy and efficiency of relevant data collection and reporting. As part of these workshops, we are developing tools and measures to incentivize our employees to help the Company achieve its ESG goals, such as reducing its carbon footprint and carbon intensity of the relevant operations. Additionally, during the reporting period, we introduced management leadership training aimed at supporting managers in the development of their leadership capabilities.

Figure 26. Total hours of training provided to employees



In the reporting period, a wide range of learning programs were offered to employees to satisfy the evolving demands of the business landscape, e.g., specialist training, data management, security, language learning as well as the development of both soft and technical skills.

Internships at SOCAR Trading

SOCAR Trading offers internship opportunities for young professionals. In 2025, we accommodated 28 interns across all our offices.

Through the internship, we provide opportunities for young specialists to enhance their knowledge and become acquainted with the energy trading business from within, encompassing both its risks and opportunities. Internship programs offer participants valuable insight into the operations of different departments.

Umutcan Vargelci supported SOCAR Trading's LNG desk during 2025, contributing to market analysis focused on natural gas fundamentals and their links to regional and global energy developments. At the time, he was pursuing a Bachelor's degree in Economics and Computer Science at Harvard University, alongside a language citation in Mandarin Chinese.

His academic and professional interests include the evolution of gas and power markets, the role of emerging technologies in shaping energy infrastructure and operations, and the strategic challenges at the intersection of energy and geopolitics. Through his engagement with SOCAR Trading, Umutcan developed practical insights into global energy markets and sustainability considerations, aligning with the company's commitment to fostering young talent.

Our progress in focus:
Family friendly events

On November 13 2025, for the second consecutive year, we welcomed employees' children in our Geneva office for the "Futur en Tous Genres" day promoted by the Canton of Geneva. The event provided a fun and interactive opportunity for children to explore the workplace, learn about different professions, and engage in workshops, games, and presentations by employees. Feedback from participants was very positive, reflecting their enjoyment and interest in the experience.

6.1.3 Respect for human rights

Respect for the rights and dignity of every individual influenced by our business operations is an essential element of our values and culture. Recognizing suppliers as one of our main stakeholders, we are committed to upholding our values of respect and social responsibility in relation to our human rights impacts. Consequently, we strive to ensure that human rights are respected throughout our value chain.

We adhere to the following fundamental principles of human rights:

Figure 27. SOCAR Trading's principles of human rights

- Respect the rights and dignity of everyone
- Compliance with all applicable laws and internationally recognized frameworks
- Treating everyone fairly and without discrimination
- Promoting knowledge of and respect for human rights through our supply chain

We are committed to opposing any form of forced, compulsory or trafficked labor, slavery or servitude through our Modern Slavery Statement and do not tolerate any violations within our business itself or in our supply chains. We expect our suppliers to be aligned with our human rights values, be committed to conducting business ethically and comply with all applicable laws and regulations.

Our Human Rights policy establishes clear guidelines and principles for SOCAR Trading's commitment to upholding fundamental human rights standards. As part of our commitment to align with the UN Guiding Principles on Business and Human Rights, our Human Rights policy outlines our approach to identifying, assessing and reporting potential human rights impacts. If a human rights violation is identified, we are committed to providing remediation to the affected party. Remediation can take various forms, including departmental transfer of respective employees, training on human rights and provisions to ensure the harm cannot recur.

To ensure that suppliers conduct business with a high degree of integrity and in a socially and environmentally responsible manner, we have taken the following steps to assess and manage any risk of human rights violations in our supply chains:

Figure 28. SOCAR Trading's approach to managing human rights risks

Our human rights due diligence process involves actions taken by SOCAR Trading to both identify and act upon actual and potential human rights risks in our supply chains. In case of violation, we conduct a corrective action plan which may include a provision of relevant training and guidance. Violations can result in termination of contracts and removal from approved supplier lists, depending on the severity of the violations.

We seek to ensure that our suppliers are committed to:

- Lawful and ethical business practices;
- Safe, healthy and fair workplaces;
- Zero tolerance for human rights violations;

Standards and practices that ensure environmental protection and environmental safety.

We have a set of policies designed to facilitate reporting of unlawful behavior, including slavery or human trafficking within our business.

SOCAR Trading is committed to preventing child labour across its operations and value chain. In line with the requirements of the Swiss Code of Obligations and the Ordinance on Due Diligence and Transparency (DDTrO), we conduct regular reviews of new and existing business lines to identify potential child labour risks. These reviews take into account the nature of our business, the commodities traded, and geographic factors. Based on the most recent assessment, no operations or suppliers were identified as presenting a significant risk of child labour.

In addition, as part of our counterparty onboarding process, we apply know-your-counterparty (KYC) checks that include screening for risks related to child labour and modern slavery. This process supports the early identification of potential human rights risks within business relationships.

During the reporting period, no reports have been recorded from employees, the public, or law enforcement agencies to indicate that modern slavery practices have been identified at SOCAR Trading and its supply chains.

6.1.4 Management of employee grievances

SOCAR Trading understands the value of receiving feedback and addressing employee concerns across the Company. For general work-related issues, employees are encouraged to resolve problems informally through direct discussions with their managers or the HR Department. However, issues related to work conditions, such as discrimination or harassment, should be reported directly to the HR Department or the designated Trusted Person due to their sensitive nature.

For other work-related concerns, in cases when employees do not feel that the issue can be resolved on an informal basis, they can use the Grievance Procedure. This formal process ensures the matter is addressed to senior management and all complaints are handled impartially, confidentially, and in a timely manner.

Figure 29. Steps of the grievance procedure

Employees who initiate the grievance procedure will have the issue addressed as confidentially as possible. SOCAR Trading will protect all employees who have initiated a complaint under the grievance procedure or assisted in an investigation to resolve a complaint. We ensure that investigation is held in a just and transparent manner towards all parties involved.

6.1.5 Fair remuneration

Recognizing and acknowledging our employees' contributions enables us to maintain our long-term and sustainable business success by providing market-competitive benefits based on country-specific needs and government requirements. Our Compensation Committee plays a vital role in ensuring fair and effective compensation practices for all employees.

While our benefit packages may differ depending on the region, they are all designed to attract top talent and foster long-term loyalty. Our remuneration system is maintained in accordance with the following principles and objectives:

Figure 30. SOCAR Trading's remuneration principles

- To achieve the strategic goals and objectives set by the company
- To create an environment for employees' personal and professional development
- To motivate employees to be more productive
- To increase the commitment of the employees
- To ensure transparency, fairness in the performance assessment and remuneration

The amount of the total compensation is identified based on the evaluation performed within the Company and is paid on an annual basis.

6.1.6 Employee safety and wellbeing

Promoting and establishing healthy lifestyles among our employees is an absolute priority. As such, we offer a number of services to aid employees listed below.

All offices conduct Health and Safety initiatives for employees each year. Guest speakers and demonstrations were organized on subjects such as nutrition, first aid training, fitness classes, fire safety and help to cope with stress.

As a constant presence in our offices, fresh fruit is readily available, and we partner with healthy food suppliers to encourage healthy eating with onsite vending machines. Bespoke reusable water bottles are available to every employee meaning less reliance on plastic water containers.

In our endeavor to support mental health, we offer dedicated anonymous counselling and therapy sessions, to any struggling employees by an independent professional expert. These are confidential sessions between the employee and counsellor. There is no HR or company involvement.

The company takes full responsibility for supporting our employees with the following health and safety concerns:

- Safe work practices and safe workplaces
- Emergency procedures and first-aid facilities;
- Appropriate health and safety training and supervision;
- Adequate welfare facilities and a safe and healthy environment
- Consultation with Employees on matters of health and safety;

We strongly encourage our employees to notify their supervisors in case of any work-related matters which might present an actual or potential threat to their health or safety. In addition, employees should inform the HR department, management, and, if applicable, emergency services, in case of an accident or illness. It is mandatory to report all incidents that occur on Company premises, including minor injuries.

We believe that the efficiency of the OHS system primarily depends on the appropriate corporate culture and right tone from the top management. We therefore regularly run relevant OHS trainings and awareness raising programs among our employees.

Table 15. Total number of OHS training provided to employees, by employee category[30]

OHS training	2023	2024	2025
Total number of employees who received OHS training by employee category	**45**	**42**	**45**
Executive	-	1	1
Senior	14	11	8
Mid-career	29	27	33
Junior	2	3	3

During 2025, our health and safety initiatives across company offices included first aid training, fire extinguisher training supported by virtual reality, fire warden preparedness training, and fitness and wellness sessions.

Additionally, SOCAR Trading prioritizes the health of its employees by encouraging them to remain active both at work and outside of the workplace, promoting a healthy lifestyle and sponsoring sports-related events across our office locations. In line with this commitment, the Company also organizes weekly sports activities, providing opportunities for colleagues to participate together in team sports such as football and padel. These initiatives foster employee engagement, teamwork, and well-being while promoting an active and healthy lifestyle.

30. 2022 and 2023 figures were revised to more accurately reflect formal training activities, excluding initiatives that do not meet the definition of health and safety training.

Our progress in focus:
Running events across our office locations

The 'Course de l'Escalade' is a vibrant, family-friendly event held at the beginning of December in Geneva's Old Town as part of the Fête de l'Escalade, an annual celebration of the city's historic victory over the Duke of Savoy in December 1602. The race brings together participants of all ages, promoting community spirit, health and tradition. As part of our CSR initiatives for the 2025 edition, SOCAR Trading covered the registration fees for employees and their families, leading to 27 participants.

In 2025, SOCAR Trading employees participated in the Dubai Marathon, one of the region's most prominent international sporting events, which promotes physical wellbeing, inclusivity, and community engagement. A total of 9 employees successfully completed the 10 km race, while 12 employees participated in the 4 km run. All participants completed their respective races and were awarded official medals and participation certificates in recognition of their achievement.

Our progress in focus:
Running events across our office locations

SOCAR Trading has been sponsoring the London MUFG Run for Good for a few years. This initiative supports MUFG's charity partners in their ongoing efforts to assist disadvantaged young people across the region. In 2025, the London MUFG Run for Good brought together SOCAR Trading employees, interns, family members and friends to support MUFG's charity partners.

During the reporting period, there were no work-related incidents resulting in employee injuries of any severity. At the same time, one incident was recorded involving a non-employee worker engaged through a contractor. The incident, which involved a slip in a shared office area, did not result in a high-consequence injury. Following the incident, the Company took prompt corrective actions, including communicating with employees to reinforce safe practices in shared areas and to encourage the timely reporting of any potential hazards. We recognize the significance of reflecting on potential incidents and learning from them, thus contributing to the ongoing improvement of our safety measures.

With respect to personnel on the Company's owned vessels, crew management is carried out by external technical managers under ship management agreements. Following the acquisition of the vessels, we have initiated the collection of key health and safety data related to vessel operations through these management structures. During the reporting period, no fatalities were recorded. Additionally, no lost time injuries were reported among crew members, resulting in a Lost Time Injury Frequency (LTIF) of zero.

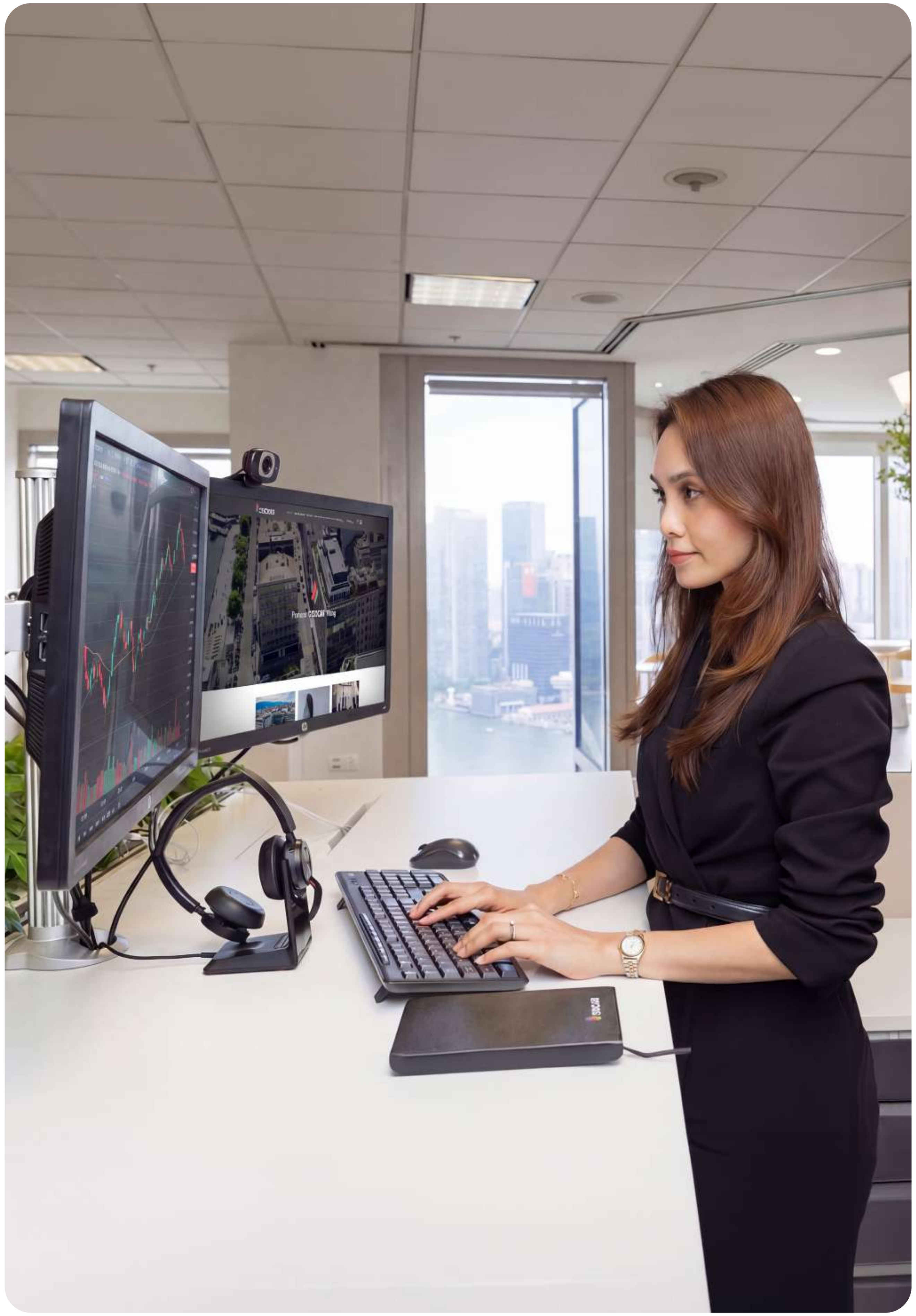
Most of the technical managers engaged are certified in accordance with ISO 45001 for occupational health and safety management, and hold a valid Maritime Labour Certificate. Additionally, we receive selected workforce-related information, including crew retention statistics, mood survey reports, and reports related to anti-bullying and harassment. These data points and information support visibility over key social and wellbeing aspects associated with vessel operations.

Finally, SOCAR Trading believes that flexible working arrangements significantly enhance employee satisfaction and well-being while boosting productivity. These arrangements are also crucial for maintaining business continuity during external or internal disruptions, providing both employees and the company with additional tools to achieve their goals. Accordingly, we have implemented a work-from-home policy, based on employee feedback from 2020 and 2021 and in response to the COVID-19 pandemic. This policy is reviewed regularly, at least annually, to ensure it aligns with staff needs and business objectives.

6.2 Our contribution to the local economies

Considering the global scale of our operations, our globalized supply chain includes large international companies with which we cooperate for maintaining our primary business activities. However, for administrative and office needs we engage with suppliers local to the country of each office's operations – such synergy both empowers local economies and strengthens the local workforce.

The majority of costs in Geneva are associated with information technology (IT) and market data. The vendors for these services are not located in Switzerland. Consequently, any increase in these specific expenses affects the balance between local and foreign expenditures. Moreover, considering our diverse service needs and the relatively small amounts spent in the UK, Dubai, Houston, and Singapore, even minor changes can significantly impact the balance between domestic and foreign expenditures.

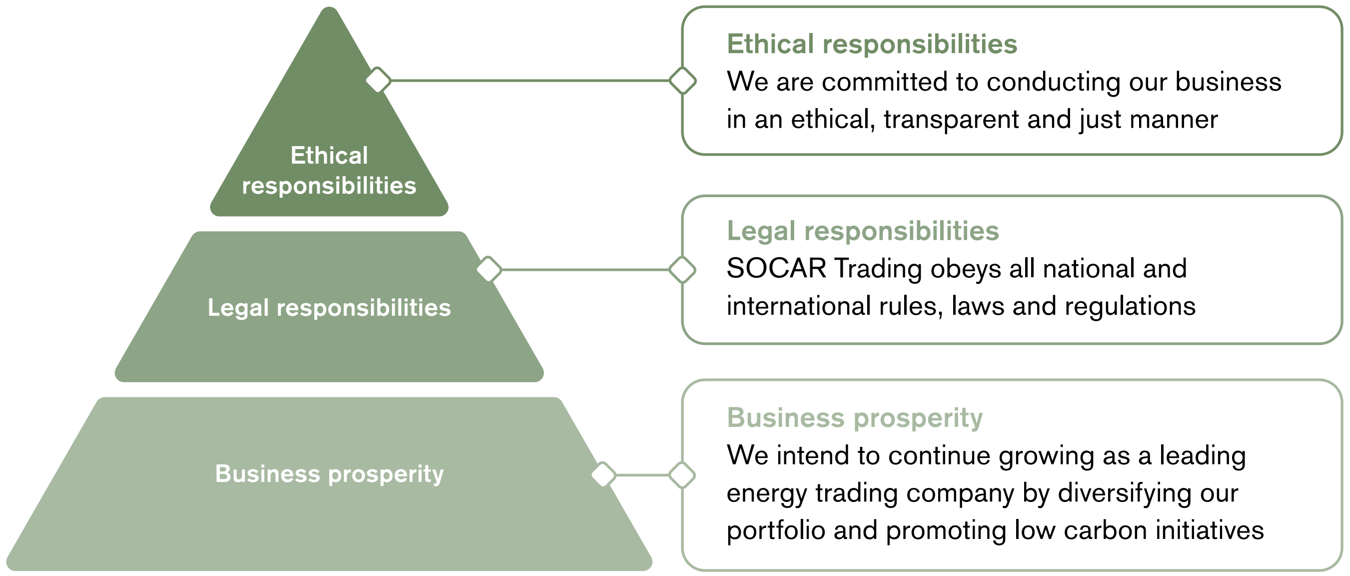


6.3 Our social responsibility

Along with providing favourable workplace conditions and contributing to the development of local talent, SOCAR Trading is looking to enhance its contribution to the social wellbeing of the communities in which it operates. We believe that engaging in social initiatives demonstrates our commitment to our values and reinforces our position as a responsible corporate citizen. At the same time, we strongly believe that our demonstrative adherence to improving the welfare of the people will enhance employee motivation within our organization and position us as the employer of choice.

Our CSR policy is designed to ensure that SOCAR Trading and its affiliates operate in an ethical, responsible, and transparent manner. It reflects our commitment to meeting stakeholder expectations and serves as guiding framework for integrating CSR practices into our operations.

Figure 32. Core pillars of the CSR Policy



In 2025, we completed a review of our CSR policy. CSR initiatives are overseen by the CSR Admin Team, which includes the Group Head of HR and the Group Head of Accounting. Under the revised policy, CSR activities are organized into two main categories: Donations & Sponsorships, and Employee Engagement Initiatives. For the latter, an annual budget of USD 100,000 is allocated. Examples of focus areas include employee health and wellness, environmental sustainability, and community engagement. Employees are encouraged to submit ideas for initiatives either through a dedicated platform or directly to the CSR Admin Team. This approach fosters proactive engagement, empowering employees to support and promote local causes while extending the program's reach globally.

During the reporting year, CSR initiatives took place across several of the locations where SOCAR Trading operates. Examples of these activities are provided below.

Our progress in focus:
CSR initiatives

Ramadan Campaign

During Ramadan, a period traditionally associated with giving and solidarity, SOCAR Trading employees in Dubai participated in the Ramadan Campaign, an initiative aimed at raising awareness of the social and environmental impacts of food waste.

Grounded in circular economy principles, the campaign encouraged more sustainable consumption behaviours and highlighted opportunities to reduce carbon and water footprints while delivering positive social outcomes. As part of the initiative, 250 hygiene kits and 250 meals were distributed to blue-collar workers in labour camps and to families in need, supporting community wellbeing during the holy month.

Our progress in focus:
CSR initiatives

Children's Day

Our Singapore office engages in community-focused initiatives aimed at supporting inclusive education and social development. Employees from SOCAR Trading actively participate in volunteering activities with local charitable education organisations.

In collaboration with Epworth Community Services, SOCAR Trading hosted a Children's Day celebration for children with learning challenges, physical impairments, and social or emotional needs. The initiative provided a supportive and inclusive environment through structured games and creative activities, with meals and prizes for all participating children.

Step Challenge for Cancer Support

As part of the annual Step Challenge, SOCAR Trading joined other Geneva based companies to raise money for the Cancer Support Association in Switzerland.

SOCAR Trading participated with three teams in the challenge. One team achieved a top 10 ranking out of 108 companies, while the other two teams collectively contributed with 3M+ steps.

Our progress in focus:
CSR initiatives

Sponsoring young athletes

We proudly sponsor the young football stars of Epping Town Football Club (the "Terriers") in England. The initiative supports grassroots sports and community engagement and is coordinated with the involvement of one of our employees, Jon Whittaker.

6.4 Engaging with our stakeholders

Our commitment to sustainability and corporate responsibility drives us to proactively engage with our stakeholders. To this end, our Stakeholder Engagement Policy details how we foster positive and effective relationships with them.

We have identified our stakeholder groups through consultations with third-party experts, by reviewing the stakeholder frameworks of our peers, and through an internal assessment of our operations. Below is an overview of our key stakeholders and the ways in which we communicate with them.

Stakeholder group	Why we engage	How we engage	Outcome
Governments and Regulators	We regularly engage with governments and regulators to understand the regulatory frameworks of the countries we trade in and bring fair value to the international community with due consideration of various local contexts.	▪ Third-party agents ▪ Open dialogues with government officials ▪ Open dialogues with SOEs	▪ During the reporting year, we continued to monitor regulatory developments that could impact our business, positioning us to respond effectively to potential changes. In particular, regarding ESG regulations, we developed the ESG Regulatory Compass, a tool designed to help navigate the evolving sustainability regulatory landscape. For more details, please refer to section 7.2.
Suppliers and Customers	We are regularly communicating with our suppliers, customers and shipping counterparties in order to understand and track our negative impacts across our value chain. We are working diligently to improve our management capability of material issues. Our HSEC and Sustainable Procurement and Supply Chain policies are key to improving our oversight of crucial ESG risks associated with our operations.	▪ Open dialogues with crucial suppliers and customers	▪ We regularly conduct ESG assessments of our most material counterparties. The assessment is based on publicly available information. In instances where there is no publicly available information, an internally developed ESG questionnaire is shared with stakeholders. In 2025, we conducted an assessment of 20 counterparties, including two investment companies.
People	We communicate with the wider society to understand the overarching stakeholder expectations concerning our operations and improve our grip over our most significant impacts on various communities around the world.	▪ Senior management visits ▪ Communication with NGOs	▪ In the reporting year, we continued to support communities through the implementation of targeted CSR projects. For more details, please see section 6.3.

Stakeholder group	Why we engage	How we engage	Outcome
Capital providers	We depend on our capital providers, such as banks due to their ability to provide access to funding opportunities for SOCAR Trading. We are actively listening to the recommendations and requirements of investors in order to meet relevant expectations and contribute to the wider goals of the energy transition.	▪ Stakeholder surveys ▪ Open dialogues with banking representatives	▪ As a result of active engagement with capital providers, we manage most of our environmental data through a dedicated tool designed to automatically estimate GHG emissions and store ESG-related information. We continuously seek to enhance the tool to improve usability and ensure smoother operations. For more details, please refer to section 7.5 of the ESG report. ▪ In the reporting year, we obtained our third ESG rating score assigned by EcoVadis, an independent ESG rating company. For more details, please refer to section 4.2.
Insurance companies	We depend on the insurance companies, as they enable us to through insurance contracts specific risks identified in our risk management framework.	▪ Stakeholder surveys ▪ Open dialogues with insurance representatives	▪ We subscribe to insurance policies designed to balance our risk appetite with the level of risk we transfer to our insurer, ensuring that our exposure is effectively managed.
Employees and contractors	We depend on our employees and contractors to maintain the operational sustainability and financial health of our organization. Consequently, we are actively listening to our employees and contractors to understand and fulfill their needs. We employ dedicated channels to streamline our communication with these parties.	▪ Performance and feedback reviews ▪ Stakeholder surveys ▪ Employee events ▪ Grievance mechanisms ▪ Employee satisfaction surveys	▪ During the reporting period we further advanced the integration of Team Flect into our goal-setting system. This digital platform standardizes performance management, supporting consistent and structured performance reviews across the organization.
Media	We are committed to fair and timely disclosure of information. By building trust, we aspire to inform the audiences about important developments and maintain a healthy corporate image.	▪ Direct communication with media outlets ▪ Corporate website	▪ We regularly communicate with our stakeholders through our media channels, including our website—with a dedicated sustainability page—and external platforms such as LinkedIn.

Stakeholder group	Why we engage	How we engage	Outcome
Investment Portfolio	We are regularly communicating with our investment companies, where we have a minority stake and our investment partners to better understand their impact on sustainability-related matters.	▪ Investment company board representation ▪ Open dialogues with investment companies ▪ ESG Questionnaire	▪ In the reporting period, we conducted an assessment of ESG performance of Investment companies based on an internally developed ESG survey.

Our progress in focus:
ESG performance of most material counterparties

During the reported period, we conducted an ESG performance assessment of our 18 most material counterparties from trading and banking along with 2 investment companies, where we have 33% and 5% stake.

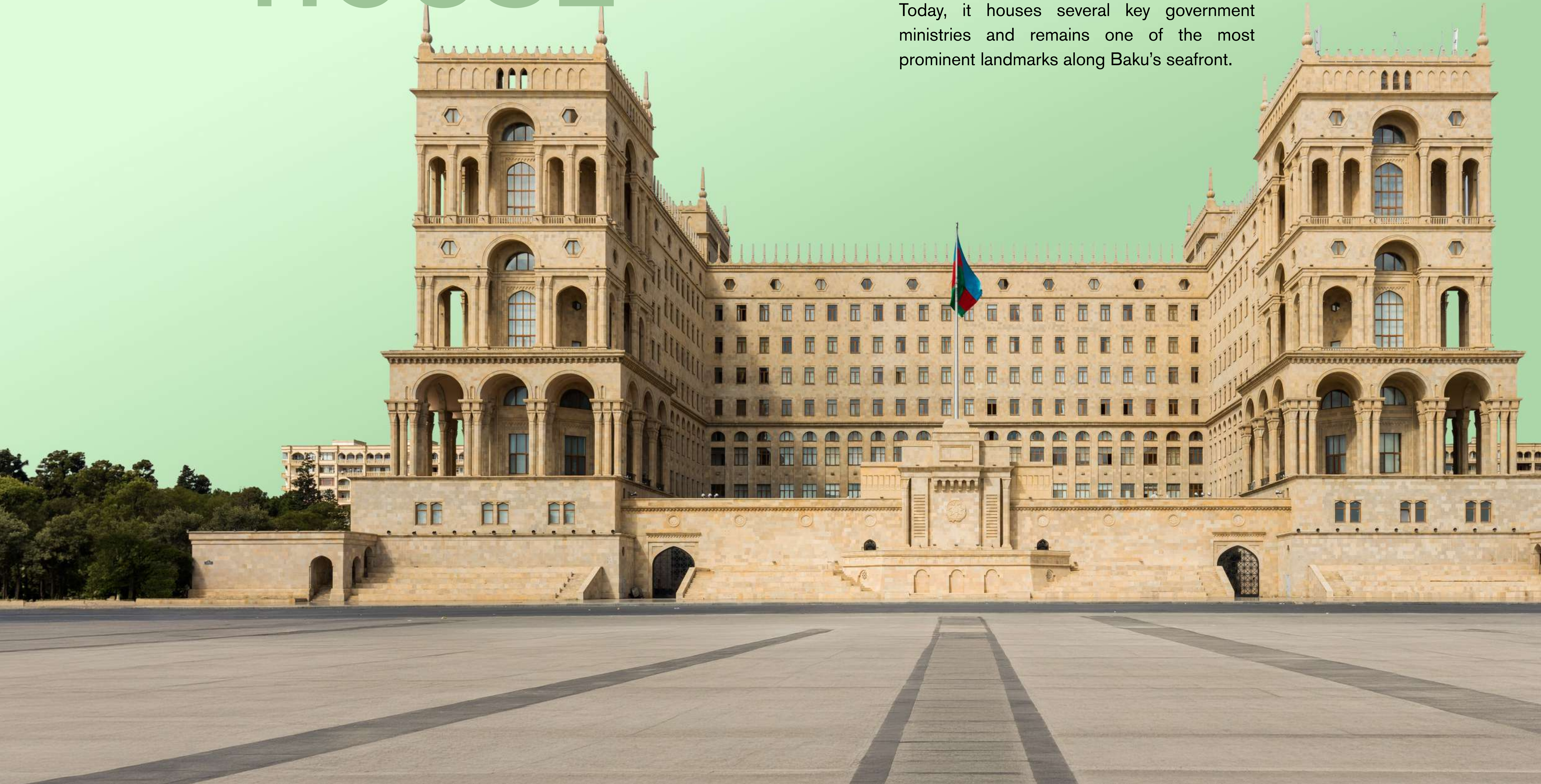
The assessment is based on internally developed Key Performance Indicators (KPIs) aligned with the Environmental, Social, and Governance dimensions, designed to address specific areas of concern and opportunity within each ESG category.

The assessment of each KPI is based on a three-score system, where a score "3" represents the highest level, while "0" signifies lower performance. We then monitor the overall score of the companies.

The assessment is conducted on publicly available information which can take the form of ESG and/or Sustainability reports. Counterparties, on which there is not enough information available, are asked to fill an internally developed ESG survey. Moving forward, we remain committed to refining and expanding our assessment approach to drive continuous improvement.

GOVERNMENT **HOUSE**

The Government House is a monumental example of Soviet-era architecture, characterized by its grand scale, symmetry, and ornate detailing. Completed in the mid-20th century, the building features imposing arches, colonnades, and decorative elements that convey a sense of authority and permanence. Today, it houses several key government ministries and remains one of the most prominent landmarks along Baku's seafront.



7

The "G"

7.1 Governance at SOCAR Trading

We believe that strong corporate governance underpins the long-term success of any organization. By managing the interaction between multiple stakeholders, governance systems work to create operational synergies while ensuring integrity, transparency, and resilience. Good governance is the foundational element of sustainable growth, where it allows employees to flourish, societies to benefit, and nature to be preserved.

We thus employ a robust governance system, which is designed to continuously maintain and improve oversight over crucial operations. Our governance model relies on clearly defined lines of oversight established through relevant internal documentation. It is with the help of this documentation that we have standardized and streamlined our day-to-day activities to enable a more transparent and effective engagement of top management in company operations.

The governance structure of SOCAR Trading is composed of a Board of Directors (BoD), members of senior management, and the committees that work closely together to maintain formal oversight of the company. The BoD is responsible for determining the overall strategy and maintaining communication with stakeholders. All policies and processes at SOCAR Trading are approved by the senior management members and uploaded into the internal system, which is accessible by all our employees. The responsibilities of governing bodies, performance evaluation schemes and governance principles are determined by respective company charters, articles of association and best-practice corporate governance principles outlined in ICGN Corporate Governance Principles.

Our senior management team undergoes an assessment process based on Objectives and Key Results (OKRs). These OKRs encompass a broad spectrum of performance metrics, including specific ESG-related objectives. This framework allows us to quantitatively and qualitatively evaluate the contributions of our senior managers to the company's sustainability and social responsibility goals.

The governance structure at SOCAR Trading includes oversight of ESG progress by our Board of Directors (BoD). Our CEO, who is also a member of the Board, plays a pivotal role in this process. At least twice a year, the CEO of SOCAR Trading presents the progress of our ESG framework to the BoD. Other Board members review and provide feedback on the presented ESG progress. This feedback mechanism ensures that the board's expertise and strategic guidance are leveraged to enhance our ESG strategies.

Besides regular meetings involving senior management, five management committees have been formed to manage crucial operational decisions within the company. The committees are composed of members of senior management, including the CEO of SOCAR Trading, who also serves on the Board of Directors. These committees were created to maintain a closer oversight of the most important activities of SOCAR Trading:

Figure 33. Committees at SOCAR Trading

- **Investment Committee**
- **Credit Risk Committee**
- **Deal Committee**
- **Sustainability Committee**
- **Compensation Committee**

Investment Committee

The Investment Committee is responsible for the management and oversight of investment project lifecycles of major infrastructure projects of SOCAR Trading. It works closely with the business development function and other functional units to oversee that the process of project development is streamlined appropriately. Additionally, it is responsible for making investment decisions, subject to relevant regulations, including board approval. The investment project approval process is governed by relevant documentation, which provides step-by-step guidance on the process, and defines responsibilities and execution steps.

Credit Risk Committee

The Credit Risk Committee is responsible for the management and oversight of credit risks at SOCAR Trading. It is engaged in the review and approval of credit lines to counterparties and works closely with the credit department to report credit exposures which arise from business transactions. The credit line approval process is governed by relevant documentation, which provides step-by-step guidance on the process, and defines responsibilities and execution steps.

Deal Committee

The Deal Committee is responsible for the management and oversight of new trading deals that fall outside of the scope of standard trading limits. It works closely with all functions to assess the risks of a new trading idea to determine if it's in line with SOCAR Trading's objectives and capabilities. Additionally, it maintains oversight of the whole deal approval process. The involvement of the Deal Committee is governed by relevant documentation, which provides step-by-step guidance on the process, and defines responsibilities and execution steps.

Sustainability Committee

The Sustainability Committee plays a crucial role in ensuring that SOCAR Trading is aligned with its ESG Strategy and is responsible for the management and oversight of ESG risks. The Committee works closely with the Sustainability function and other functional units. Established in 2022, the Committee's core objective is to foster a corporate culture that fully integrates sustainability principles, ensuring that it remains a key consideration in all aspects of SOCAR Trading's operations. Throughout the reporting period, the Committee held three meetings.

Compensation Committee

The Compensation Committee is dedicated to ensuring fair and effective compensation practices within our company. This committee is responsible for approving the headcount plan in line with the company's strategy and for reviewing employee performance, benefits, compensation and overall remuneration.

Board of Directors

Rovshan Najaf
Chairman of the Board

About Rovshan Najaf

In 2007-2008 Rovshan Najaf completed the master's program in Economic Policy Management / International Energy Management and Policy at Columbia University. He holds a PhD in Economics, is the 3rd degree State Counsellor. In 2010-2018, he worked as the Deputy Executive Director and Executive Director of "Azerbaijan Investment Company" OJSC. He was later appointed as the Chairman of the Financial Monitoring Service of the Republic of Azerbaijan. Mr. Najaf continued his career as the First Deputy Minister of Economy after being appointed by the President of Azerbaijan in 2021. In 2022, he became the First Vice President and Acting President of the State Oil Company of the Republic of Azerbaijan by the Order issued by the President of Azerbaijan.

Elshad Nassirov
Board member

About Elshad Nassirov

Elshad Nassirov graduated from the Moscow State Institute of International Relations in 1982. He worked in various diplomatic positions for the USSR, including in the Afghanistan embassy (1981–1982), in the Institute of Oriental Studies of the USSR Academy of Sciences (1982–1985), and in the Soviet Embassy in India (1989–1992). After Azerbaijan gained its independence, he worked in the Permanent Representative Office of Azerbaijan in the UN (1992–1995) and as administration division chief in the Ministry of Foreign Affairs from 1995–1997. From 1997–2003, he was a chief of the Foreign Economic Operations Department, and from 2003– 2005 a chief of the Marketing and Operations Department of SOCAR. Elshad Nassirov was appointed Vice-President of SOCAR for Investments and Marketing in 2005 and awarded the Order of Glory in 2010.

Zaur Gurbanov
Board member

About Zaur Gurbanov

Zaur Gurbanov was born in the city of Mingachevir in 1982. In 2000-2005, he served in the Armed Forces of Azerbaijan and participated in peacekeeping missions outside the country. In 2010 he graduated from the Odlar Yurdu University with a Bachelor's Degree in Business Organisation and Administration, and in 2012, he graduated from Azerbaijan State University of Economics with a Master's Degree in finance. In 2005-2010, he worked in various local and foreign companies. Between 2010 and 2020, he worked as a senior specialist, senior consultant, manager, general manager and director in the international audit and consulting company Ernst Young. During these years, he participated in a number of trainings. Since 2020, he has held the position of Deputy CEO of Azerbaijan Investment Holding. On the 11th of August 2021, he was appointed Vice President of SOCAR by the Order issued by the President of the Republic of Azerbaijan. In 2021-2022, he held the positions of a member of the Supervisory Board of Azerbaijan Caspian Shipping CJSC, Azerbaijan Airlines CJSC and Baku Metropolitan CJSC in accordance with the orders of the Azerbaijani President.

Anar Akhundov
Board member

About Anar Akhundov

Anar Adalat oglu Akhundov was born in 1975. In 1996, he graduated from the Azerbaijan State University of Economics with a degree in economics. He began his career at the Baku Interbank Currency Exchange and subsequently worked in various commercial banks. From 1999 to 2004, he worked as a senior specialist, head of unit, and head of department at the State Committee for Securities under the President of the Republic of Azerbaijan. From 2004 to 2006, he worked as the head of the Stock Market Development Department and Chairman of the Board of Directors of the Baku Stock Exchange. From 2006 to 2009, he served as the Executive Director of the Azerbaijan Investment Company. From 2009 to 2014, he worked as the Deputy Chairman of the Board of Directors at "Bank Standart" CJSC. From 2014 to 2022, he served as the head of department at the Ministry of Education of the Republic of Azerbaijan. In 2022, he was appointed as a member of the Supervisory Board of the State Oil Company of the Republic of Azerbaijan (SOCAR), in accordance with the Order of the head of state. In accordance with the Order of the President of the Republic of Azerbaijan dated April 16, 2024, he was appointed as the Deputy Minister of Economy of the Republic of Azerbaijan.

Ziba Mustafayeva
Board member

About Ziba Mustafayeva

Ziba Mustafayeva was born on December 9, 1979, in Tula, Russian Federation. In 1996, she entered the International Economic Relations Department at the Azerbaijan State University of Economics, graduating with a Bachelor's degree in 2001 and subsequently earning a Master's degree from the same department in 2003. In 1998-1999, Ziba successfully passed the competition of the "FSA" program organized by the U.S. Embassy and studied General Economics at the University of Alabama in Huntsville, USA. Ziba began her career at Azercell Telekom LLC in 2000. Starting in January 2000, she worked as a junior representative in the Customer Service Department, and in November of the same year, she was promoted to lead the Telemarketing Group. From 2001 to 2004, she served as the group leader of the Telephone Contact Center within the Customer Relations Department. From 2004 to 2006, Ziba joined the Human Resources Department as a representative of the Branch Management and Internal Communication Department. Between 2006 and 2008, she served as the head of the Recruitment and Business Units Management Department, and from 2008 to 2010, as the head of the Organizational Development Department. On July 30, 2010, she was appointed head of the Human Resources Department and was promoted to Director of the department in December of the same year. On July 1, 2019, she assumed the role of Director of the Human Capital Management Department, a position she held until February 14, 2022. In March 2022, Ziba became an adviser to the First Vice President of SOCAR. From July of the same year, she began serving as an adviser to the President of SOCAR. By a decree of the President of the Republic of Azerbaijan, Mr. Ilham Aliyev, dated July 28, 2023, Ziba Mustafayeva was appointed Vice President of the State Oil Company of the Azerbaijan Republic (SOCAR).

Rashid Agakishiyev
Board member

About Rashid Agakishiyev

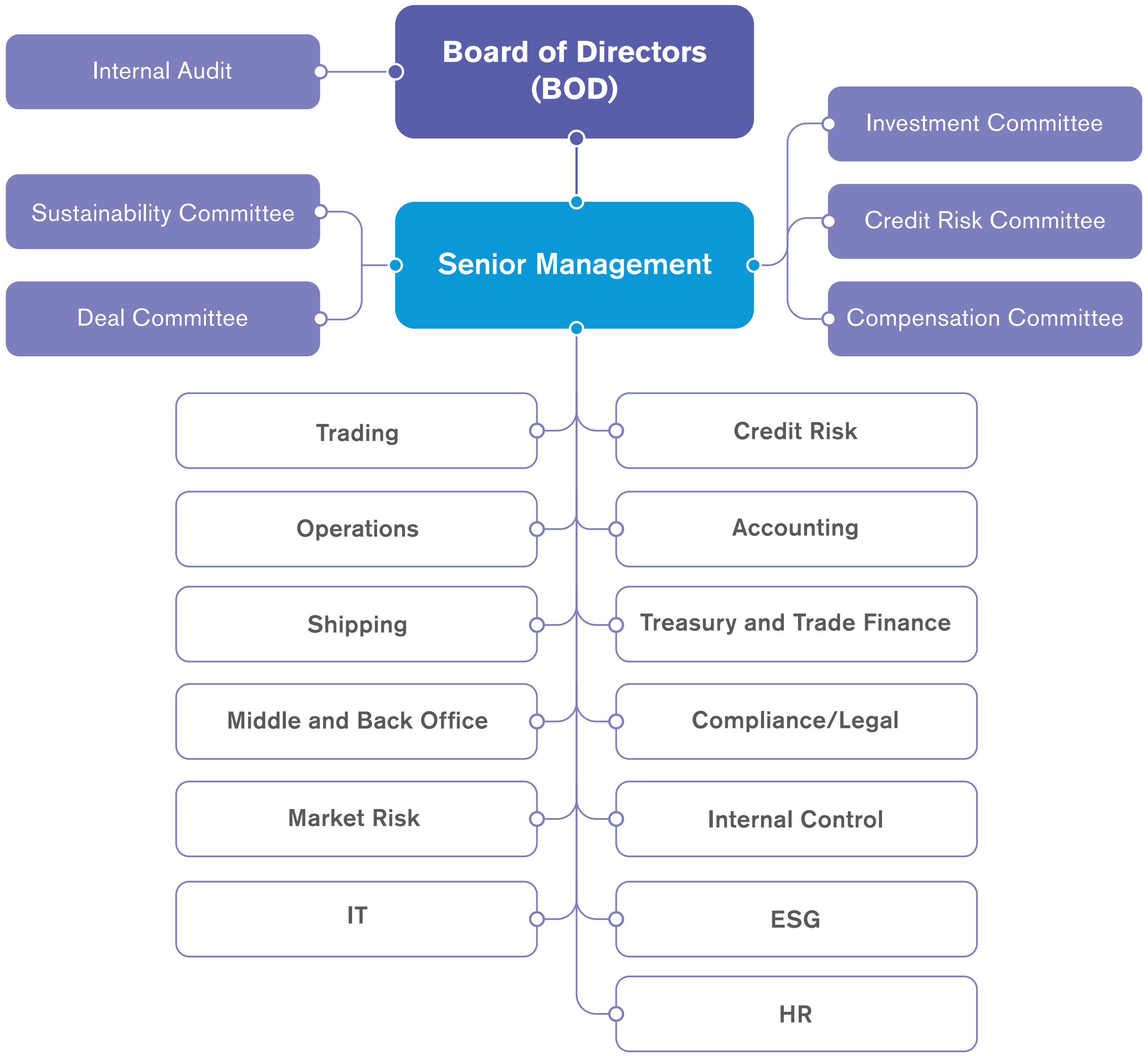
Born in 1977, Rashid Agakishiyev holds a master's degree in Economic Policy Management from Columbia University's School of International and Public Affairs (2001–2002). With a background in metallurgy and industrial construction, he has extensive expertise in strategic planning, business development, supply chain management, project and contract management, as well as structured trade financing. Mr. Agakishiyev joined SOCAR in 2018 as Chief Executive Officer of SOCAR Construction in Russia. During this period, he played a key role in major international projects, including the construction of the Amur Gas Processing Plant in Russia and the modernization of the hydrocracking unit at the Mozyr Oil Refinery in Belarus. He serves on the Boards of SOCAR Rus, SOCAR Gas Operating Company, SOCAR Downstream Management, SOCAR Polymer, and SOCAR Energy Ukraine and SOCAR Trading SA. He currently holds the position of Advisor to the President of SOCAR and Head of the Marketing and Economic Operations Department.

Natig Mustafayev
Board member and CEO of SOCAR Trading

About Natig Mustafayev

Natig Mustafayev has been appointed as CEO of SOCAR Trading in April 2025. He brings nearly two decades of experience in global financial markets, with a strong record of managing risk and public service in Azerbaijan. Prior to joining SOCAR, Natig held senior roles at Credit Suisse Securities in London and since 2014 at Barings in London and Boston serving as Managing Director and Portfolio Manager for Emerging Markets Debt portfolios. He is a highly regarded macroeconomist and accomplished portfolio manager, with deep expertise in developing investment strategies and leading high performance teams. Natig has experience in building and leading businesses and teams in investment strategies where he has worked with government officials, economic policy makers and corporates, ensuring successful decision making and returns. His career spans both the private and public sectors, including senior positions at the Securities Commission of Azerbaijan and as Commercial Analyst at BP Azerbaijan.

Figure 34. Governance structure of SOCAR Trading



7.2 Compliance and responsible business management

Our progress in focus:
ESG Regulatory Compass

2025 was marked by significant regulatory developments in the ESG landscape, notably in connection with the EU Omnibus simplification package affecting the CSRD and CSDDD frameworks. More broadly, the continued evolution of ESG-related regulations underlines the importance of maintaining a structured and forward-looking approach to regulatory compliance and preparedness.

Against this backdrop, during the reporting period we developed an ESG Regulatory

Our progress in focus:
ESG Regulatory Compass

Compass, a dedicated internal map designed to support navigation of the increasingly complex and dynamic ESG regulatory environment. The Compass provides a structured overview of applicable and forthcoming ESG-related regulations, regulatory trends, and relevant policy developments, and helps identify key actions required to ensure compliance or readiness for future requirements.

The ESG Regulatory Compass covers ESG-related legislation relevant to the jurisdictions of our main trading hubs. It is regularly updated to reflect regulatory developments and is shared with relevant internal functions to support a coordinated and consistent approach across the organization.

Our approach to engaging in everyday activities is inseparable from our ethical standards and overarching responsibility in front of the economy, society, and environment. Our adherence to these principles rests on our **core values** that are guiding us to create and maintain a culture of **doing business the right way.** To mainstream the values and principles of responsible business management into our day-to-day operations, we built a **Code of Business Conduct and Ethics** – an ethical roadmap, guiding our employees through the complicated landscape of rights and wrongs. We expect all our employees to familiarize themselves with the Code and adhere to its principles at all times. Our senior employees are responsible for leading by example and promoting our blueprints of integrity in everything that we do.

SOCAR Trading strives to continuously inform its stakeholders about emerging laws, regulations and principles of responsible business conduct. The required communication to **employees** is delivered through internal training to ensure every newcomer is informed about the procedures and policies of SOCAR Trading. Policies for ensuring responsible business conduct are managed by the legal and compliance functions of SOCAR Trading, and issues related to non-compliance with policies and procedures are encouraged to be addressed to senior representatives of these functions. The Chief Legal Officer (CLO) leads the legal function at SOCAR Trading, while the Head of Compliance leads the compliance function. Each oversees the management of organizational impacts within their respective areas of responsibility. During the reporting year, there were no instances of non-compliance with international laws and regulations.

Figure 35. SOCAR Trading's instruments for ensuring responsible business management

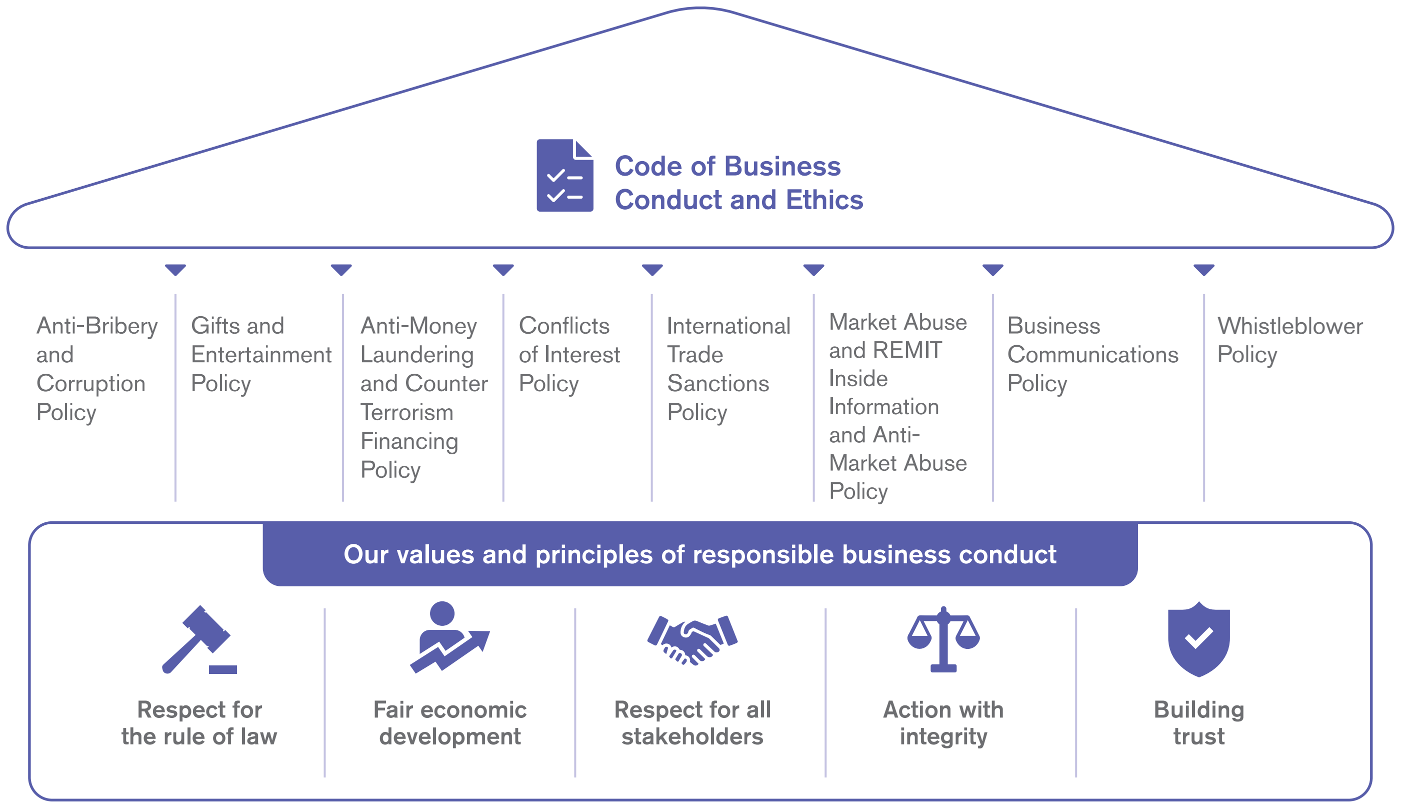


Table 16. Policies governing responsible business conduct at SOCAR Trading

Policies	Description
Anti-Bribery and Corruption Policy	SOCAR Trading does not tolerate corruption and expects its employees and business partners, including contractors, third-party consultants, and agents to abide by this principle. Clauses on intolerance towards anti-corruption are contained in the Code of Conduct and managed by a dedicated **Anti-bribery and Corruption Policy.** This policy was built upon the UK Bribery Act 2010, The U.S. Foreign Corrupt Practices Act, and the OECD Anti-Bribery Convention. **During the reporting year, no incidents of corruption were reported.**
Gifts and Entertainment Policy	In support of the anti-bribery policy, the **Gifts and Entertainment Policy** outlines the rules and procedures related to the process of building a constructive relationship with counterparties through gifting activities. The policy is aimed at monitoring that entertainment and gifting activities do not impact the impartiality of SOCAR Trading's employees and counterparties.
Anti-money laundering and Terrorism Financing Policy	To mitigate the risks of engaging with counterparties involved in money laundering and terrorism financing, SOCAR Trading developed an AML & TF Policy. The policy aims to prevent SOCAR Trading employees from being involved in or facilitating potential money laundering operations of counterparties. We expect both our employees and business partners, including contractors, third-party consultants, and agents to follow this policy. SOCAR Trading implements a variety of procedures in order to identify and prevent instances, such as appropriate documentation practices, rigid KYC controls, group-wide AML risk analyses and the implementation of other supporting policies. The policy was built upon the Terrorism Act 2000 and Proceeds of Crime Act 2007. **During the reporting year, there were no instances of money laundering detected at SOCAR Trading.**
Conflict of Interest	SOCAR Trading is committed to ensuring that conflicts of interest arising within the organization are managed in a timely manner. In order to facilitate this process, we developed a **Conflicts of Interest and Personal Account Dealing Policy.** This policy is designed to ensure that the choices our employees make in the workplace are not against SOCAR Trading's objectives and interests. Our employees are encouraged to assist in the identification of potential conflicts of interest by reporting relevant inquiries directly to the compliance team, which will help determine if the conflict exists. This policy applies to all SOCAR Trading's employees and its counterparties.
International Trade Sanctions	In the current international trading landscapes, reducing regulatory risks associated with sanctioned parties is essential to maintain our activities globally. The **International Trade Sanctions and Anti-Boycott Policy** was developed to outline the procedures required to avoid these risks. With the guidance of this policy, SOCAR Trading performs careful due diligence checks during KYC procedures in order to spot counterparties mentioned in international sanctions lists. SOCAR Trading relies on official sources of information such as The Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury. This policy is applicable to all SOCAR Trading employees, subsidiaries, affiliates, joint ventures, and contractors acting on behalf of SOCAR Trading. **During the reporting period, there were no instances of fines and bans imposed on SOCAR Trading as a result of trading with sanctioned authorities.**
Market Abuse and REMIT Inside Information and Anti-Market Abuse Policy	We believe that fair competition is a foundational element of a sustainable economy and have created relevant processes to protect against both intended and unintended instances of market abuse. We comply with Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) and are regularly assessing our impact on market integrity. Under our **Market Abuse Policy and REMIT Inside Information and Anti-market Abuse Policy,** SOCAR Trading outlines its obligation to publish information that can be regarded as insider information before making trading decisions and defines the term with practical examples. These policies are applicable to every employee of SOCAR Trading. **There were no instances of market-abuse allegations against SOCAR Trading (including instances associated with price gouging, price fixing, or price manipulation) during the reporting period.**
Business Communications Policy	The Business Communications Policy outlines the rules and procedures related to the business communications between SOCAR Trading employees and its counterparties. It accentuates the importance of coherent, professional, timely, and truthful information exchange.
Whistleblower Policy[31]	SOCAR Trading's Whistleblower Policy enables employees to confidentially report any unethical or illegal behavior. The policy ensures protection against retaliation for those who report in good faith and guarantees that all concerns are investigated and addressed appropriately. **During the reporting year, there were no instances of unethical or illegal behavior reported and detected at SOCAR Trading.**

31. During the reporting year, work was undertaken to update and further strengthen the Whistleblower Policy. Further information will be provided in the next reporting cycle.

We understand that the effectiveness of the implementation of our policies depends on our pledge to integrate relevant ideas into our company culture. To this end, we conduct mandatory annual online compliance training for all employees. To accommodate different time zones, two live sessions are offered. Both sessions are recorded and made available on the intranet, allowing employees to revisit the content as needed. Each training is followed by a Q&A session led by the Compliance Department. Prior to each training, the Compliance Department assesses whether specific topics require additional emphasis, based on emerging issues, employee feedback, or regulatory developments.

Table 17. Percentage of employees who received anti-corruption training

Anti-corruption training	2023	2024	2025
Top management	100%	100%	100%
Other employees	90%	94%	92%

We are regularly assessing our operations for risks related to corruption as part of our commitment to embed our policy commitments into our operations.

Table 18. Total number and percentage of operations assessed for risks related to corruption

	2023		2024		2025	
	percentage	scope	percentage	scope	percentage	scope
Anti-corruption risk assessment	100%	By Business Line, all business lines covered	100%	By Business Line, all business lines covered	100%	By Business Line, all business lines covered

We are carefully monitoring that our activities are consistently in line with applicable laws and regulations as part of our compliance management functions. Timely screening of new counterparties and vessels has allowed us to avoid possible legal actions in the last four years and preserve our reputation as a trusted trader. To monitor shipping compliance, we are using a shipping compliance software designed to optimize the efficiency of KYC checks associated with chartering activities.

Table 19. Total number of shipping compliance checks

	2023	2024	2025
Number of new vessels that were screened for compliance violations	216	409	382
Total number of authorized vessels	2,783	2,860	3,212

As part of our due diligence process, all new clients and counterparties are required to complete a mandatory onboarding questionnaire. This process supports our know-your-customer (KYC) framework by enabling the collection and assessment of information relevant to legal, compliance, and risk considerations before establishing a business relationship. Since 2024, the onboarding questionnaire has also included a dedicated ESG section, covering selected aspects of counterparties' environmental, social, and governance practices.

In 2025, the questionnaire was migrated to an online format to improve data consistency, reduce the risk of errors or data loss, and streamline internal processing and recordkeeping.

Table 20. New business partners that were screened through KYC checks[32]

	2023	2024	2025
Number of new trading counterparties and service providers screened through KYC checks	4	448	687

Whistleblower and incident escalation mechanisms

To ensure that we are always aware of possible breaches of the Code, we created a dedicated channel for receiving and analysing these breaches. The existence of this channel is regularly communicated to all employees and is mentioned in the Code of Conduct. To establish a formal basis for analysing communicating incidents of questionable behaviour to senior management, we created a Whistleblower Policy, which outlines the reporting procedure in detail. This makes reporting incidents more accessible and makes it more likely for our employees to report instances of non-compliance by giving them the security to do so. Our documented Incident Escalation Procedure supports this process by supplementing the Whistleblower Policy and other grievance mechanisms in promoting transparency across all SOCAR Trading branches.

Our engagement with third-party agents

We recognize the elevated risks of corruption emerging from our relationships with third-party agents. In order to mitigate these risks, we are following a formally approved Contracts with Third-party Agents procedure. As per this procedure, SOCAR Trading is obligated to maintain rigorous oversight of third-party agents if the terms of the deal meet specific criteria

7.3 Leveraging ESG Financing Tools

During 2025, we continued monitoring two targets integrated into a loan designed to incentivize improvements of our sustainability performance. These targets are tied to (1) our chartering activity - the biggest source of our reported GHG emissions - and (2) our ESG rating.

The first target is linked to the Climate Alignment score of our chartered vessels, which, as described in Section 5.3, measures the alignment of our EEOI with the decarbonization trajectory set by the Sea Cargo Charter (SCC) - which is consistent with IMO's absolute target defined in its 2018 strategy. Our target is even more ambitious than the SCC trajectory, reinforcing our commitment to improving shipping efficiency and accelerating the decarbonization of our operations[33].

The second target focuses on enhancing our ESG rating assessment. As noted in section 4.2, SOCAR Trading achieved a four-point improvement in its latest assessment[34]. We are committed to further improving our ESG rating score by leveraging EcoVadis recommendations, implementing additional activities, and strengthening our reporting practices.

During the reporting year, the EcoVadis rating target was achieved, while the shipping decarbonization target was not met.

32. *Figures for 2023 and 2024 have been restated to reflect updates in data collection and processing. Variations between these two years are influenced by the migration to a new reporting system.*

33. *For comprehensive information on SOCAR Trading's performance concerning the Delta metric, please see Section 5.3.*

34. *For detailed information on SOCAR Trading's EcoVadis ESG score, please refer to Section 4.2*

7.4 Risk management

As a global commodity trading organization, SOCAR Trading is exposed to a broad range of risks arising from daily trading activities, including market, credit, operational and liquidity risks. Effective risk management is therefore fundamental to safeguarding our financial resilience, protecting stakeholder value, and ensuring alignment with our corporate values and governance standards.

To address these risks, we have established a comprehensive and integrated risk management framework that embeds risk oversight across all major functional units of the organization. This framework ensures that risk identification, assessment, monitoring and mitigation are systematically incorporated throughout the entire deal lifecycle. Front office, risk control, finance, compliance and other key functions work in close coordination to evaluate exposures and support informed decision-making.

Our framework is supported by an internal Energy Trading and Risk Management (ETRM) system, complemented by advanced analytical tools. These systems enable the daily measurement and monitoring of risk exposure and performance through metrics such as Value at Risk (VaR), position reporting and Profit and Loss (P&L) analysis.

Daily risk calculations provide timely insight into our exposure levels and proximity to established risk limits. This disciplined monitoring process ensures that potential breaches are identified early and that appropriate management actions are taken promptly. Through this structured and dynamic approach, we aim to maintain robust financial discipline while supporting sustainable and responsible growth.

Data capture risks

Risks associated with inaccurate or incomplete trade data entry.

Financial liquidity risks

Risks associated with the commodity trading business being unable to finance its operations and meet its short-term debt obligations.

Market risks

Risks associated with unfavourable fluctuations in commodity and freight prices, interest and exchange rates.

Credit risks

Risks associated with counterparties defaulting on their financial obligations.

Compliance Risks

Risks associated with fraud, non-compliance of SOCAR Trading's own operations and operations of counterparties with applicable laws, regulations and internal policies.

Operational risks

Risks associated with losses caused by flawed or failed processes and policies, policy breaches, operational incidents, such as oil spill, inadequate insurance coverage, rogue trader or logistical (i.e., pipeline) failure.

Regulatory risks

Risks associated with changing regulatory landscapes, such as changes to legal and taxation laws.

Cyber risks

Risks associated with hardware and software failures such as cyber theft of sensitive data, malicious attacks, viruses or human errors.

Political /Economic Event risks

Risks associated with political instability, economic crisis, pandemic outbreaks and natural disasters.

ESG risks

Risks associated with negative environmental, social or governance impact implied from SOCAR Trading's own or its third parties' performance.

7.5 ESG Data Management Tool

Building on insights from discussions with our capital providers and assurance services providers, SOCAR Trading has implemented an in-house ESG data management solution, which:

- optimizes data collection,
- automates GHG emissions calculations,
- enhances transparency,
- supports a robust reporting framework,
- streamlines the assurance process for our annual ESG report.

The ESG data management tool we have developed is based on a cross functional approach, which involves several ESG working groups - Emissions and Shipping emissions teams - which are composed of representatives from all five trading offices to ensure that all the data is documented and reported.

As a first step, we invite responsible people to enter raw data related to their offices in the fixed template. This includes input data for our reported Scope 1, 2 and 3 GHG emissions, as well as water and waste. As a second step, we invite the responsible ESG working groups to upload supporting documents into "Documents" section to facilitate assurance process for the ESG report and to store all data in one place. As a third step, based on the entered information, our tool automatically estimates GHG emissions in accordance with the GHG protocol. We then present obtained results in the form of Power BI reports internally with visuals and graphs that help analyse our performance. As a final step, before the assurance process, our ESG team verifies entered information, ensures that all the supporting documentation is uploaded and updates Emission factors, if required. If the input is invalid, SOCAR Trading ESG data management tool notifies the ESG team and flags a potential error.

To facilitate the data collection process and reporting of the quantitative information in section "S" and "G" of the present report, we have developed dedicated sections in our tool for Legal & Compliance and OHS, where we invite the responsible employees to enter information which we then display both in our tool and in an annual ESG report.

We strive to continuously enhance our ESG Management Tool to improve functionality, reliability and user experience. Our efforts focus on streamlining workflows, reducing operational disruptions, and progressively expanding the scope of ESG data captured supporting more robust and consistent ESG reporting.

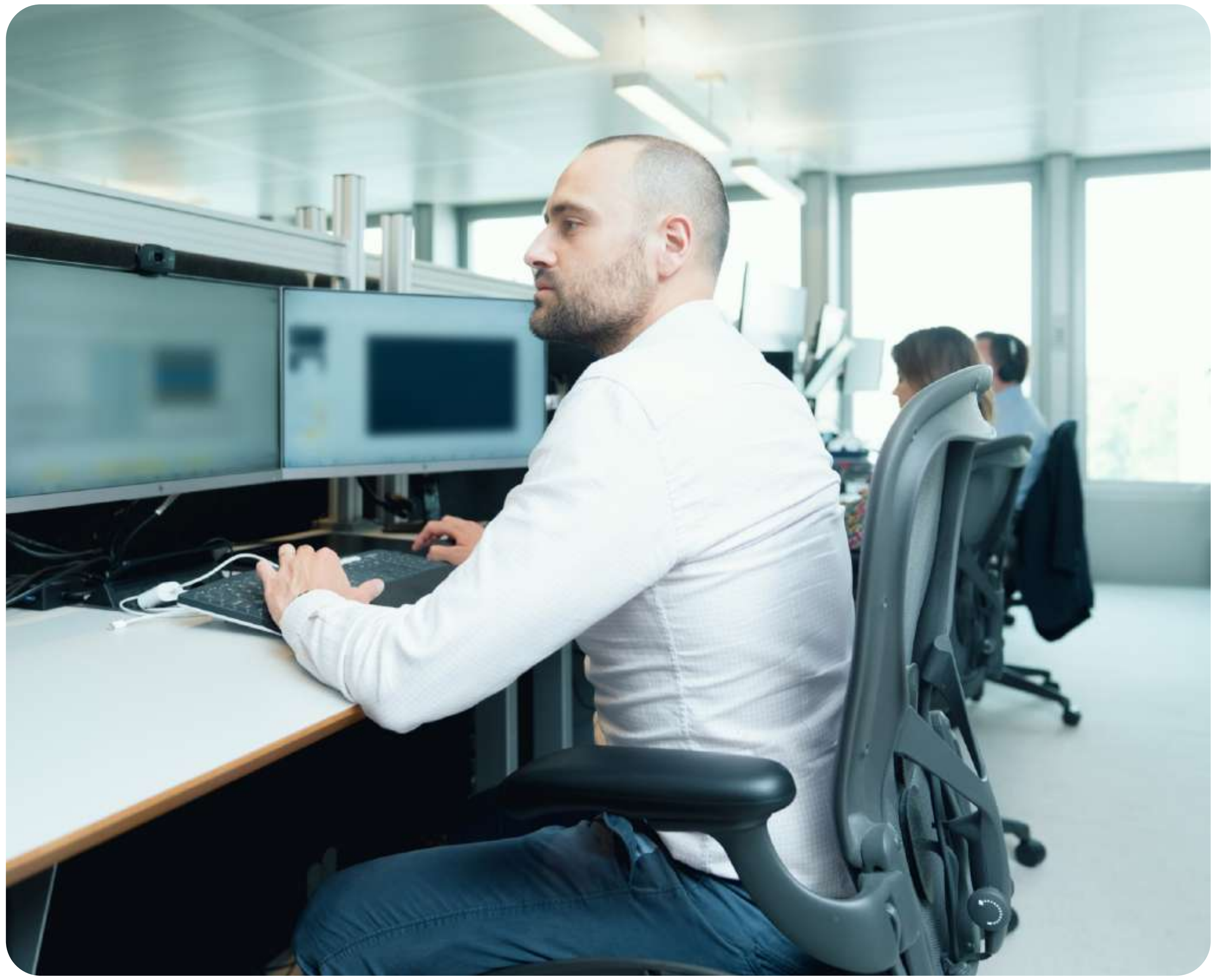
7.6 Data and information security

During 2025, SOCAR Trading continued to strengthen its approach to information security, reflecting our commitment to protecting sensitive data and ensuring compliance with global standards. We further advanced our cybersecurity posture by implementing continuous penetration testing, enabling near-real-time insight into potential vulnerabilities and providing ongoing assurance over the effectiveness of existing security controls. This approach supports proactive risk identification and timely remediation in an evolving threat landscape.

Our Cybersecurity Policy provides the overarching framework by defining key principles, responsibilities, and measures for safeguarding our systems and responding promptly to potential threats. The Policy is complemented by an Incident Response Plan, which establishes a structured process for identifying, mitigating, and recovering from cybersecurity incidents, ensuring business continuity and minimizing disruptions.

Recognizing the importance of employee awareness, we conduct regular training programs to enhance our workforce's understanding of cybersecurity risks and best practices. These trainings empower employees to recognize threats, manage vulnerabilities, and adhere to secure data handling practices.

During the reporting period, SOCAR Trading identified no substantiated complaints concerning breaches of counterparty privacy and no instances of identified leaks, thefts, or losses of counterparty data.



AZERBAIJANI STATE ACADEMIC **PHILHARMONIC HALL**

The Azerbaijan State Academic Philharmonic Hall is an elegant early 20th-century building, constructed between 1910 and 1912, distinguished by its classical architectural style with Italian and German influences. Set within a landscaped garden, the building offers a sophisticated setting that enhances its role as one of Baku’s premier music venues.

Annex I. Climate-related risks and opportunities table

Material elements	Business implication	Management response	Impacts on people and/or environment	Time period
Mitigation risks				
Policy and Legal				
▪ Increased regulatory requirements on activities and traded products, such as carbon tax and cap and trade systems ▪ Changes in regulations or policies related to climate change	▪ Increased operational and compliance costs ▪ Increased costs and reduced revenue caused by fines and litigation ▪ Reputational damage	We keep a close eye on developments in areas such as climate change policy and regulations, carbon pricing, and emissions reporting by continuously monitoring the legal and regulatory landscapes at both local and international levels. Furthermore, we take proactive measures to ensure that we enhance our ESG reporting system to be prepared for mandatory reporting frameworks requirements. By closely monitoring these developments, we can anticipate changes that may affect our business and stay ahead of the curve. We work to ensure that our climate related impacts are managed effectively by regularly measuring, analysing and optimizing our performance results.	▪ Improved GHG emissions monitoring and management ▪ Increased ESG reporting processes and compliance practices ▪ Potential influence on job roles and skills related to ESG competences	▪ Short ▪ Mid ▪ Long
Market				
▪ Increasing demand for low-carbon alternatives ▪ Shifts in geopolitical situation	▪ Lower demand or lower prices for fossil fuels ▪ Expenditures in research and development, as well as in implementation of the energy transition initiatives	We understand that the energy market is subject to a range of internal and external factors that can significantly affect the supply, demand and profitability of our trading activities. We recognize the growing demand for low-carbon commodities and are proactively taking steps to prepare for this transition. For instance, we are diversifying our energy portfolio by increasing the share of transitional commodities, such as LNG and natural gas, and constantly improving our risk management strategies to mitigate against price fluctuations and supply disruptions. Furthermore, we are considering the technologies that would allow to develop innovative environmental products and services tailored to the evolving needs of the energy market.	▪ Gradual reduction of GHG intensity of trading portfolio ▪ Creation of reskilling and upskilling needs within the workforce	▪ Mid

35. *Impacts on people and the environment reflect outcomes associated with the implementation of the organization's climate-related management responses.*

Material elements	Business implication	Management response	Impacts on people and/or environment	Time period
Transitional risks				
Reputation				
▪ Stakeholders' greater emphasis on transparency of environmental performance ▪ Negative stakeholder feedback	▪ Negative impact on reputation and social license to operate in case of the failure to meet expectations ▪ Reduction in financing and capital attraction ▪ Reduced revenue due to refusal to cooperate	We are committed to ongoing communication and collaboration with a wide range of stakeholders, including policy makers, capital providers and business partners. We recognize that addressing climate change requires a coordinated effort and we are actively engaged in raising awareness of climate issues and advocating for investment in mitigation and adaptation projects in the regions of our presence. We ensure the transparency and reliability of ESG disclosure by engaging a third-party verifier. In addition, we emphasize an importance of collaborating with business partners that share our vision and values.	▪ Improved quality of climate-related data and performance management	▪ Mid ▪ Long

Material elements	Business implication	Management response	Impacts on people and/or environment	Time period
Adaptation risks				
Extreme weather events				
▪ Natural disasters, including floods, heatwaves or storms can lead to damage of infrastructure and assets used for transportation and storage	▪ Higher costs from transport difficulties, supply chain interruptions ▪ Increasing capex ▪ Higher costs from negative impact on workforce ▪ Power outages due to heatwaves or freezing weather	We maintain appropriate insurance cover against all physical damage and losses during transit or intermediate storage or transport of commodities under our responsibility caused by natural disasters and adverse climatic conditions. In 2022, we developed an Incident Report Form for operators' team to document incidents that occurred. Depending on the severity of the incident, it is immediately reported to Top Management, Head of Desk or relevant department. After this, an incident is reviewed in a smaller group to produce a mitigation action plan.	▪ Mitigated risk related to health and safety of workers ▪ Potential limitation of environmental damages associated with incidents	▪ Mid ▪ Long

Opportunities				
Material elements	**Potential impacts**	**Management response**	**Impacts on people and/or environment**	**Time period**
Resource Efficiency				
▪ Efficient consumption of resources ▪ Use of more efficient transportation modes	▪ Reduction of operational costs of offices	We raise awareness among our employees and shipping operators and provide incentives. During the reporting year we continued applying the incentivization initiatives tied to opting for less carbon intensive vessels within our company.	▪ Reduced resource consumption	▪ Short ▪ Mid
Products and Services/Markets				
▪ Development of low-carbon products and services and environmental solutions ▪ Ability to diversify business activities ▪ Shift in market needs ▪ Participation in carbon markets	▪ Increased revenue from growing decarbonization solutions due to rising demand for cleaner commodities ▪ Increased revenue from monetization of carbon offsets ▪ Increased capital availability by attracting investors	We invest to expand our presence in LPG, LNG and natural gas markets. We also aim to increase the share of cleaner commodities in our portfolio each year. As part of our strategic objectives, we are actively seeking opportunities to expand our presence in the US, Asian, and African markets. Our recently established Carbon Desk is dedicated to actively engaging in developing carbon trading capabilities and emission avoidance and removal projects. We will continue to explore innovative solutions and practices that contribute to a low-carbon economy while delivering high-quality commodities to our customers.	▪ Potential creation of new roles and skills related to transitional commodities ▪ Increased availability of lower-carbon energy products contributing to reduced lifecycle greenhouse gas emissions ▪ Support for climate mitigation through participation in carbon markets and development of emission avoidance and removal projects	▪ Short ▪ Mid ▪ Long

Annex II. GRI Content Index Table

Statement of use	**SOCAR Trading has reported in accordance with the GRI Standards** for the period **01.01.2025-31.12.2025.**
GRI 1 used	**GRI 1:** Foundation 2021
Applicable GRI Sector Standard(s)	**GRI 11:** Oil and Gas Sector 2021

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	2. About this Report 3.1. SOCAR Trading at a glance		
	2-2 Entities included in the organization's sustainability reporting	2. About this Report		
	2-3 Reporting period, frequency, and contact point	2. About this Report		
	2-4 Restatements of information	2. About this Report		
	2-5 External assurance	Independent Assurance Statement	The ESG reporting process is subject to external assurance. The process is overseen internally by senior management, including the Chief Sustainability Strategy Officer (CSSO), who supervises the coordination of the assurance activities.	
	2-6 Activities, value chain and other business relationships	3.1. SOCAR Trading at a glance 3.2. The value chain 3.3. Mission, vision and values		
	2-7 Employees	6.1. Our people		

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
	2-8 Workers who are not employees		We do not employ individuals on non-guaranteed hours contracts.	
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	7.1. Governance at SOCAR Trading		
	2-10 Nomination and selection of the highest governance body		The nomination and appointment of Board members follow SOCAR Group's overarching governance framework. Appointments are subsequently reflected in SOCAR Trading's internal governance documents.	
	2-11 Chair of the highest governance body	7.1. Governance at SOCAR Trading		
	2-12 Role of the highest governance body in overseeing the management of impacts	4. ESG management at SOCAR Trading 8.1 Governance		
	2-13 Delegation of responsibility for managing impacts	4. ESG management at SOCAR Trading 5.2 Navigating the Energy Transition		
	2-14 Role of the highest governance body in sustainability reporting	2. About this Report		
	2-15 Conflicts of interest	7.2. Compliance and responsible business management	Conflicts of interest relating to members of the Board are primarily managed at SOCAR Group level through established policies and procedures.	
	2-16 Communication of critical concerns	6.1.4. Management of employee grievances	Critical ESG concerns, are communicated to the Board via the CEO and the Sustainability Committee.	

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body		The senior management is continuously improving their competence in the management of material sustainability issues through direct engagement in the development of major infrastructure projects, attendance in various international training sessions, and collaborations with industry peers.	
	2-18 Evaluation of the performance of the highest governance body	7.1 Governance at SOCAR Trading		
	2-19 Remuneration policies		This information is not disclosed as it is treated as confidential by SOCAR Trading.	
	2-20 Process to determine remuneration	6.1.5. Fair remuneration 6.1. Our people		
	2-21 Annual total compensation ratio	Not available	This information is not disclosed as it is treated as confidential by SOCAR Trading.	
	2-22 Statement on sustainable development strategy	1. Statement from the CEO 4. ESG management at SOCAR Trading		
	2-23 Policy commitments	4.3 Defining what matters 5.1 Our approach to environmental management 6.1.3. Respect for Human Rights 7.2. Compliance and responsible business management	STSA's Code of Business Conduct and Ethics is available at this *link*. Other policies referenced in this disclosure are internal governance documents and are therefore not publicly available. These policies are intended for internal guidance and operational purposes and are accessible to employees through the company's internal systems.	

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	5.1 Our approach to environmental management 6.1.3. Respect for Human Rights 7.2. Compliance and responsible business management		
	2-25 Processes to remediate negative impacts	5.1. Our approach to environmental management 5.3. Shipping optimization 6.1.4. Management of employee grievances 7.2. Compliance and responsible business management	Grievance mechanisms are managed by HR. Feedback from their use is reviewed and used, where relevant, to improve processes. Effectiveness is monitored through case follow-up and resolution.	
	2-26 Mechanisms for seeking advice and raising concerns	6.1.4. Management of employee grievances 6.4. Stakeholder engagement 7.2. Compliance and responsible business management		
	2-27 Compliance with laws and regulations	7.2. Compliance and responsible business management	SOCAR Trading have not been subject to fines or monetary sanctions due to non-compliance with laws and regulations during the reporting period.	
	2-28 Membership associations		1) Membership in *Women's International Shipping & Trading Association (WISTA)* 2) Membership in *International Emissions Trading Association (IETA)* 3) Membership in SUISSENÉGOCE 4) Membership in *Groupement des Entreprises Multinationales (GEM)*	
	2-29 Approach to stakeholder engagement	6.4. Engaging with our stakeholders		

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	Not applicable	None of SOCAR Trading's employees are subject to collective bargaining agreements.	
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	4.3. Defining what matters		
	3-2 List of material topics	4.3. Defining what matters		
	3-3 Management of material topics	6.2. Our contribution to the local economies		
Biodiversity				
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	5.4 Biodiversity projects		
	101-2 Management of biodiversity impacts	5.4 Biodiversity projects	SOCAR Trading does not conduct biodiversity offsets.	11.4.1
	101-3 Access and benefit-sharing		Not applicable. Our activities do not involve access to or utilization of genetic resources or traditional knowledge subject to access and benefit-sharing frameworks.	
	101-4 Identification of biodiversity impacts	5.4 Biodiversity projects		11.4.3
	101-5 Locations with biodiversity impacts	5.4 Biodiversity projects		
	101-6 Direct drivers of biodiversity loss	5.3 Shipping optimization 5.4 Biodiversity projects	Activities that lead to land or sea use change, habitat conversion, or natural resource extraction are not applicable, as the Company does not engage in extractive, construction, or infrastructure development activities.	

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 101: Biodiversity 2024	101-7 Changes to the state of biodiversity		Not applicable. STSA does not operate production, extraction, or processing sites. Its activities are conducted through leased offices and owned vessels.	
	101-8 Ecosystem services			
Climate change				
GRI 102: Climate change 2025	102-1 Transition plan for climate change mitigation	5.2. Navigating the Energy Transition	SOCAR Trading has undertaken an early and partial adoption of the new GRI 102, to support gradual transition from the frameworks used previously (TCFD). We aim to further enhance and complete our climate-related disclosures in the next reporting cycle.	
Economic performance				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	6.2 Our contribution to the local economies	This information is not disclosed as it is treated as confidential by SOCAR Trading, except information on payments to government by country. Additionally, community investments represent a portion of total CSR expenditures.	11.21.2
	201-2 Financial implications and other risks and opportunities due to climate change	5.2 Navigating the Energy Transition Annex I. Climate-related risks and opportunities table		11.2.2
	201-3 Defined benefit plan obligations and other retirement plans	6.1.5. Fair remuneration	Employees are covered by pension schemes in accordance with applicable laws and local practices, including employer contributions where required and, in some cases, the option for voluntary employee contributions.	
	201-4 Financial assistance received from government		SOCAR Trading did not receive financial assistance from any government.	11.21.4

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Market presence				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage		This information is not disclosed as it is treated as confidential by SOCAR Trading.	
	202-2 Proportion of senior management hired from the local community		Given the international nature of our business, a consistent definition of "local community" has not yet been established for the purposes of this disclosure. The company is assessing how this information can be systematically captured in future reporting periods.	
Indirect economic impacts				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6.3 Our social responsibility		
	203-2 Significant indirect economic impacts		Our operations contribute to the energy security of the regions in which we operate. We actively support decarbonization initiatives by collaborating with relevant market players, participating in associations, and increasing our investments in cleaner commodities and relevant projects. Additionally, we are enhancing the knowledge and skills of our employees through partnerships with various universities, which offer industry-specific education programs.	
Procurement practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.2. Our contribution to the local economies		

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	6.2. Our contribution to the local economies		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	7.2. Compliance and responsible business management		11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	7.2. Compliance and responsible business management	Identified corruption-related risks and corresponding mitigation measures include: ▪ Third parties and agents: mitigated through the D3 Agent process. ▪ Politically Exposed Persons: screened as part of the KYC process. ▪ Gifts and entertainment: managed through the internal Gifts and Entertainment Policy and the gift registration requirement."	11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	7.2. Compliance and responsible business management	Anti-corruption training for non-executive Board members is not currently tracked. We intend to begin tracking and reporting this metric in future reporting cycles. Anti-corruption policies and procedures are currently used for internal control purposes and are not shared with external partners.	11.20.3
	205-3 Confirmed incidents of corruption and actions taken	7.2. Compliance and responsible business management		11.20.4
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	7.2. Compliance and responsible business management		11.19.1
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	7.2. Compliance and responsible business management		11.19.2

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Tax				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.2. Our contribution to the local economies 6.4. Engaging with our stakeholders		11.21.1
GRI 207: Tax 2019	207-1 Approach to tax	6.2 Our contribution to the local economies	SOCAR Trading's Tax Strategy and Tax Policy are not publicly available, except for STUK Tax Strategy. Tax matters are managed internally in accordance with applicable laws and regulations in the jurisdictions where the company operates.	11.21.4
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management		Our measures for an effective tax governance, control and risk management includes: ▪ Annual tax planning for each office based on OECD guidelines, ensuring that our tax practices align with global and local standards and regulations. ▪ Working sessions to adjust tax policies, allowing us to continuously improve and our approach to tax governance and risk management.	11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	6.2. Our contribution to the local economies 6.4. Engaging with our stakeholders		11.21.6
	207-4 Country-by-country reporting	6.2. Our contribution to the local economies		11.21.7
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	5.5. Promoting resource efficiency in our offices		11.1.1

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.5. Promoting resource efficiency in our offices	The company does not generate or directly supply electricity, heating, cooling, or steam to external parties. As a commodity trading organization, it does not sell energy in the form defined under GRI 302-1 (electricity, heating, cooling, or steam). The company did not use renewable fuels during the reporting period. Any bio-content potentially included in standard blended fuels is not separately tracked and is therefore not reported as renewable fuel consumption.	11.1.2
	302-2 Energy consumption outside of the organization		We adhere to the entities specified within the Report's boundaries and do not consolidate data regarding energy consumption outside of our organization.	11.1.3
	302-3 Energy intensity	5.2 Our corporate carbon footprint	Following the acquisition of vessels in 2025, the company is currently evaluating the most appropriate methodology and operational denominator (e.g., tonne-nautical mile) for calculating energy intensity.	11.1.4
	302-4 Reduction of energy consumption	5.5. Promoting resource efficiency in our offices	Following the acquisition of nine vessels, energy consumption has increased and monitoring systems are being consolidated. Potential efficiency measures in shipping operations are currently under evaluation.	

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	5.5. Promoting resource efficiency in our offices		11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	5.5. Promoting resource efficiency in our offices	Water-related matters are mainly associated with vessel operations, which are managed by appointed technical managers in line with all applicable regulatory requirements. Office water use is primarily limited to sanitary use, drinking water and other common employee needs.	11.6.2
	303-2 Management of water discharge related impacts		Effluent discharge from vessel operations is managed in accordance with applicable legal and regulatory requirements through appointed technical managers.	11.6.3
	303-3 Water withdrawal	5.5. Promoting resource efficiency in our offices	STSA operates leased offices and company-owned vessels. Water use relates to office sanitary consumption and vessel operations in accordance with applicable maritime regulations. For office purposes, withdrawals, discharges, and consumption are substantially aligned. Difference between GRI 303-3, 303-4, and 303-5 are not considered material for the reporting period. Data regarding priority substances of concern are not available at this stage, we aim to to collect info on this and include in the next reporting cycles	11.6.4
	303-4 Water discharge	5.5. Promoting resource efficiency in our offices		11.6.5
	303-5 Water consumption	5.5. Promoting resource efficiency in our offices		11.6.6

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1. Our approach to environmental management 5.2. Navigating the Energy Transition		11.1.1 11.2.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.2.1. Our approach to assessing our corporate carbon footprint	No biogenic CO_2 emissions were generated during the reporting period. Any potential biofuel component in standard fuel blends is not separately accounted for.	11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	5.2.1. Our approach to assessing our corporate carbon footprint		11.1.6
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	5.2.1. Our approach to assessing our corporate carbon footprint	No biogenic CO_2 emissions were generated during the reporting period. Any potential biofuel component in standard fuel blends is not separately accounted for.	11.1.7
	305-4 GHG emissions intensity	5.2.1. Our approach to assessing our corporate carbon footprint		11.1.8
	305-5 Reduction of GHG emissions	5.2.1. Our approach to assessing our corporate carbon footprint 5.3. Shipping optimization		11.2.3
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.3. Shipping optimization		11.3.2
Effluents and Waste				
GRI 306: Effluents and Waste 2016	306-3 Significant spills	5.3. Shipping optimization		11.8.2
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	5.5. Promoting resource efficiency in our offices		11.5.1

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.5. Promoting resource efficiency in our offices	Waste-related impacts arise mainly from our own shipping operations, including vessel operations and related maintenance activities. A smaller amount of waste is generated from normal office activities, mainly general office waste from the use of office supplies and consumables.	11.5.2
	306-2 Management of significant wasterelated impacts	5.5. Promoting resource efficiency in our offices		11.5.3
GRI 306: Waste 2020	306-3 Waste generated	5.5. Promoting resource efficiency in our offices	Waste generated in the company's operations is primarily managed by third-party facility managers for leased office spaces. As a result, comprehensive waste data is not systematically available for the reporting period. Further information on the company's approach to resource use and waste management is provided in Section 5.5.	11.5.4
	306-4 Waste diverted from disposal	5.5. Promoting resource efficiency in our offices		11.5.5
	306-5 Waste directed to disposal	5.5. Promoting resource efficiency in our offices		11.5.6
Supplier environmental assessment				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	7.2. Compliance and responsible business management	Prior to engagement, all new trading and service counterparties undergo KYC screening, which includes a dedicated ESG section.	
	308-2 Negative environmental impacts in the supply chain and actions taken	5.3 Shipping optimization 5.4 Biodiversity projects 6.4 Engaging with our stakeholders	During the reporting period, we conducted an ESG performance assessment of our most material counterparties, including 5 companies from our top 10 suppliers. Based on the scope of our assessments, no formal improvement actions or termination of business relationships were implemented as a result of identified significant environmental impacts during the reporting period.	

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1. Our people		11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6.1. Our people		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		We are committed to providing all our employees with the benefits they are entitled to under local legislation, regardless of their employment status (full-time, part-time or temporary).	11.10.3
	401-3 Parental leave	6.1.1. Equal opportunities, diversity and inclusion		11.10.4 11.11.3
Labor/Management Relations				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		Notice periods are defined in local employment contracts in compliance with applicable labor laws in each jurisdiction.	11.10.5 11.7.2
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1.6. Employee safety and wellbeing		11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.1.6. Employee safety and wellbeing		11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	6.1.6. Employee safety and wellbeing		11.9.3
	403-3 Occupational health services	6.1.6. Employee safety and wellbeing		11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	6.1.6. Employee safety and wellbeing		11.9.5

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	6.1.6. Employee safety and wellbeing	We are upgrading our system to streamline the process of registering and reporting training hours. This improvement will enable us to better track employee training progress and ensure compliance with training requirements.	11.9.6
	403-6 Promotion of worker health	6.1.6. Employee safety and wellbeing		11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.1.6. Employee safety and wellbeing 7.2. Compliance and responsible business management		11.9.8
	403-8 Workers covered by an occupational health and safety management system		100% of the SOCAR Trading employees are covered by health prevention programs and activities.	11.9.9
	403-9 Work-related injuries	6.1.6. Employee safety and wellbeing		11.9.10
	403-10 Work-related ill health	6.1.6. Employee safety and wellbeing	No fatalities or cases of recordable work-related ill health were reported among employees or other workers during the reporting period. Potential health risks for employees are primarily related to office-based work (e.g., ergonomic factors) and are addressed through workplace health and wellbeing measures.	11.9.11
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1.2. Employee training and development		11.10.1
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	6.1.2. Employee training and development		11.10.6 11.11.4

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	6.1.2. Employee training and development		11.7.3 11.10.7
	404-3 Percentage of employees receiving regular performance and career development reviews	6.1.2. Employee training and development	As part of our commitment to compliance and professional development, all employees are expected to complete the mandatory annual training programs	
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1.1. Equal opportunities, diversity and inclusion		11.11.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	6.1.1. Equal opportunities, diversity and inclusion		11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	Not available	This information is not disclosed as it is treated as confidential by SOCAR Trading.	11.11.6
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1.1. Equal opportunities, diversity and inclusion		11.11.1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.1.1. Equal opportunities, diversity and inclusion		11.11.7
Freedom of Association and Collective Bargaining				
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		No collective bargaining agreements are currently in place. Based on the jurisdictions in which the company operates and the nature and scale our its activities, no operations have been identified where the right to freedom of association and collective bargaining is considered to be at material risk.	11.13.2

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Child Labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1.3. Respect for Human Rights		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.1.3. Respect for Human Rights		
Forced or compulsory labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.1.3. Respect for Human Rights		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	6.1.3. Respect for Human Rights		11.12.2
Security Practices				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		The company employs a limited number of office-based security personnel whose responsibilities are restricted to monitoring access and surveillance systems. The role does not involve enforcement activities. Given the nature and scope of these duties, no dedicated human rights training specific to security personnel is currently in place.	11.18.2
Rights of Indigenous Peoples				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		The company's operations are limited to office-based and shipping activities. No incidents involving violations of the rights of indigenous peoples were identified during the reporting period, and no operations are located in areas identified as posing a material risk in this regard.	11.17.2

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Local communities				
GRI 3: Material Topics 2021	3-3 Management of material topics	6.3. Our social responsibility		11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6.3. Our social responsibility		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	6.3. Our social responsibility		11.15.3
Supplier social assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	7.2. Compliance and responsible business management 6.1.3. Respect for Human Rights		11.10.1
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	7.2. Compliance and responsible business management 6.1.3. Respect for Human Rights	Prior to engagement, all new trading and service counterparties undergo KYC screening, which includes a dedicated ESG section.	11.10.8 11.12.3
	414-2 Negative social impacts in the supply chain and actions taken	7.2. Compliance and responsible business management 6.1.3. Respect for Human Rights	During the reporting period, we conducted an ESG performance assessment of our most material counterparties, including 5 companies from our top 10 suppliers. Based on the scope of our assessments, no formal improvement actions or termination of business relationships were implemented as a result of identified significant social impacts during the reporting period.	11.10.9

GRI	Disclosure	Location	Omission / note	GRI Sector Standard Ref. No.
Public Policy				
GRI 415: Public Policy 2016	415-1 Political contributions		No contributions were identified for the reporting period.	11.22.1
Customer Health and Safety				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not applicable	The company operates as a commodity trading organization and does not manufacture or physically alter products. As such, it does not conduct product health and safety assessments in the manner applicable to producers or manufacturers.	11.3.3
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	7.6 Data and information security		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	7.6 Data and information security		

Topics Identified in the GRI 11: Oil & Gas Sector 2021 considered non-material

Topic	Explanation
11.16: Land and resource rights	SOCAR Trading does not typically acquire, lease, or manage land for exploration, production, or major site development, consistent with its role as a trading company.

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Independent practitioner's assurance report

SOCAR Trading S.A.

Scope
We have been engaged by SOCAR Trading S.A. (hereinafter "STSA") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on STSA's key non-financial indicators (the "Subject Matter") contained in the STSA's ESG Report 2025 for the reporting period from January 1, 2025 to December 31, 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by STSA
In preparing the Subject Matter, STSA applied the Global Reporting Initiative (GRI) Standards (the "Criteria") as set forth in section "About This Report".

STSA' s responsibilities
STSA's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'), and the terms of reference for this engagement as agreed with STSA on February 21, 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.
Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Inquiries of the representatives of STSA's management and specialists responsible for its ESG policies, activities, performance and relevant reporting.
- Analysis of key documents related to STSA's ESG policies, activities, performance and relevant reporting.
- Obtaining understanding of the process used to prepare the information on ESG performance indicators of STSA.
- Review of a selection of corporate and external publications on STSA's ESG policies, activities, events, and performance in the reporting period.
- Collection on a sample basis of evidence substantiating the qualitative and quantitative information included in the Report.

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- Review of data samples regarding key ESG indicators for the reporting period to assess whether these data have been collected, prepared, collated and reported appropriately, and
- Assessment of compliance of information and data disclosures in the Report with the requirements of the GRI Standards.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the period from January 1, 2025 to December 31, 2025, in order for it to be in accordance with the Criteria.

Ernst & Young Holdings (CIS) B.V.

July 22, 2026

Baku, Azerbaijan

We value your feedback and welcome any questions you may have regarding the information provided in this Report. We encourage you to address your feedback to the following point of contact:

sustainability@socartrading.com

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SOCAR TRADING