TANAP:

Key to Energy Transition

SUSTAINABILITY REPORT | 2024

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Astragalus askaleensis
Author: Prof. Dr. Ergin Hamzaoğlu | Botanical Artist: Binali Yıldız | Date: 01/08/2024

Focus On

TANAP Sustainability Report is an annually prepared, voluntary corporate document that transparently and comprehensively outlines TANAP's environmental, social, and governance (ESG) performance and progress, aligned with its Sustainability Strategy. It also highlights TANAP's contributions to the UN Sustainable Development Goals (SDGs) and the goals of the Paris Agreement.

Through this report, which serves as an effective communication tool among stakeholders, TANAP aims to strengthen the relationship and collaboration with a broad spectrum of stakeholders, including shareholders, lenders, authorities, communities, and employees. Additionally, TANAP aims to make an effective contribution to increasing capabilities to build a better tomorrow by transparently sharing good practices and lessons learned. Thus, the Report is a functional tool for monitoring and managing our impacts while maximizing our social and environmental benefits.

The Report has been prepared in-house under the coordination of the TANAP Sustainability Coaches, **with reference** to the Global Reporting Initiative Standards (GRI Standards); particularly GRI 11: Oil and Gas Sector 2021. All information and insights presented in this report have been provided by TANAP, except for the stakeholder scores used in the materiality assessment.

The 2024 Sustainability Report, which coincides with Biodiversity Year, covers TANAP's overall performance, sustainability approach, and best practices, with a particular focus on **biodiversity conservation** and **business continuity** through Asset Integrity. The reporting period spans from January 1 and December 31, 2024. Additionally, the report highlights the contributions of the Sustainability Coaches Team in enhancing corporate knowledge and raising awareness regarding ESG principles.

For transparency and credibility, the report has undergone independent external assurance. The Statement of Independent Assurance Opinion, provided in **Appendix 3**, has been prepared solely for informational purposes.

Contact Point

Company Name : **TANAP DOĞALGAZ İLETİM A.Ş. / TANAP Natural Gas Transmission Co.**

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Shareholders : The shareholders of TANAP are the Southern Gas Corridor Company (SGC) (51%), BOTAŞ (30%), BP Pipelines (TANAP) Limited (12%), and SOCAR Türkiye Enerji A.Ş. (7%)

Sustainability Report Contact Point : OĞUZHAN ERCAN, **QHSSE Director**

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Restatement of Information

For the 2024 Report, no restatement of information is required, as there have been no changes or errors in previously reported data.

Management Letter to Stakeholders

Dr. Hüseyin Saltuk DÜZYOL
TANAP Chief Executive Officer

Dear Esteemed Stakeholders,

We are pleased to present TANAP's 2024 Sustainability Report, which highlights the continued evolution of our sustainability journey and our growing contributions to climate action, community development, and operational resilience.

As a strategic backbone of the Southern Gas Corridor, TANAP continues to ensure the secure and uninterrupted flow of natural gas from the Caspian region to European markets. In doing so, we not only contribute to regional energy security but also actively embrace our responsibility to advance the global transition to cleaner and more resilient energy systems.

This year marked a significant turning point in our sustainability journey. Moving beyond traditional environmental and social responsibility, we placed greater emphasis on generating economic value and ensuring operational continuity through a sustainability lens. Our governance structure has matured to integrate this perspective into both strategic decision-making and daily operations. Another major milestone was the safe and successful execution of TANAP's first Turn Around (TAR) activity since the commencement of commercial operations in good coordination and cooperation with all TANAP's stakeholders across the Southern Gas Corridor. Beyond its critical role in maintaining a secure and uninterrupted supply of natural gas, this milestone also marked a pivotal step toward ensuring that our assets continue to operate effectively and safely without compromising health, safety, or the environment.

We proudly declared 2024 as TANAP's "Biodiversity Year," to highlight Türkiye's rich ecological heritage and our commitment to its protection. Our efforts were recognized not only at the national level but also internationally - particularly for our scientific contributions, including the discovery of previously undocumented species. These findings showcase TANAP's dedication to conserving biodiversity and promoting nature-based solutions in our country. These outcomes reaffirm that our commitment to biodiversity is both impactful and enduring.

In parallel, we achieved a notable reduction of over 5% in our carbon footprint, surpassing our short-term sustainability target for 2025 ahead of schedule. By adopting smarter processes, leveraging digital solutions, and optimizing responsible energy use, we enhanced efficiency, safety, and environmental performance across the pipeline.

One of the most tangible reflections of our top priority - safety - was the successful completion of our operations without any environmental, occupational or process safety incidents throughout the year. This outstanding performance not only demonstrates our unwavering commitment to HSE excellence but also reinforces the strength of our integrated management systems and proactive risk culture across the organisation.

Sustainability is now more deeply embedded within TANAP, driven by the active engagement of our Sustainability Coaches and broader employee participation in key strategic initiatives. This inclusive approach supported a refreshed "Materiality Assessment," ensuring our priorities align with the perspectives of both internal and external stakeholders.

We remain future-focused - adapting to global risks, embracing digital transformation, and investing in initiatives that create long-term value for people, planet, and prosperity.

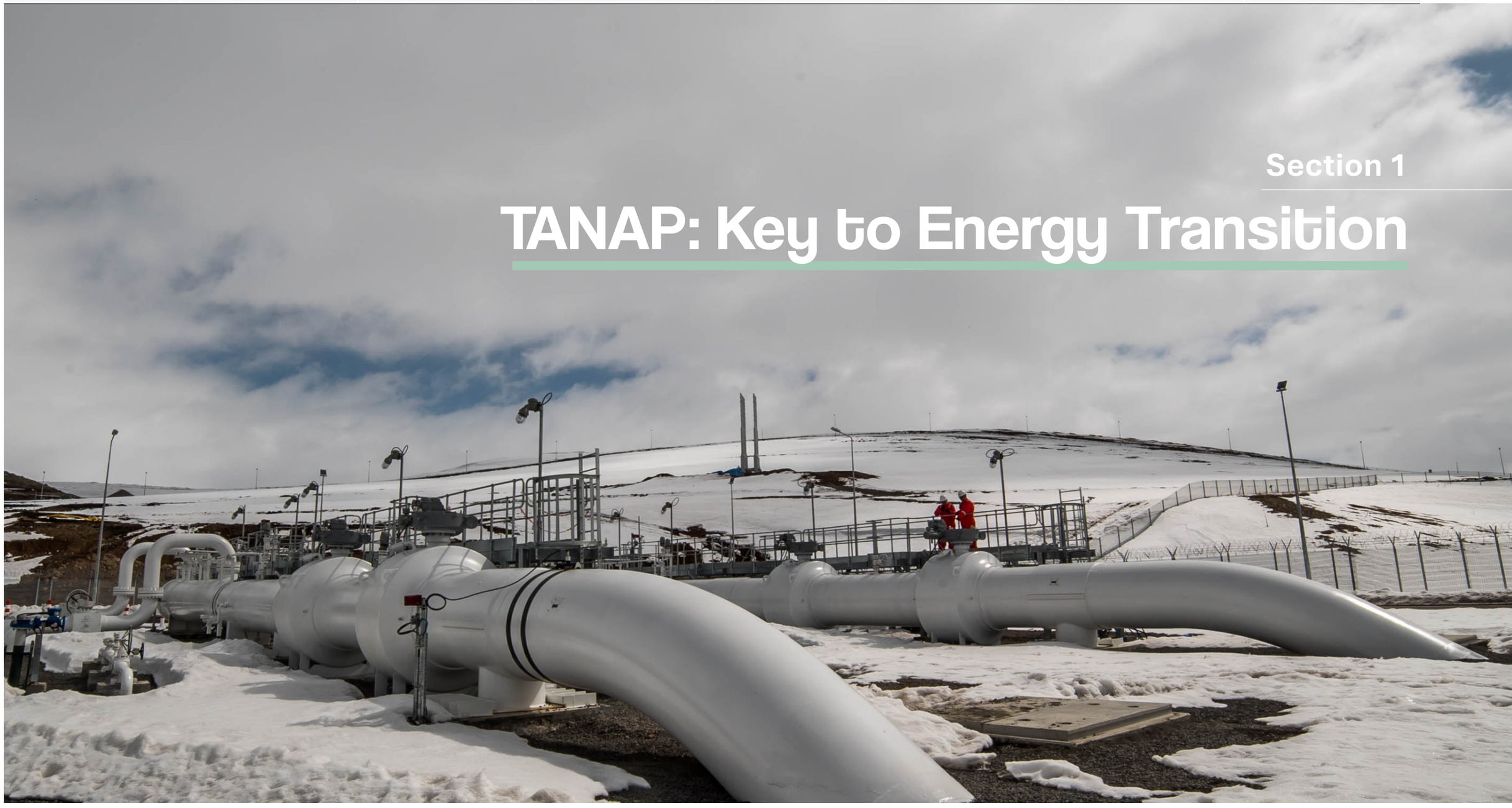
Thank you for joining us on this journey.

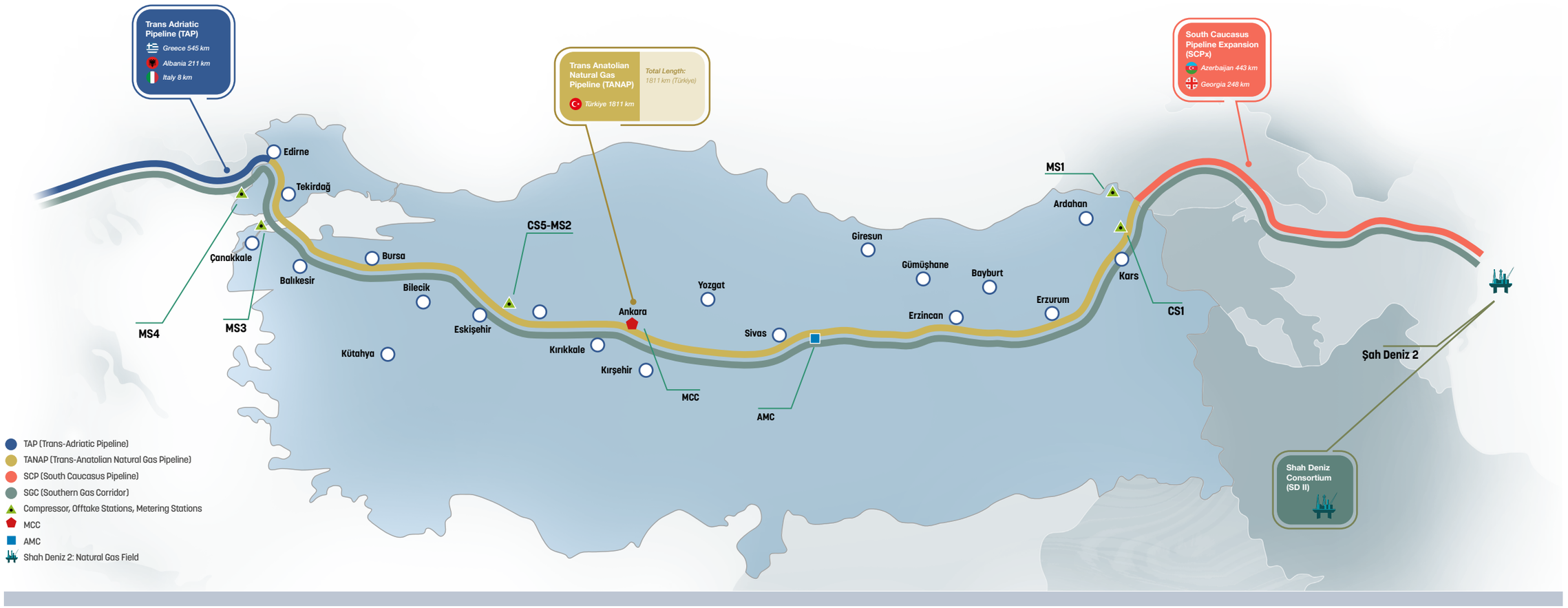
Sincerely,

Dr. H. Saltuk DÜZYOL
Chief Executive Officer
TANAP Natural Gas Transmission Company

Section 1

TANAP: Key to Energy Transition




Trans Adriatic Pipeline (TAP)
Greece 545 km
Albania 211 km
Italy 8 km
Trans Anatolian Natural Gas Pipeline (TANAP)
Türkiye 1811 km
Total Length: 1811 km (Türkiye)
South Caucasus Pipeline Expansion (SCPx)
Azerbaijan 443 km
Georgia 248 km
Edirne
Tekirdağ
Çanakkale
Balıkesir
Bursa
Bilecik
Eskişehir
Kütahya
Kırıkkale
Kırşehir
Ankara
Yozgat
Sivas
Giresun
Gümüşhane
Bayburt
Erzincan
Erzurum
Ardahan
Kars
MS1
MS3
MS4
CS1
CS5-MS2
MCC
AMC
Şah Deniz 2
Shah Deniz Consortium (SD II)
TAP (Trans-Adriatic Pipeline)
TANAP (Trans-Anatolian Natural Gas Pipeline)
SCP (South Caucasus Pipeline)
SGC (Southern Gas Corridor)
Compressor, Offtake Stations, Metering Stations
MCC
AMC
Shah Deniz 2: Natural Gas Field

Who We Are

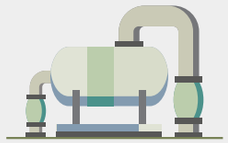
The Trans-Anatolian Natural Gas Pipeline (TANAP), known as the Silk Road of Energy, is the longest and largest-diameter natural gas pipeline in Türkiye, the Middle East, and Europe. As a critical component of the Southern Gas Corridor (SGC), TANAP runs 1,811 km from the Georgian-Turkish border to the Turkish-Greek border, including a subsea crossing through the Dardanelles Strait. This $6.3-billion mega project facilitates the transportation of Azerbaijani gas from the Shah Deniz-II Gas Field and other potential sources to Türkiye and Europe, playing a vital role in enhancing regional energy security.

Our Assets

TANAP consists of approximately 1,811 km of pipeline with varying diameters, extending from Ardahan to Edirne, along with several above-ground installations, detailed below.

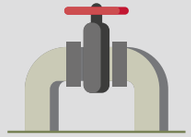
Above-Ground Installations:

2



Compressor Stations (CS)

49

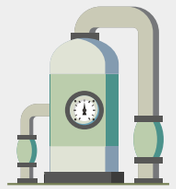


Block Valve Stations (BVS)

11

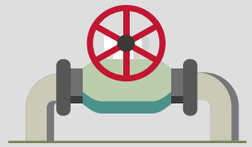
Pig Stations

4



Metering Stations (MS)

2



Off-take Stations to Supply Gas to Türkiye's National Natural Gas Network

Pipeline:

56

56"/ 1,339km

PHASE 0 / ARDAHAN - ESKİŞEHİR

48

48"/ 455km

PHASE 1/ ESKİŞEHİR–EDİRNE

36

36"/ 17,5km*2

DARDANELLES OFFSHORE CROSSING

1,811km

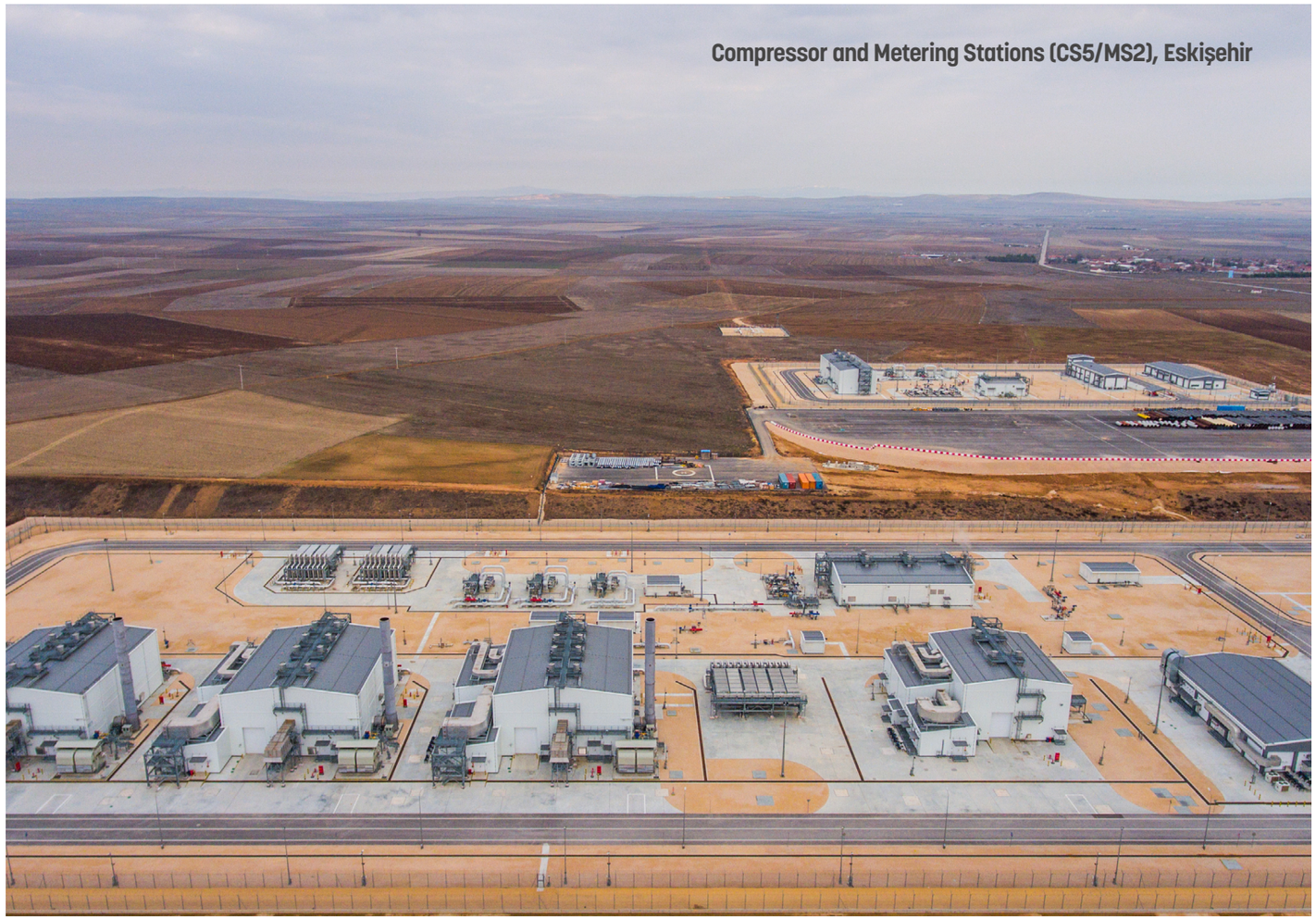
TOTAL LENGTH OF PIPELINE


Metering Station (MS4), Edirne


Metering Station (MS3), Çanakkale


Metering Station (MS1), Ardahan


Compressor Station (CS1), Ardahan



Compressor and Metering Stations (CS5/MS2), Eskişehir

CS3 Area Maintenance Center (AMC), Sivas

Main Control Center (MCC), Ankara

What We Do

"As part of the SGC, TANAP, as the natural gas Transmission System Operator (TSO), plays a crucial role in enhancing energy security and supply diversity in the Region while contributing to social and economic development. TANAP supports meeting the energy needs of Türkiye and Europe by transporting 16 Billion standard cubic meters (bscm) of natural gas annually - 10 bscm to Europe and 6 bscm to the Turkish market - safely and securely."

Gas to Türkiye in 2024:	**5,606,230,233**
Gas to Europe in 2024:	**11,743,490,649**
Total GasTransportation in 2024:	**17,349,720,882**

WHAT DOES 17 BCM OF GAS CORRESPOND TO?

ENERGY PRODUCTION | ENERGY DEMAND | TRANSPORTATION

Wind Turbines	Nuclear Power Units	Households	LNG Tankers	Oil Tankers
69,399	20	8,261,772	204	44

Gas Delivery:

Delivered gas to Türkiye:
(since mid-2018* to the end of 2024)

30.80 BScm

Delivered gas to Europe:
(since end of 2020* to the end of 2024)

42.74 BScm

*the commencement of commercial operations

TANAP in Numbers

Highest Point on P/L:
2,760 m
KP 621 (Red Mountain)

Longest river crossing by HDD in Europe:
1,107 m
(Sakarya River)

No of crossings appr.:
7,000

Steepest Slope:
30° KP 14
(Ilgar Mountain)

Deepest Point on P/L:
- 67.5 m
(Dardanelles)

No of pipes welded
131,620

TANAP in Numbers During 2024

Percentage of Women Employees:
15%

LTIf (Lost Time Incident Frequency):
0.0

TRIR (Total Recordable Incident Rate):
0.0

No of TANAP Employees:
389

No of Training hours per employees:
74.3 h

No of Permit to Work (PTW):
27,414

No of HSE Observation:
3,540

No of PTW Audits :
840

Total GHG Emissions Decrease:
4.97 %

One New Species Discovered:
(For detailed info, visit Biodiversity section of the Report)

Legal & Regulatory Basis

The legal foundation of the Project is based on the "**Intergovernmental Agreement** concerning the Trans-Anatolian Natural Gas Pipeline System between the Government of the Republic of Türkiye and the Government of the Republic of Azerbaijan" signed on June 26, 2012. This agreement, along with its annexes, the **"Host Government Agreement"**, was also signed on the same date and subsequently amended on May 26, 2014, and May 13, 2015. The Company was officially established on December 24, 2012.

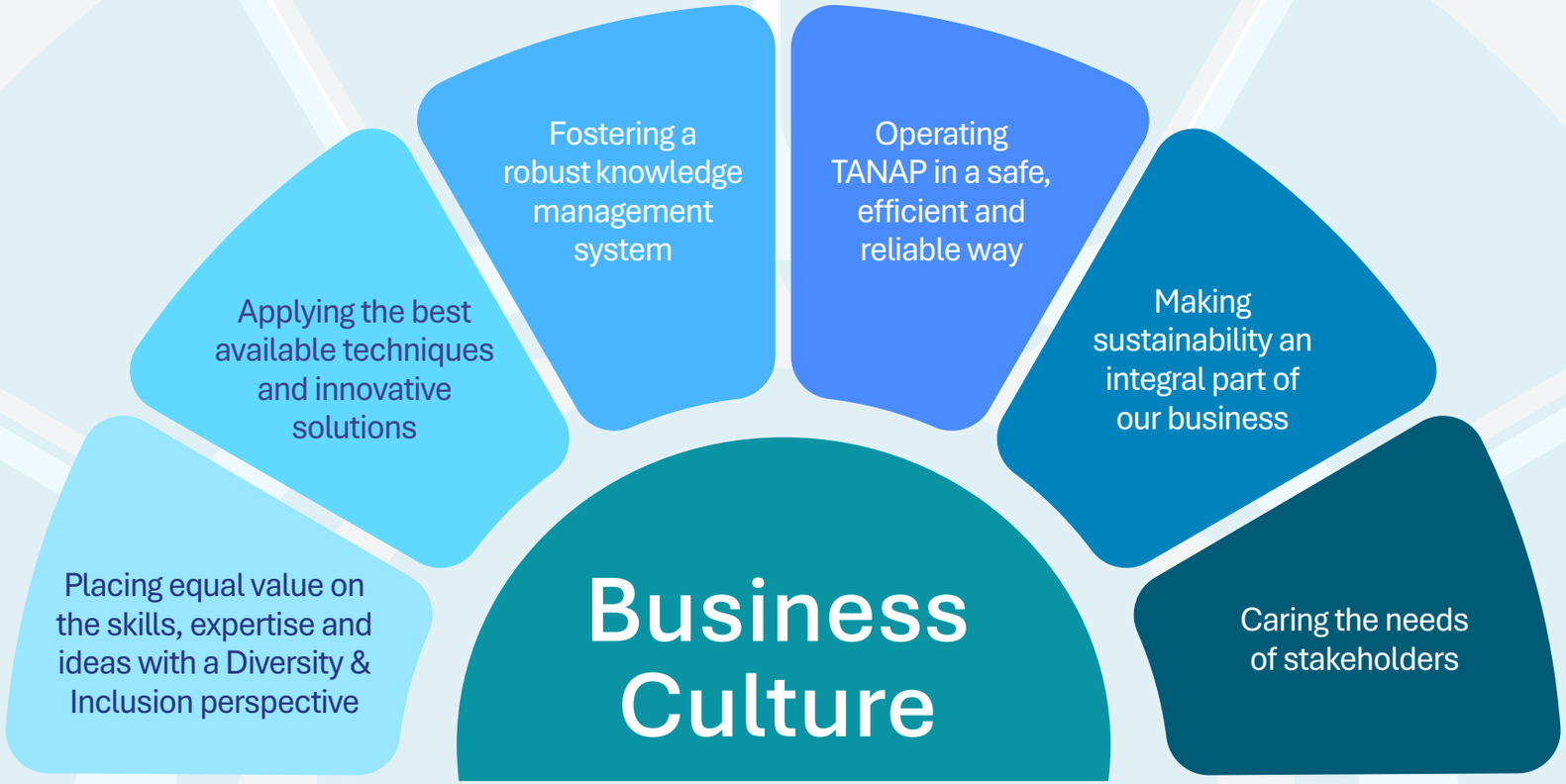
TANAP is committed to operating a natural gas transmission pipeline system that not only contributes to the country's economic development but also ensures the long-term sustainability of its natural resources. In line with this commitment, the company prioritizes strict compliance with all relevant legal requirements, including but not limited to Turkish Environmental Legislation, as well as adherence to international standards and best practices in the pipeline sector.

The primary legal framework governing TANAP under Turkish environmental legislation is **Environment Law** No. 2872, which aims to protect the environment in accordance with the principles of sustainable development. Compliance with applicable legislations - including those related to expropriation, labour and social security regulations, and data privacy - is of paramount importance to TANAP. Accordingly, the company ensures full compliance with the provisions of the **Labour Law** no.4857 and **Occupational Health and Safety Law** no.6331, both during the Project implementation and throughout the Operation Phase.

Expropriation is inherently a procedural legal process, and TANAP has diligently adhered to all legal requirements in this regard. A similar rigorous approach has been adopted regarding data privacy, ensuring compliance with the **Personal Data Protection Law** no.6698 and its secondary legislation. In this context, TANAP has developed and implemented a comprehensive Personal Data Protection Policy, overseen by a dedicated committee. This committee is responsible for managing data privacy activities, raising employee awareness regarding data protection obligations, and ensuring that any legal amendments are closely monitored and integrated into company practices.

Beyond the Turkish legal and regulatory framework, TANAP aligns with international best practices and complies with the **applicable standards set by International Finance Institutions (IFIs)** in key areas such as labour and working conditions, occupational health & safety, biodiversity, land acquisition, and stakeholder engagement. (The list of relevant IFI Standards, Requirements and Guidelines adhered to by TANAP is provided in **Appendix-1**). While Turkish legislation forms the foundation, compliance with environmental and social standards has been a fundamental priority for TANAP since its initiation, as explicitly outlined in the Intergovernmental Agreement and the Host Government Agreement. These founding documents are publicly accessible at: https://www.tanap.com/en/agreements

Business Culture



Awards

Previous Award

- Project of the Year Award
- International CSR Excellence Award
- The Peer Awards for Excellence
- IBA (International Business Awards)
- GBO Awards 2020 (Global Business Outlook)
- Communitas Award
- European Excellence Awards
- The Green World Awards
- PR Daily's Corporate Social Responsibility Awards
- World Commerce & Contracting, Innovation and Excellence Awards

2024 Awards

Platts Global Energy Awards

Platts Global Energy Award

TANAP's Biodiversity Offset Projects have been honored with the 'Corporate Impact Award' at the S&P Platts Global Energy Awards, widely regarded as the 'Oscars of the Energy Industry'. This prestigious recognition reaffirms TANAP's strategic importance for Türkiye, Azerbaijan, and the European Union, as well as its success on the international stage. While ensuring the secure supply of natural gas to Türkiye and the European Union, TANAP will continue to advance its contributions to both the region and the world - particularly through its pioneering efforts and experience in biodiversity conservation.

Green Apple Environment Award

In the 2024 Biodiversity Year, TANAP's Biodiversity Offset Projects - presented under the title 'An Authentic Approach for Managing Biodiversity at Pipelines' - were internationally recognised with the Green Apple Environment Award in the 'Conservation & Wildlife Projects' category. The independent judging panel of The Green Apple Awards commented, *"TANAP leads the charge in biodiversity management through its innovative Biodiversity Offset Strategy, launched in 2017. By integrating projects like the Resilient Steppe and Forest Biodiversity Conservation Offset, TANAP aims for a net gain in Türkiye's ecosystems. Their efforts blend community involvement with sustainability.* Granted by the UK-based Green Organisation, this prestigious award highlighted TANAP's contribution to global environmental best practices and reaffirms its commitment to biodiversity conservation and sustainability.

Geographic Information Systems Special Achievement Award

TANAP has reached yet another international success with its innovative solutions for the effective management of business processes. ESRI (Environmental Systems Research Institute), a US-based software company and the world's largest institution in the geographic information technologies sector, awarded TANAP with the "Geographic Information Systems Special Achievement Award" for its Integrity Mapping Platform (IMP) project, chosen among thousands of submissions from around the world. This success has once again highlighted that TANAP is not only an energy project, but also a pioneer in the effective use of Geographic Information Technologies, which play a critical role in the progress towards clean energy and, which make significant contributions to minimising environmental impacts.

Section 2

Sustainability Management

Sustainability Approach and Strategy

Our Motivation

As a pipeline operator, we recognize **our pivotal role in ensuring the security and diversity of energy supply** to the region. We consider ourselves a key stakeholder in the **collective effort towards a clean and secure energy transition**, which is essential for building a greener future. This mission is **critical for the well-being of people and the health of our planet.**

TANAP's Pillars of Sustainability

- ☐ criticality of providing secure and reliable natural gas transmission services to Türkiye and Europe in compliance with UN Sustainable Development Goals (SDG) and the Paris Agreement.
- ☐ that natural gas is the most environmentally friendly source among other fossil fuels and transportation by pipeline is a much more economical, safe, and cleaner way of maintaining the energy supply.
- ☐ application of the best available techniques to reduce emissions from operations to maximize the use of greener energy sources.

TANAP Sustainability Strategy

TANAP plays an important **role in securing the energy supply** in the region and, in-so-doing, aims to manage its operations in a way that **aligns with the low-carbon economy** and to facilitate the **Energy Transition for a more common livable future.**

TANAP aims to fulfill this key role by avoiding and mitigating the impacts of its activities and investments on the environment and people – and, beyond that, by enhancing the benefits it will generate.

ESG - focused Aims and Targets

E — Environment

Environment (E): Care for the PLANET

We aim at

Taking recovery actions to reduce the ecological footprint

Short - Term Targets (by 2025)

- Identifying recovery actions
- Allocating primary budget for quick fixes
- Encouraging quick fixes and pilot works
- Initiating and Monitoring Biodiversity Offset Projects

Mid - Term Targets (by 2030)

- Initiating recovery actions and monitoring their effectiveness
- Monitoring BOPs (Biodiversity Offset Projects) and Increasing offset areas

Long - Term Ambitions (by 2035)

- Maintaining the effective recovery actions
- Achieving No Net Loss and Net Gain for Conservation of Biodiversity

S — Social

Social (S): Act for the well-being of PEOPLE

We aim at

Raising awareness among employees and local communities about the importance of collaborating for a sustainable future

Short - Term Targets (by 2025)

- Focused & Diversified Training Programs
- Improved OHS practices
- Improved Equal Opportunity
- Digitalization of Land-based Stakeholder Engagement
- Adoption of Land Access Management principles

Mid - Term Targets (by 2030)

- Fostering Exemplary OHS and employment practices
- Restructuring stakeholder engagement practices in a culturally appropriate manner in the digitalized world

Long - Term Ambitions (by 2035)

- Empowering Our Workforce and Local Communities for a Just Transition

ESG - focused Aims and Targets

G

Governance

Governance (G): Ensure Operational Sustainability

We aim at

Operating the natural gas transmission system in a safe, efficient, and reliable way by maintaining the integrity of all facilities for a secure energy supply

Short - Term Targets (by 2025)

- Assessing the potential use of greener energy sources in our facilities and the H2 blending compatibility of our systems
- Reducing GHG emissions (carbon and methane) by 1% through modification works
- Reviewing the existing system through Process Safety
- Design and Initiation of Community-based Investments for Climate Mitigation and Adaptation & Resilience
- Allocating Green Budget for sustainability-focused actions
- Incorporating ESG-focused risks into TANAP Overall Risk Management Framework
- Establishing coaching mechanism to execute sustainability practices in line with the TANAP Sustainability Strategy.

Mid - Term Targets (by 2030)

- Integrating renewable energy sources
- Waste Heat Recovery Installations
- Electrification
- Facility readiness for Hydrogen/Synthetic Methane Blending
- Modification works for reducing fugitive emissions and climate-related impacts
- Implementing Social and Environmental Investment Programme (SEIP)

Long - Term Ambitions (by 2035)

- Hydrogen/Synthetic Methane Blending
- Monitoring and managing emissions
- Reviewing and revising the strategy

Our Priorities and The SDGs

SUSTAINABLE DEVELOPMENT GOALS

Given its strategic Sustainability Aims and Targets, TANAP remains committed to supporting the United Nations (UN) Sustainable Development Goals (SDGs) and their related Targets through its ongoing operations and activities. Incorporating feedback from both internal and external stakeholders received while preparing the Sustainability Reports, TANAP has identified and assessed material topics to be reportable and linked to the relevant UN SDGs, as listed in the table.
For further details on UN SDGs:

For further details on UN SDGs: Anasayfa | Kuresel Amaçlar (kureselamaclar.org) or THE 17 GOALS | Sustainable Development (un.org)

UN SDGs	UN SDGs and Targets supported by TANAP activities, but not limited to;	Related Material Topics in the Report
3 Good Health and Well-Being	**Ensure healthy lives and promote well-being for all at all ages** 3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	• Social & Environmental Investments • Working and Growing with TANAP
4 Quality Education	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** 4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	• Social & Environmental Investments • Working and Growing with TANAP
5 Gender Equity	**Achieve gender equality and empower all women and girls** 5.1. End all forms of discrimination against all women and girls everywhere 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	• Social & Environmental Investments • Working and Growing with TANAP
7 Affordable and Clean Energy	**Ensure access to affordable, reliable, sustainable, and modern energy for all** 7.1. Ensure universal access to affordable, reliable, and modern energy services	• Asset Integrity • Climate Adaptation and Energy Transition • Social & Environmental Investments
8 Decent Work and Economic Growth	**Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all** 8.8. Protect labour rights and promote safe and secure working environments for all workers	• Occupational Health & Safety • Working and Growing with TANAP • Social and Environmental Investments
9 Industry, Innovation and Infrastructure	**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation** 9.1. Develop quality, reliable, sustainable, and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 9.b. Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	• Digital Transformation • Asset Integrity and Critical Incident Management • Social and Environmental Investments
11 Sustainable Cities and Communities	**Make cities and human settlements inclusive, safe, resilient, and sustainable** 11.4. Strengthen efforts to protect and safeguard the world's cultural and natural heritage	• Social and Environmental Investments • Biodiversity
12 Responsible Consumption & Production	**Ensure sustainable consumption and production patterns** 12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	• Social and Environmental Investments • Waste and Water Management • The Sustainability Report as a whole
13 Climate Action	**Take urgent action to combat climate change and its impacts** 13.3. Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	• Climate Adaptation and Energy Transition • Social & Environmental Investments • GHG and Air Emissions Management • Waste Management • Biodiversity
14 Life Below Water	**Conserve and sustainably use the oceans, seas, and marine resources for sustainable development** 14.1. Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution 14.b. Provide access for small-scale artisanal fishers to marine resources and markets	• Land and Resource Rights • Water Management
15 Life On Land	**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss** 15.1. Ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements 15.5. Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	• Biodiversity • Land and Resources Rights • Closure and Rehabilitation

Sustainability Coaches

With a committed approach towards strengthening the future of our planet and the well-being of people, TANAP , with the great efforts of a multidisciplinary team of Sustainability Coaches, continued to take valuable actions to enhance and promote sustainability practices within TANAP. Following the 2023 Year of Sustainability, 2024 activities have focused on building the team's capacity and increasing organisational awareness through targeted trainings, seminars, webinars, and events.

Focus Topic of 2024:
"REDUCTION OF GHG EMISSIONS and ELECTRICITY CONSUMPTION"

Achievements regarding these two primary focus points in 2024 are briefly:

- As a result of changing the calculation methodology (commencement of measurement of fugitive emissions), a **significant reduction** in total greenhouse gas (GHG) emissions **(nearly 5%)** was achieved, going **beyond the 2025 Short-Term1% reduction target** announced in the Sustainability Report.
- A **3.4% reduction in electricity consumption** was achieved at the headquarters building

They are detailed under the "Care for the Planet" section of the Report, particularly in the GHG Emissions and Resource Management sub-sections.

Organisational Empowerment:

The TANAP Sustainability Team is composed of 27 members who are called **"Sustainability Coaches"**, representing various disciplines and departments that enable the corporate sustainability practices to be gradually enhanced while increasing internal awareness and capacity. Here are some of the outstanding actions that the Team has taken, and documents prepared and shared by the Team with both internal and external stakeholders throughout the year:

Initiatives

for Capacity-Building & Awareness-Raising

Online Sustainability Library:

An **"Online Library"** was opened under the TANAP Learning Management System, accessible to all employees.

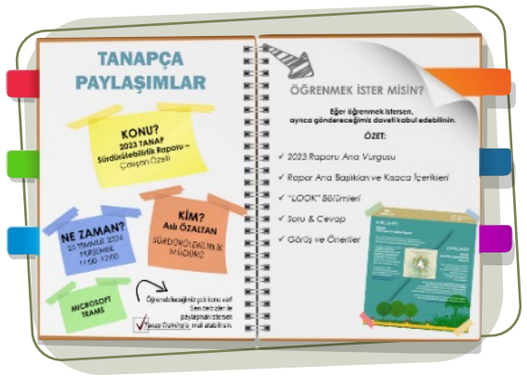
This library contains Internal Training Materials (Video presentations), prepared in-house, on these topics: Electric Vehicles, Carbon Footprint vs Handprint, Biofuels, Ecological Footprint, Carbon Footprint, COP29 and Green Hydrogen.

E-Waste Campaign

As part of the CyberMarch Events - coinciding with Global Recycling Day (March 18) and Zero Waste Day (March 30) - the **"Giving Electronic Waste a New Life" Campaign** was launched to emphasize the importance of reducing e-waste for human and environmental health, in collaboration with IT, Administrative Affairs, Environment, and Sustainability Teams.

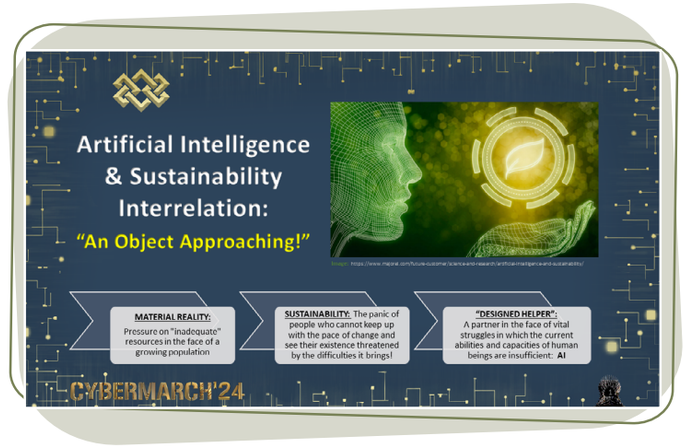
TANAPÇA Paylaşımlar:

With the organisation of the HR-Training Team, an **online presentation** titled 'Sustainability Report - Summary for Employees' was carried out on behalf of the Reporting Working Group of the Team in order for the disclosed sustainability report to be understood more readily throughout TANAP.



AI & Sustainability

At the **CyberMarch** event organised by the TANAP IT Team, a presentation was delivered highlighting the growing significance of the relationship between artificial intelligence and sustainability. While its conveniences were emphasized, attention was also drawn to its considerable water and carbon footprints, with a call for conscious use.



Initiatives

for Capacity-Building & Awareness-Raising

Sustainability Coaches at COP29

Representing TANAP, two Sustainability Coaches participated in **COP29 - Climate Summit**, held in Baku on 11-22 November under the theme “In Solidarity for a Green World,” alongside the SOCAR Türkiye delegation. Attended by 76,000 participants from 196 countries, COP29 - also known as the Finance COP - focused on financial mechanisms and sustainable investment strategies.

Sustainability Evaluation for Contractors

In collaboration with the Contracts, Procurement, and Supply Chain Directorate, the Sustainability Team prepared and issued a three-question **“Sustainability ID Card”** as a corporate form to evaluate the sustainability performance of service providers and suppliers.

Visit & Webinar: Integrated Waste Facility

To mark **March 18 Global Recycling Day**, TANAP Sustainability Coaches and employees who contributed to the “Smart Ideas for Sustainability Practices” platform visited an Integrated Waste Facility in Ankara to observe good practices and receive insights from facility experts. At the end of the visit, a webinar was also organised for all TANAP employees.

Visit: Climate Museum

A visit to the Climate Museum in Istanbul as part of the TANAP 2024 Biodiversity Year events was organised. Participants explored the causes and impacts of the climate crisis, engaged with interactive exhibits. Moreover, the visitor Sustainability Coaches also shared key insights and presentations on topics such as ocean acidification, the albedo effect, mass extinction, and major climate disasters.

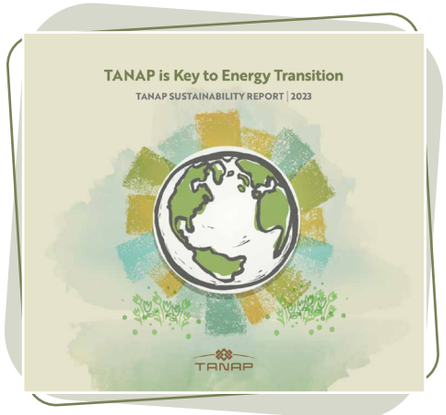
Publications

for Disclosing our Sustainability Performance

TANAP Sustainability Report

TANAP Sustainability Report - 2023 was fully prepared in-house with reference to the GRI Oil & Gas Sector Standard.

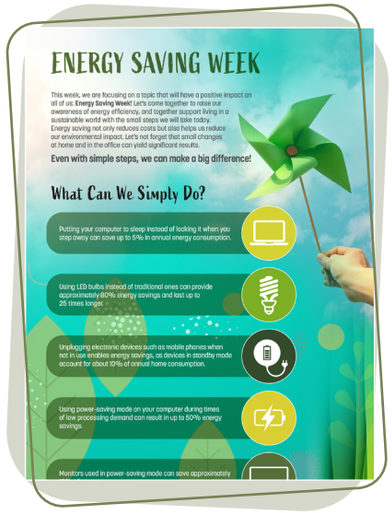
It was shared with stakeholders and disclosed on the **TANAP website** and its publicity video shared via TANAP social media.



TANAP Sustainability Bulletins

Two semi-annual TANAP Sustainability Bulletins continued to be prepared in-house and shared with TANAP employees and external stakeholders.

The Bulletins include the activities of the Team and overall good sustainable practices of TANAP recorded via Synergy system.

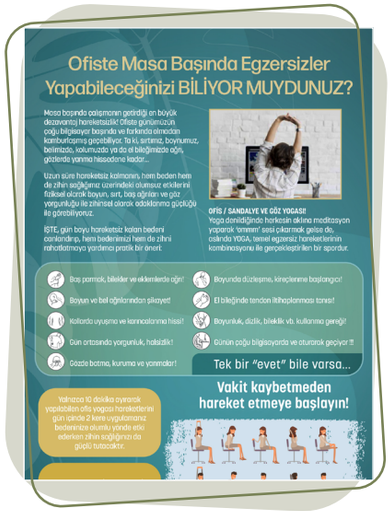


Informative Announcement

In the **Energy Saving Week**, an Informative Announcement, focusing on the importance of energy saving, was prepared by the Team and shared with stakeholders. The announcement included advice on practical measures for the daily office environment and an example of good practice from the MS3/MS4 Sites.

Informative Announcement

In order to help employees maintain their physical health in the office environment, an informative announcement about **Office Yoga**, which includes 10 minutes of practical movements and detailed videos, was prepared and shared with TANAP employees. The announcement was developed with the contributions of a TANAP workplace doctor and a yoga trainer.



Section 3

Sound Governance for Sustainability

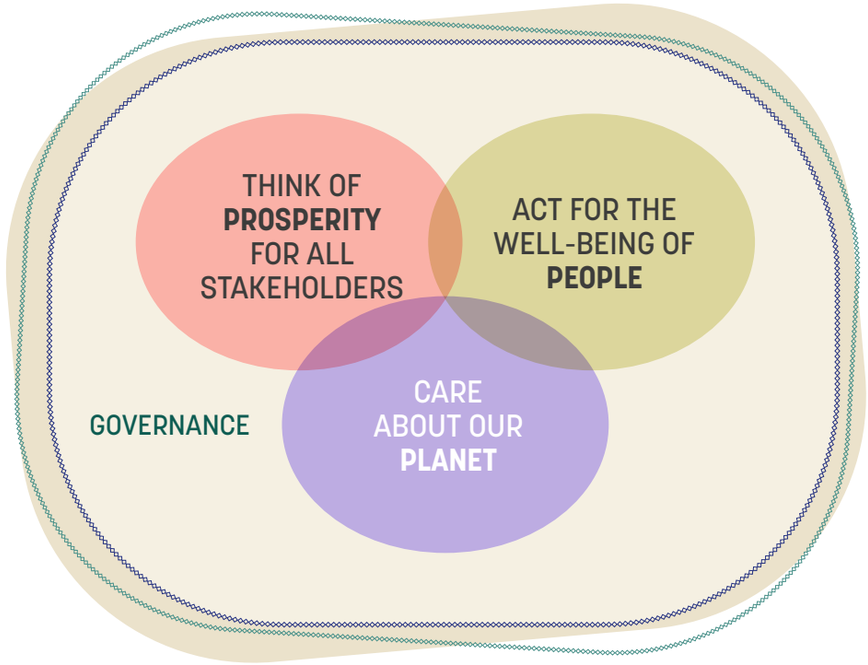
TANAP Sustainability Governance Framework

Advancing Toward Integrated Value Creation

In 2024, Sustainability Governance at TANAP has continued to evolve, shifting from a primarily environmental and social focus to a more integrated model that drives economic value and operational excellence. By embedding sustainability principles across all governance, TANAP ensures that strategic decision-making remains aligned with long-term ESG priorities - enhancing environmental and social outcomes while strengthening business continuity and efficiency.

This transformation is reflected in initiatives to digitalise core processes, manage climate-related risks, and safeguard pipeline integrity through the adoption of innovative technologies. In parallel, Sustainability Coaches play a key role in building institutional capacity and fostering a culture of sustainability throughout the organisation.

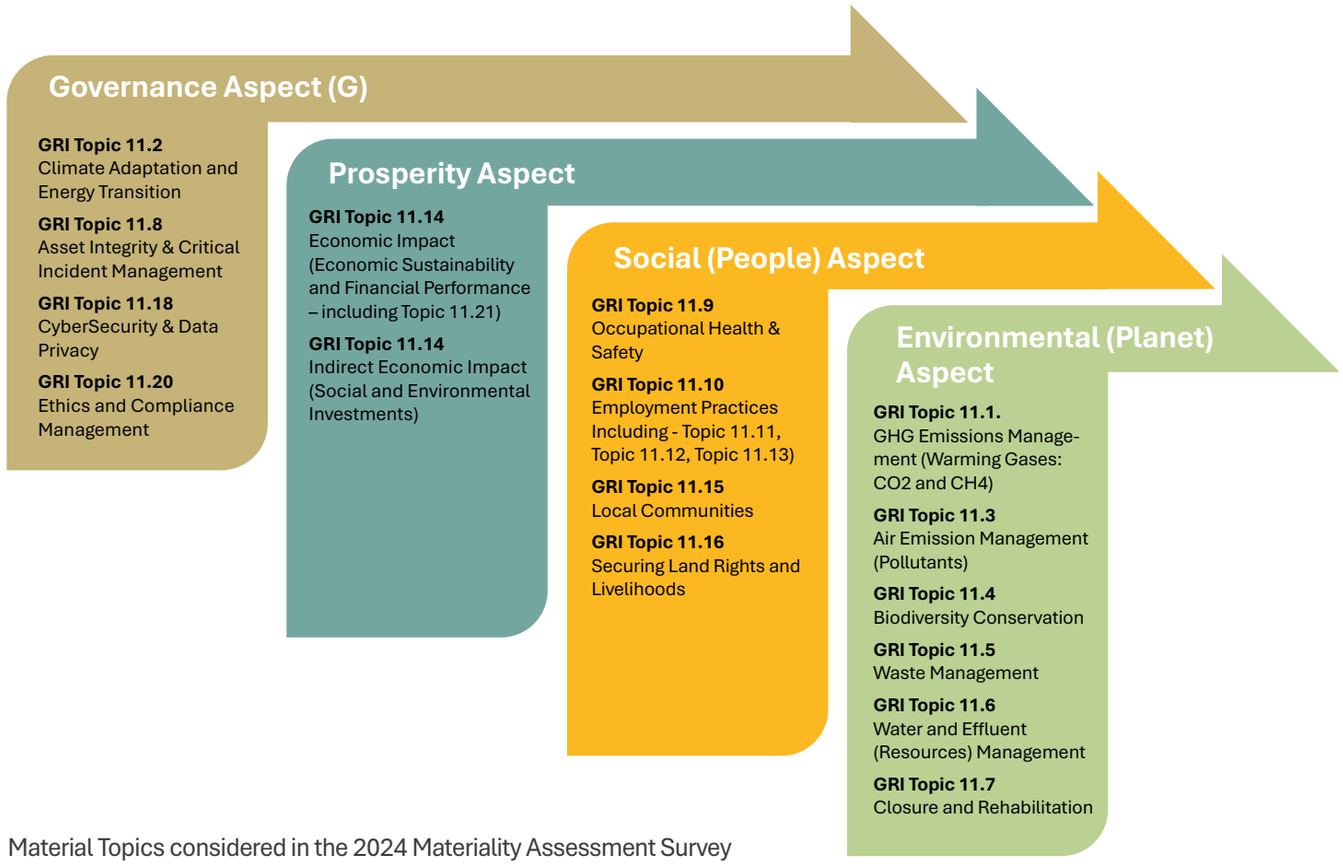
As this integrated approach matures, stakeholder expectations and material sustainability topics have also evolved. The following section presents TANAP's 2024 Materiality Assessment, highlighting the most significant issues for both TANAP and its stakeholders in this new phase of sustainable value creation.



Materiality Assessment

The 2024 Materiality Assessment remains a foundational element of TANAP's ESG-based risk management framework, ensuring alignment between stakeholder expectations, corporate priorities, and strategic risk areas.

In 2024, the materiality analysis of sectoral topics relevant to TANAP was conducted with the participation of a broader and more diverse group of stakeholders compared to the previous year. While the assessment of internal stakeholders was limited to TANAP management last year, the scoring process also included TANAP's Sustainability Coaches, reflecting the growing institutional engagement in sustainability efforts for the 2024 Materiality Assessment. Another notable development was the digitalisation of the survey process using in-house resources. Additionally, "digital transformation" and prominent global risk topics such as cybersecurity were incorporated into the list of assessed issues. The Materiality Assessment was carried out by TANAP's enhanced Sustainability Coaches - Reporting Team, which was based on the responses from both internal and external stakeholders to a set of questions covering 17 main focus topics linked to the GRI Oil and Gas Sector Standard, grouped under four main categories, as shown in the graphic:



Material Topics considered in the 2024 Materiality Assessment Survey

This year's assessment reaffirmed **Occupational Health and Safety** as the most critical business success factor, closely followed by **Asset Integrity and Critical Incident Management** - both in terms of their impact on TANAP's business success and their importance to external stakeholders. These three areas also constitute the **top five risks in TANAP's corporate risk register**, underlining the strong alignment between material topics and TANAP's broader risk landscape.

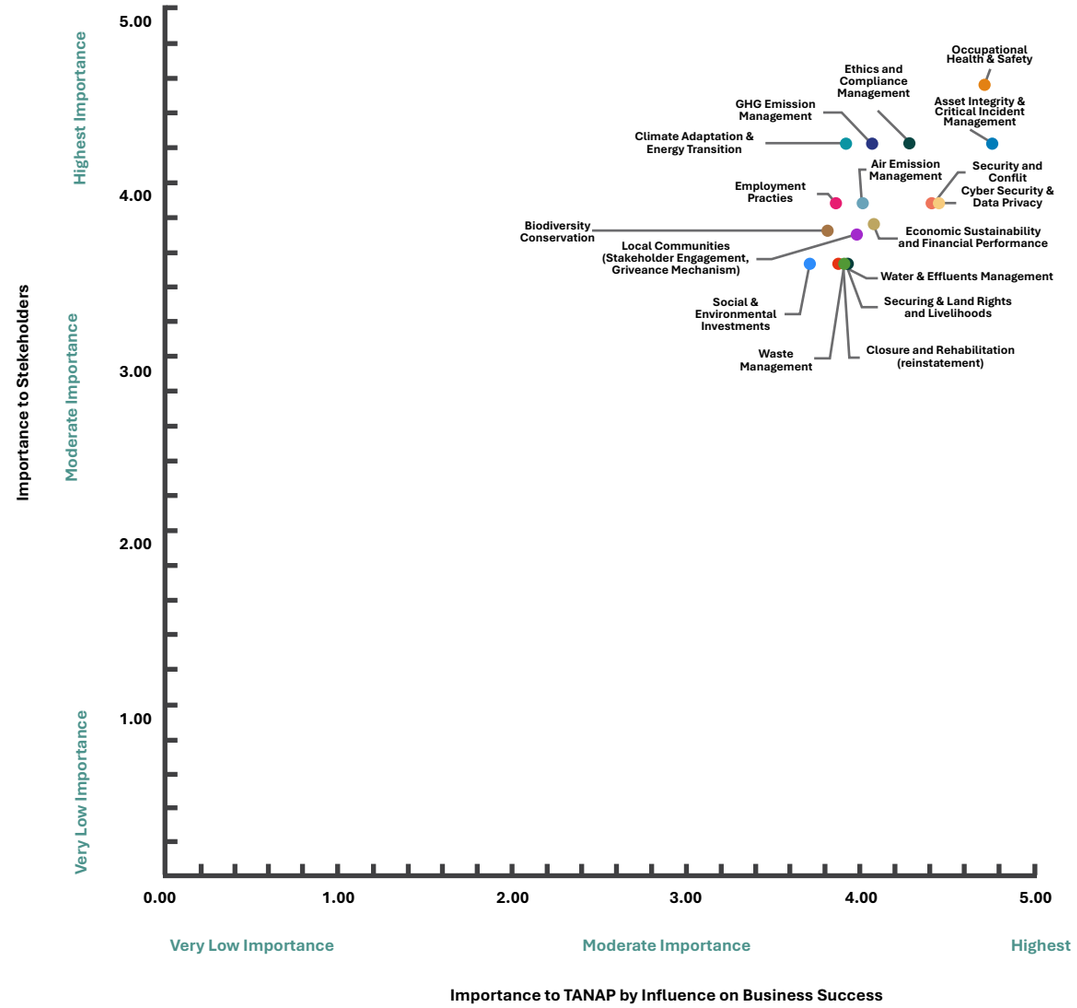
Compared to the previous year, there has been a notable positive shift in stakeholder focus toward ***Security, Greenhouse Gas (GHG) Emissions Management, and Climate Adaptation and Energy Transition***. These priorities have been addressed through strengthened security governance and risk assessment, high-level technical and commercial desktop studies on hydrogen and renewable energy integration, and initiatives aimed at reducing GHG emissions and energy consumption.

Biodiversity and Cybersecurity & Data Protection have also gained importance, highlighting a growing awareness of their strategic significance.

In response to the growing global importance of **Cybersecurity and Data Protection**, which continues to rank among the top global risks, TANAP established a **Data Loss Prevention (DLP) Committee** and introduced targeted training programs. Enhanced strategies have been implemented to strengthen cybersecurity infrastructure and protect critical data assets.

Each of these material issues plays an essential role in advancing TANAP's broader sustainability objectives. The integration of materiality insights into the company's risk management processes ensures that strategic decisions remain resilient, stakeholder-driven, and aligned with long-term value creation.

All in all, given the rising prioritisation of particularly **GHG Emissions Management,** and **Climate Adaptation and Energy Transition** by external stakeholders, the outcomes of the Materiality Assessment point out the necessity of expanding TANAP's focus on these areas. Their escalating relevance - particularly in relation to long-term environmental and societal impact - positions them as key pillars for future sustainability planning and risk mitigation.



Risk Management

The TANAP Risk Management process aims to support the organisation in achieving strategic Environmental, Social, and Governance (ESG) targets and the related business/operational targets by implementing risk preventions that reduce the probability of impacts. Our risk assessment methodology provides a comprehensive overview of the potential risks, uncertainties, and opportunities TANAP may face.

TANAP defines and monitors risks that could impact its operations, health and safety, environmental and social aspects, sustainability strategy, financial performance, and reputation. It also highlights the measures taken to manage these risks and ongoing efforts to ensure safe, efficient, and reliable delivery of natural gas to Türkiye and Europe.

TANAP acknowledges that its operations inherently carry risks to the environment and nearby communities along the Pipeline and Above-Ground Installations (AGIs). Sustainability is prioritised in all operational aspects, including maintenance, repair, and inspection activities. To this end, TANAP leverages innovative technologies and best practices to minimize environmental impact and enhance energy efficiency.

Examples of Key Risks:

- Health and safety incidents at operational sites
- Security threats to operational facilities
- Integrity threats at the pipeline and stations leading to Loss of Primary Containment (LOPC)
- Third-party damage to the pipeline and AGIs resulting in uncontrolled gas releases and potential fire
- Geotechnical hazards affecting the pipeline and causing LOPC

In alignment with our ESG-driven approach adopted in 2023, TANAP is committed to identifying and managing all risks that could hinder the achievement of its ESG objectives. This has become a central focus of TANAP's risk management processes in 2024. TANAP remains dedicated to prioritizing environmental sustainability and social responsibility in all aspects of its operations. Each year, global risks related to climate change, the economy, geopolitics, and technology are systematically examined, and all risk registers are updated accordingly. Each identified risk is assessed and scored independently based on its environmental, safety, social impact, reputational, and financial dimensions. **As part of this process, the TANAP Risk Management Procedure was revised to align with the updated framework.** Mitigation actions are then developed from a holistic perspective and are closely monitored to ensure their effectiveness.

In 2024, TANAP further enhanced its ESG-focused risk management framework by closely monitoring and reassessing emerging and evolving ESG-related risks. A key component of this assessment was the comprehensive review of all risks through the lens of the materiality assessment results. For instance, the growing impact of climate change prompted a detailed evaluation of flood-related risks. In response, proactive mitigation measures were implemented at various block valve stations, supported by hydraulic modelling studies to ensure accurate risk assessment and effective response planning.

TANAP also actively monitored forest fire risks and took preventive measures to minimise their potential impacts. Additionally, recognising the increasing global relevance of digital threats, TANAP placed greater emphasis on cybersecurity risks as a core element of its 2024 risk management activities. Through these efforts, TANAP strengthened its commitment to integrating ESG principles into all aspects of its risk management, ensuring alignment with its sustainability goals and stakeholder expectations.

Key Areas Addressed within TANAP's ESG-Based Risk Assessment Framework:

Environmental Risks

- Potential environmental incidents (e.g., leaks, spills)
- Potential flood risks
- Potential forest fire risks
- Potential integrity issues with environmental consequences

Social Risks

- Complaints from local communities
- Health and safety concerns for employees and the public
- Non-process safety risks and potential injuries
- Employee well-being

Governance Risks

- Compliance with safety and maintenance regulations
- Oversight of infrastructure reliability
- Cybersecurity and physical security threats affecting business continuity
- Regulatory compliance risks

Asset Integrity and Critical Incident Management

At TANAP, maintaining the integrity, safety, and reliability of the pipeline infrastructure is a strategic priority that underscores its long-term commitment to sustainability. TANAP recognises that robust Asset Integrity Management is essential for preventing incidents that could pose environmental risks, disrupt operations, or impact the health and safety of our employees and local communities.

To this end, TANAP has deployed, and is actively utilising integrated Asset Integrity Management and Critical Incident Management Systems. These systems are embedded within its broader operational governance framework and are designed to proactively identify, evaluate, and mitigate risks across the full lifecycle of the physical assets. Through this structured approach, TANAP aims to ensure safe, reliable, and environmentally responsible operations in alignment with corporate sustainability objectives.

Key components of TANAP's Asset Integrity Management program include:

- **Risk-Based Inspections (RBI)** and **Root Cause Analysis (RCA)** methodologies that enable early identification and mitigation of potential failure scenarios,
- Routine **integrity assessments, functional testing, and preventive maintenance** across all critical assets,
- Data-driven decision-making powered by our **Asset Integrity Management Software (AIMS)**, which facilitates systematic analysis of field data to drive continuous improvement and regulatory compliance.

Asset integrity risk has been formally classified among TANAP's top five corporate risks, and the corresponding Asset Integrity Management program demonstrates the commitment to a proactive approach to risk mitigation across the organisation.

To further strengthen risk management capabilities, TANAP has adopted advanced technologies, including but not limited to:

- **In-line inspection tools** for internal pipeline condition monitoring,
- **Drone-based surveillance systems** equipped with high-precision sensors for aerial and remote inspection,
- **Corrosion monitoring solutions** that enable early detection and timely intervention to prevent material degradation.

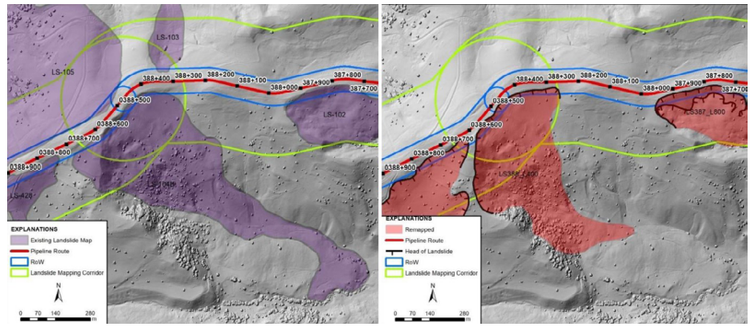
In light of growing climate-related challenges, TANAP has integrated environmental risk scenarios - such as forest fires and flooding - into its enterprise risk framework. A dedicated Climate-Related Risk Assessment was completed, and the findings have been incorporated into the TANAP Risk Register, ensuring adaptive planning and targeted preventive measures.

TANAP's Asset Integrity Management program is intentionally structured to prevent high-consequence process safety events and ensure the long-term functionality of critical infrastructure. These measures uphold the highest standards of safety and environmental protection while contributing to sustained economic performance, uninterrupted operations, and strengthened stakeholder trust.

Through our comprehensive and forward-looking approach, TANAP reaffirms its dedication to operating safe, reliable, and sustainable facilities—today and into the future.

As part of TANAP's ongoing commitment to operational excellence and sustainability, the organisation continues to enhance geohazard monitoring, risk management, and asset integrity programs through data-driven technologies and field-proven methodologies. Key implementations in 2024 include:

- The TANAP Landslide Inventory was comprehensively assessed, and an update was recommended using high-precision digital terrain models derived from photogrammetry inspections. This study considered landslide types, scale, proximity to the Right of Way (RoW), spatial relation to the pipeline, field validation results, and historical survey data. Conducted within the framework of Environmental, Social, and Governance (ESG) risk management, the assessment supports proactive identification and mitigation of geohazards, ensuring long-term safety and sustainability of pipeline operations.



- A pipeline-wide C-band Interferometric Synthetic Aperture Radar (InSAR) analysis was conducted to identify and monitor geohazard risks across the entire route. This satellite-based monitoring system enhances the early detection of ground movement, contributing to informed decision-making and preventive action.

- The Remotely Operated Vehicle (ROV) Survey enabled close-up visual inspection of subsea infrastructure, including Fibre Optic Cable (FOC) crossings. It also assessed cathodic protection effectiveness and free spans beneath offshore pipeline sections, addressing potential damage mechanisms and reinforcing offshore pipeline integrity.

- The In-line Inspection (ILI) of the 56" pipeline between MS1 and CS5 was successfully completed, spanning 1,340 kilometres. This operation demonstrated TANAP's ability to execute large-scale inspection activities with exceptional planning, operational efficiency, and a strong focus on personnel and process safety, without any incidents.

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TANAP's Asset Integrity Management program is designed to prevent process safety incidents that could result in fatalities, injuries, environmental harm, or infrastructure damage. The organisation deploys advanced technologies - including in-line inspection tools, drone-based monitoring, and corrosion detection systems - to proactively identify and mitigate risks. In response to increasing climate-related threats, a dedicated forest fire risk assessment was conducted, and identified risks were incorporated into the TANAP Risk Register to ensure continuous monitoring and response planning.

These efforts reflect TANAP's commitment to operational safety, environmental protection, and long-term sustainability.

Process Safety and Operational Excellence

Maintaining high standards of Process Safety remains a core priority during TANAP's operational phase. It is essential for preserving the integrity and reliability of its infrastructure while preventing incidents that could lead to catastrophic failures, environmental harm, or risks to human life.

By implementing robust safety protocols and cultivating a strong safety culture, TANAP mitigates operational risks and ensures the safe and sustainable transmission of natural gas.

In 2024, building on initiatives launched in the previous year - including Process Safety Awareness Trainings, the rollout of Process Safety Fundamentals across facilities, and the quarterly Process Safety Bulletin - TANAP further reinforced its safety culture through the implementation of the ALMAS (Alarm Management System).

The ALMAS represents a major milestone in TANAP's journey toward Operational Excellence and Process Safety. As a best-in-class alarm management and real-time process monitoring tool, ALMAS enables the effective management of alarms across critical systems (SCADA, ICSS), ensuring compliance with international standards and allowing immediate identification and resolution of process anomalies.

Operational Improvements and Digitalisation Milestones

Bill of Materials (BOM) Standardisation

- A comprehensive BOM structure for Mainline TUCO, Offtake TUCO, and Turboexpander Generator equipment was implemented in the SAP system. This initiative registered over 3,800 materials and utilised 10,000 equipment tags, enhancing inventory and maintenance management.

Emergency Shutdown (ESD) Optimization

- To date, some Level 1 ESDs were triggered due to nuisance alarm following with manual ESD button activations. Some of the installed units at manned stations were decommissioned under an optimisation study, with the remaining more reliable units scheduled for replacement under the MOC process. This optimisation significantly reduced false alarm-related station trips, improving overall reliability and avoided to avoid cold vent initiated by spurious alarms.

Glycol Composition Change

- TANAP optimised the heat exchange process through the implementation of an enhanced glycol mixture. The operation, which involved changing in 8 units - 2 at CS1 and 6 at CS5 - amounted to 70 tonnes and was safely conducted and in accordance with the approved method statement. The new composition improved heat transfer efficiency, resulting in hourly natural gas savings of 47.4 m^3 and a measurable monthly cost reduction.

HVAC System Upgrade for Diesel Engine Generator Buildings

- Upgrades at CS1, CS5, and CS5 Offtake stations improved the performance, reliability, and energy efficiency of Diesel Engine Generator (DEG) systems. The project was delivered on time and within budget, ensuring improved climate control and compliance with safety standards.

Digital Tools Supporting Operational and Commercial Excellence

Commercial Operations Management System (COMS)

- TANAP successfully launched COMS, a world-class gas dispatching platform that automates and streamlines commercial operations. Designed for high configurability, COMS supports real-time collaboration with interconnecting parties (Shippers and TSOs) and adapts to evolving business needs, marking a key achievement in Commercial Excellence.

Manufacturing Operations Management (MOM)

- The newly deployed MOM system enables users to analyse business-critical KPIs and process data via interactive dashboards. MOM continuously collects and organises operational data, providing decision-makers with an integrated view of pipeline and station performance. This system enhances situational awareness and supports data-driven decision-making in real-time.

2025

Short-Term Targets:

- Rigorously applying Integrity Management principles of Plan, Do, Check, and Act. — **100%**
- Improving Asset Integrity Management System by focusing on areas of development. — **100%**
- Reviewing and updating of Risk Based Inspection Program as per the gathered baseline inspections/surveys. — **90%**
- Taking necessary mitigations for potential liquefaction risks on fault crossings along the pipeline — **90%**

2030

Mid-Term Targets:

- Rigorously applying Integrity Management principles of Plan, Do, Check, and Act.
- Implementing new inspection technologies to improve the efficiency of inspections.
- Deploying digitalization and advanced technologies in inspection and monitoring processes to the extent possible to minimize carbon emissions and human intervention

2035

Long-Term Ambitions:

- Rigorously applying Integrity Management principles of Plan, Do, Check, and Act.
- Implementing long-term Integrity Management Projects.

Climate Adaptation and Energy Transition

As part of TANAP's ongoing climate adaptation strategy, 2024 marked a year of enhanced focus on ESG-based climate risk assessments. In support of the transition to a low-carbon economy and the enhancement of community resilience, TANAP conducted detailed climate risk analyses - particularly at block valve stations - to address the increased frequency and severity of **flood events** driven by **extreme rainfall**. Targeted flood mitigation measures were implemented, especially in areas vulnerable to **high-intensity precipitation**, which include continuous maintenance and improvement of drainage systems around stations.

In parallel, the risk of landslides - particularly in dry soils destabilised by sudden heavy rainfall - was evaluated, and corresponding sustainable mitigation actions were introduced. These efforts are part of TANAP's broader infrastructure enhancement initiatives.

Additionally, actions initiated in the previous year to prevent and respond to potential forest fires - particularly those aggravated by extreme heatwaves - were closely monitored and continued in 2024, reinforcing the TANAP's proactive stance against climate - induced hazards.

A dedicated team remained active throughout the year, to reassess climate-related risks, including flooding and geotechnical hazards, ensuring that TANAP's climate adaptation strategy remains agile and forward-looking.

Climate Resilience in Action - 2024 Highlights

Key Risk Areas:
- Extreme rainfall & flooding
- Landslide risk in dry zones
- Forest fires triggered by heatwaves

Mitigation Measures:
- Drainage system enhancements
- Slope stabilisation works
- Emergency response readiness efforts

Outcomes:
- More resilient infrastructure
- Increased readiness for climate extremes
- Stronger alignment with ESG and climate adaptation goals

Advancing Along the Low-Carbon Pathway:

TANAP also continued to progress on its journey toward a lower-carbon operational model, with several key initiatives implemented in 2024:

- **Operational Optimisation:** Station-level optimisation efforts aimed at reducing trip failures, contributing to both operational reliability and environmental performance. System-level improvements led to measurable reductions in vent and fuel gas emissions.
- **Leak Detection and Prevention:** Advanced leak detection systems were developed to support the early identification and mitigation of potential leaks, further strengthening the pipeline's environmental risk management capabilities.
- **Diesel Generator Upgrades:** The performance, reliability, and energy efficiency of Diesel Engine Generator (DEG) Systems were improved by targeted upgrades to DEG buildings. These improvements also supported improved climate control and ensured compliance with environmental and operational safety standards.

- **Energy Efficiency Gains:** Targeted optimisation initiatives and the adoption of new energy efficiency practices resulted in a 3.4% reduction in electricity consumption across all TANAP stations and the headquarters building.
- **Fugitive Emissions Management:** TANAP began evaluating the most feasible technical infrastructure for continuous monitoring systems for real-time detection and quantification of fugitive emissions. A Fugitive Emissions Detection and Management System is being developed in collaboration with the Operations and Environmental Teams
- **Conducting high-level technical and commercial assessments for the following items to facilitate the energy transition:**
  - Hydrogen blending technical and commercial compatibility of pipeline, facilities and stations' utility systems
  - Alternative hydrogen injection points along the pipeline
  - Alternative solutions for the separation and re-injection of hydrogen and natural gas
  - Synthetic methane blending and injection (including points) into the TANAP pipeline
  - Alternative/renewable energy source installations at facilities, adjacent to TANAP existing and future facilities.
  - Waste Heat Recovery installations at existing and future facilities
  - Electrification of compressor drivers at the existing and future compressor stations

2025

Short-Term Targets:

• Promoting carbon footprint reduction initiatives among the employees	50%
• Evaluating feasibility of increasing technology usage (e.g. Ipads instead of paper use)	
• Purchasing/leasing the new hybrid or electrical vehicles to test performance and efficiency	
• Considering electrification of compressors in new projects (expansion)	50%
• Investigating possibilities of using renewable energy sources at all facilities (solar, wind and etc)	25%
• Installing storage for vented gas (during the maintenance activity and after the expiration of the hold time of the TUCO) at manned stations	
• Starting loan support to employees for electrical vehicles	

2030

Mid-Term Targets:

• Performing H2 Readiness assessment taking into account: Technical requirements Employee competency development needs Commercial arrangement update requirements CAPEX and its percentage within overall budget of TANAP	50%
• Development of TANAP decommissioning plan considering: Technical requirements Contractual requirements Facility decommissioning and reinstatement Employee demobilisation after decommissioning CAPEX and its percentage within overall budget of TANAP	

2035

Long-Term Ambitions:

- Replacing all TANAP Vehicles with new hybrid/electrical vehicles

LOOK:

TANAP DEĞER BENİM PROGRAM

The “Değer Benim” Program is an internal initiative designed to harness the collective creativity, engagement, and expertise of all TANAP employees. The primary objective of the program is to drive continuous improvement and add value to both operational and organisational processes. Beyond its role in enhancing efficiency and innovation, the program also supports corporate motivation and collaboration across the organisation.

In addition to promoting innovation, the program serves as a structured platform for the development and implementation of sustainable projects. By encouraging the emergence of ideas that **contribute to long-term value creation in line with TANAP’s sustainability goals**, it reinforces the organisation’s commitment to responsible and future-focused growth and value creation.

All project proposals submitted under the “Değer Benim” Program are evaluated and prioritised based on a transparent set of criteria. This evaluation process is designed to ensure alignment not only with operational and organisational goals but also with TANAP’s broader sustainability strategy.

Mandatory evaluation criteria include:

- Compliance with TANAP’s internal policies, strategic plans, operational framework, HSE Golden Rules, Process Safety Elements, corporate culture, and sustainability goals;
- Contribution to measurable improvements or transformational change within existing TANAP processes;
- Introduction of innovative methods or solutions that foster continuous improvement beyond current procedural frameworks.

Through this structured approach, sustainability remains a central focus throughout project selection and implementation, enabling long-term value creation and reinforcing TANAP’s dedication to responsible, inclusive, and forward-looking operations.

Project Evaluation and Approval Process

Technically and financially feasible projects are reviewed by the **Decision Committee** during periodic evaluation meetings. Comprising cross-functional representatives, the Committee assesses each project proposal based on predefined criteria and votes to determine its potential for implementation. Projects that pass this stage are then submitted to the **Approval Committee** for final endorsement before transitioning to the execution phase.

115
Project Applications

Estimated Total Value to be Created:
USD 230 M
(The figures are estimated by the idea owners, and feasibility studies are still ongoing.)

5
Number of Approved Projects

USD 5.6 M
Estimated Total Value to be Created by Approved Projects

40
Total Number of TPE (TANAP Project Team) Members Working on Evaluated Projects

CASE STUDY:

“Değer Benim” Projects - 1

PROJECT TITLE:
Reducing TUCO Start-up Time and Gas Venting
Status:
Executed
Key Outcomes:
Environmental and Energy Efficiency Gains

A process optimisation initiative was successfully implemented at CS1 and CS5 to reduce the start-up time of Mainline TUCO units. Start-up durations were reduced from 60 to 44.7 minutes at CS1 and from 58 to 42.5 minutes at CS5. Thus, this operational improvement is expected to result in notable annual energy savings of 4,500 kWh (2,500 kWh at CS1 and 2,000 kWh at CS5), as well as a reduction in gas venting of approximately 52,000 Sm^3/year at CS1 and 182,000 Sm^3/year at CS5. These reductions correspond to an annual decrease in methane (CH_4) emissions of approximately 34 tonnes at CS1 and 117 tonnes at CS5, contributing to both environmental performance and energy efficiency. Following one year of implementation, this reduction is projected to eliminate approximately 18% of total vented gas at CS1 and 27% at CS5 in 2024.

This project demonstrates TANAP’s commitment to reducing its environmental footprint through enhanced operational efficiency, while also contributing to energy conservation and emissions reduction.

“Değer Benim” Projects - 2

PROJECT TITLE:
Water Bath Heater System Optimisation
Status:
In Progress
Key Outcomes:
Enhanced Reliability, Safety, and Fuel Efficiency

This ongoing project focuses on preventing and eliminating potential system shutdowns through technical enhancements to optimise shutdown signals and enhance the operations’ overall safety and reliability. The initiative addresses issues related to Water Bath Heaters (WBH), HP/LP Heater Controllers, Unit Control Panel (UCP) malfunctions, temperature-driven faults, and the premature activation of the Pressure Safety Valve (PSV).

Once completed, the project is expected to deliver approximately 7,500 Sm3 fuel gas savings, reduce operational and financial risk, ensure 100% operational efficiency - strengthening TANAP’s proactive approach to safety, energy efficiency, and system integrity.

Digital Transformation

Key Enablers

Digital transformation is not merely a process or a project; it is a continuous journey. In 2024, significant strides were made in TANAP's digital transformation efforts. Enhancements, developments, and the implementation of new processes were carried out across various platforms, with a particular focus on **SAP**, the core of business processes, and **Synergy**, the workflow management software.

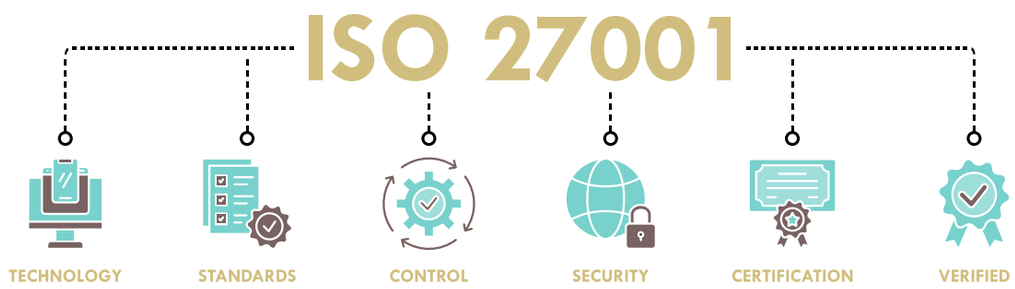
In 2024, a total of 13 processes were launched within the Synergy system. These processes include:

- "Değer Benim" Process
- Operation & Maintenance (O&M) Activity Process
- Field Compensation Report
- Overtime Form for Shift Workers
- Single Source Form
- Down Payment Form
- HR - Conduct of Interest
- Permit-to-Work (PTW) Audit & Dashboard
- Change Order Form
- Vendor Evaluation Process
- Close Out Payment (Go-live pending)
- Urgent Payment (Go-live pending)
- HR - Cost Center (Go-live pending)

Cybersecurity

As cybersecurity threats continue to evolve globally, TANAP takes a proactive approach to safeguarding its digital infrastructure. In 2024, as in previous years, TANAP continued to conduct comprehensive risk assessments, strengthen digital security practices, and enhance its systems to ensure full compliance with the ISO 27001 standard (Information Security Management Systems Requirements).

To mitigate a wide range of cyber threats and attack methods, TANAP has implemented robust technical security measures. Key technical safeguards - such as Secure VPN connections, Multi-Factor Authentication (MFA) for access control, and disk encryption - form the foundation of TANAP's cybersecurity framework, directly enhancing end-user security.



Building Lasting Cyber Awareness

Enhancing the digital and cybersecurity awareness of all TANAP employees and stakeholders is crucial to fostering a resilient and secure digital ecosystem within the organization. To this end, various initiatives are carried out throughout the year to keep employees informed about the latest technological advancements and emerging cyber threats.

One of the most significant awareness-raising activities at TANAP is the annual **“CyberMarch”** event, held every March to promote cybersecurity awareness among employees. In 2024, a comprehensive digital and cybersecurity training program was organised, complemented by technology-focused seminars. Additionally, bulletins and informational emails were distributed to keep employees updated on the latest IT applications and cybersecurity concerns. To further reinforce awareness, quizzes and interactive competitions were introduced, providing an engaging approach to strengthen employees’ understanding of technology and cybersecurity.

Anti-Bribery/Corruption and Ethics Management

TANAP, due to its partnership structure, must comply with global and local Anti-Bribery & Corruption (ABC) laws, including the UK Bribery Act (UKBA), FCPA, and the Turkish Criminal Code (TCK). To ensure compliance, the Compliance Directorate was established in 2015, reporting directly to the Board. TANAP has implemented policies to meet ABC law requirements, including the UKBA, FCPA, OECD Convention, and UN Convention Against Corruption.

The Directorate regularly updates policies in response to legal amendments. Quarterly, TANAP conducts external compliance audits for contractors, such as in 2024, where no significant issues were found. The Compliance Officer performs an Annual Ethics, Compliance, and Integrity Risk Assessment to identify and prioritize corruption risks, while all third parties undergo Integrity Due Diligence (IDD). TANAP monitors over 300 IDD cases annually, with both Phase-I and Phase-II of digitalizing IDD completed.

To mitigate risks, TANAP obtains an annual "Compliance Certification" from employees and contractors. Over 500 employees and third parties receive tailored compliance training annually, based on a "Risk-Based Training Approach." Training content was updated in 2024 with new scenarios and micro-learning modules.

2025 — Short-Term Targets

• Performing at least 300 IDD (Integrity Due Diligence) monitoring every year	100%

2030 — Mid-Term Targets:

• Continuously updating ABC policy and procedures based on the amendments in relevant national and international laws - %0	0%
• Digitalizing the "Integrity Due Diligence" processes to reduce paper usage and enhance efficiency	100%

2035 — Long-Term Ambitions:

• Continuously updating ABC policy and procedures in alignment with changes in relevant national and international laws. Currently, there have been no significant changes in relevant national and international laws.	0%

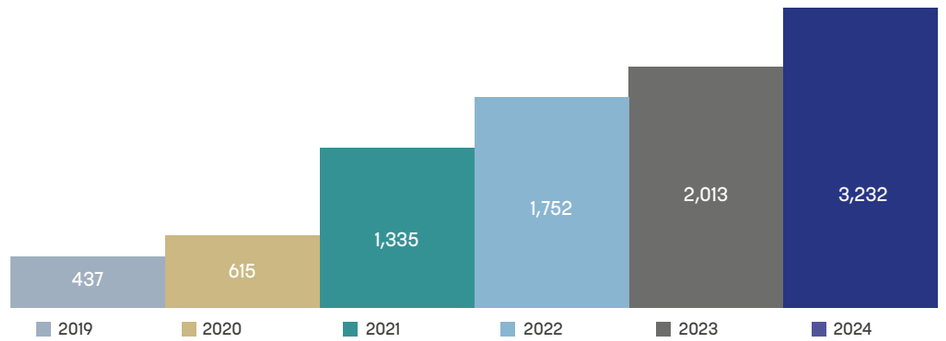
Conflict and Security

TANAP's facilities are primarily located in rural areas, often in proximity small settlements. In such areas, the potential for conflict with local communities may pose a risk to operational security. However, thanks to the proactive collaboration between the Security Team and the Site Social Impact Team -characterised by careful monitoring, regular communication, and responsible engagement -no such conflict has occurred to date.

Continuous communication among the Social Impact Team, Security Team, Law Enforcement Authority (LEAs), mukhtars, local communities, and other stakeholders - facilitated by the Permit Department and supported by 24/7 remote monitoring systems - plays a vital role in ensuring conflict-free pipeline operations. This strong coordination framework is maintained through structured briefings, scheduled meetings, and field visits, and reflects the positive impact of transparent and responsible engagement in safeguarding operational security.

The accompanying chart illustrates the patrol activities carried out by the Law Enforcement Authority (LEA) around TANAP Stations and along the pipeline route between 2019 and 2024. These patrols have been critical to maintaining the safe operation of TANAP. Following the full commencement of operations in 2020, patrol activity increased significantly. In the subsequent years of the operational phase, the patrol frequency remained consistently high but has stabilised over time.

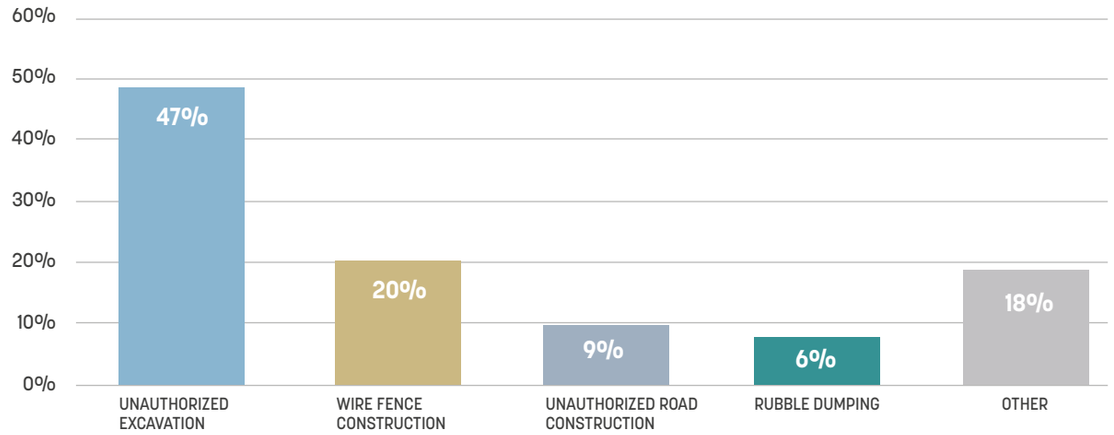
LEA Patrolling Activities between 2019-2024



In addition to these preventive measures, the TANAP Security Team has incorporated the early identification of potential risk interactions into its operational framework. By embedding this forward-looking approach into daily operations, the team enhances situational awareness and maintains a more resilient and preventive security posture. This ongoing risk assessment process is especially crucial in remote and rural areas where unexpected developments could otherwise escalate into operational challenges.

The identification and resolution of land use violations remain a top priority of the Security Team. Once detected, the relevant units are engaged to take prompt action to cease the violations. In 2024, certain land use restriction violations observed along the pipeline corridor were assessed as potential sources of stakeholder conflict. However, no actual tensions or disputes emerged, indicating the effectiveness of the ongoing dialogue maintained with local communities and stakeholders.

Land Use Violations by Types in 2024



TANAP's relevant departments remain committed to keeping stakeholders informed and safeguarding their rights. Effective coordination and open communication continue to be essential in carrying out operations without tension or conflict. In line with this commitment, all security personnel receive training in the Voluntary Principles on Security and Human Rights (VPSHR), reinforcing TANAP's commitment to respectful, rights-based engagement with local communities.

Section 4

Prosperity for All Stakeholders

Investment Programme

TANAP strives to be more than just a successful pipeline company - it is committed to driving regional development and creating lasting environmental and socio-economic benefits. Guided by the principle of “giving back”, TANAP focuses on effectively reaching communities and improving lives along the pipeline corridor.

The TANAP Investment Programme has played a key role in shaping company values such as ‘staff engagement,’ ‘public trust,’ and ‘reliable management.’ As one of the largest investment programs in terms of funding volume, Investment Programme has supported over 1,000 projects across 20 provinces, 67 districts, and 600 villages, allocating 54 million USD in grants during the construction phase.

Collaborating with unions, cooperatives, local leaders, and NGOs, the program funded initiatives in agriculture, infrastructure, education, and renewable energy. Additionally, partnerships with public institutions have facilitated critical projects, including solar energy systems, irrigation networks, drinking water facilities, waste management, and afforestation efforts.

Investment Programme in 2024

Component - 1
Supporting AGI - Impacted Communities

This component focuses on settlements located near the Above Ground Installations (AGIs) of the pipeline. By providing targeted support and investments, Investment Programme aims to enhance their socio-economic development of these communities and improve their overall quality of life. This focus underscores the strategic importance of these areas within TANAP.

Component - 2
Socio-Economic Sustainability

Projects implemented during the construction phase have been assessed in collaboration with the implementation team, leading to the identification of a shortlist of potential recipients for additional grant support. These projects are evaluated based on their sustainability and potential impact, ensuring that further funding is allocated effectively

In pursuit of these objectives, the following projects were supported in 2024:

Component - 1

Supporting AGI - Impacted Communities

The settlements surrounding Above Ground Installations (AGIs) play a crucial role in ensuring the security and sustainability of the TANAP pipeline. By fostering strong relationships and a sense of ownership among local communities, TANAP enhances stakeholder engagement, mitigates security risks, and contributes to long-term regional stability.

Project Name:

TRANSFORMING RICE STRAW INTO ECONOMIC VALUE PROJECT

As part of TANAP's commitment to supporting AGI communities, the "Transforming Rice Straw into Economic Value" project was launched in 2024 in Sarıcaali Village, Ipsala, Edirne, to address the environmental and economic challenges associated with rice straw disposal.

Traditionally, rice farmers in the region burn the residual straw left after harvest, leading to severe air pollution and fire hazards. This five-month initiative offers a sustainable alternative by repurposing rice straw as a valuable resource.

Led by the Sarıcaali Mukhtar's Office, in collaboration with the Ipsala District Governorship and the Ipsala District Directorate of Agriculture, the project focuses on procuring a baler to facilitate the collection, baling, and storage of rice straw. The initiative aims to cover at least 30% of the 15,000 hectares of paddy fields in the area post-harvest. The collected straw will be supplied to farmers and biomass facilities, promoting alternative economic uses such as:

- animal bedding,
- composting,
- bioenergy production.

By eliminating the open burning of rice straw, the project:

- significantly reduces air pollution,
- enhances soil health,
- improves fire safety in the region.
- creates a new revenue stream for farmers
- fosters sustainable agricultural practices.

This initiative marks a significant step toward environmental protection and the advancement of a circular economy in Ipsala's agricultural sector.

Component - 2

Socio-Economic Sustainability

Projects implemented during the **construction phase** have been **assessed** in collaboration with the **implementation team**, leading to the identification of a **shortlist of potential recipients** for additional grant support. These projects are **evaluated** based on their **sustainability and potential impact**, ensuring that further funding is allocated effectively. By providing additional funding during their operational phase, TANAP ensures their long-term sustainability and maximizes socio-economic benefits.

Project Name:

A VILLAGE FOR CHILDREN

Implemented in 2024 under the Socio-Economic Sustainability component, the Eksi 25 Children's Village Project, led by the Eksi 25 Association, provides a safe and supportive environment for children through educational and psychological support programs. This initiative has played a vital role in enhancing child development and fostering community engagement.

Key Achievements throughout the project:

- 15,838 children participated in workshops,
- 102 children and their families received psychological support,
- 140,791 users reached via digital platforms and social media,
- 34 news articles published and 206 workshop announcements shared online,
- Essential repairs and maintenance completed on the Children's Village building,
- 4 volunteer meetings and 11 parent-child engagement events conducted.

By promoting education, psychological well-being, and community inclusion, the Eksi 25 Children's Village Project continues to empower children and strengthen family bonds, contributing to long-term social resilience in the region.

Project Name:
SUPPORTING WOMEN'S INITIATIVE IN AGRO-TOURISM IN BIGA PROJECT

As part of its commitment to economic sustainability, the TANAP Investment Programme continues to fund high-impact initiatives launched during the construction phase. One of the noteworthy beneficiaries of this support is the Biga Women's Cooperative, operating in the Biga district of Çanakkale.

TANAP's support extends beyond the production of cow's and goat's milk, procurement of essential materials such as salt and yeast, packaging, labelling, hygiene supplies, visibility efforts, and certification costs. This assistance has been instrumental in sustaining and expanding cheese production activities, providing a continuous source of income for women in rural Biga, particularly those with limited workforce participation and low-income backgrounds.

This 17-month project, implemented in 2024, under the Socio-Economic Sustainability component and led by the Biga Women Environment Culture and Operation Limited Cooperative achieved several key milestones:

- Empowering women's participation in agro-tourism and dairy production.
- Significant growth in cheese production and sales - over 15 tonnes of cow and goat cheese produced and sold.
- Increased production capacity, with a 22% rise for cow milk and a 30% rise for goat milk,
- Total sales reaching 22 tonnes in 2024 with a 12% gross profitability.
- Expanded market reach, supported by a sales agreement with major retail chains
- Enhanced branding efforts, including a promotional signboard and TANAP Investment Programme-branded aprons, strengthening the cooperative's visibility.

The cooperative's artisan cheese, marketed under the Eceköy brand, is now available in leading supermarket chains.
To further support their work, their Instagram page can be accessed here: *https://www.instagram.com/ecekoy_ecekoy/*

By empowering women in sustainable agriculture, the project contributes to economic resilience, rural development, and gender-inclusive growth in the region.

Section 5

Well - being of People

Occupational Health & Safety

It is essential for TANAP to operate its facilities safely, focusing on both occupational safety and process safety. To track progress and ensure the achievement of this objective, TANAP has implemented Health and Safety and Process Safety Metrics. These metrics are based on international best practices and national legal requirements.

TANAP regularly monitors its health and safety indicators, including the total recordable incident rate and lost-time incidents. By tracking these indicators continuously and setting challenging targets for improvement, TANAP has been able to enhance its safety performance.

As a result of these initiatives, TANAP has created a safe and healthy working environment for all employees, contractors' employees, and other stakeholders.

As a fundamental component of occupational health and safety management, TANAP actively fosters a culture of safety within its corporate framework, aiming to maintain robust occupational health and safety habits among its workforce. To achieve this, the TANAP OHS Team leads the following activities consisting of three pillars:

1. To conduct refresher or new training on various themes such as HS Induction, Legal HS Training, Road Safety, Isolating Authority, Work at Height, Lifting Operations, First Aid, Emergency Response Training etc.;

16,690 Manhours H&S Training

2. To share informative announcements strengthening the employees' capacity to be proactive in certain periods such as raising awareness regarding the impacts of climate change on safety and health at work, advance notification of foreseeable extraordinary weather/ road conditions, announcements calling for caution against the effects of hot/cold weather;

3. To undertake stringent Driving Controls, a centralized and rigorous Risk Management Process, and the meticulous Control of Work (CoW) process, which incorporates vital components such as Permit to Work and Energy Isolation procedures.

TANAP has established an Advanced Road Safety System to guarantee safe and efficient transportation for all employees. This system encompasses the identification and mitigation of potential road hazards, the implementation of measures to minimize the likelihood of accidents and injuries, and the enforcement of strict driving controls, including the Vehicle Monitoring System and Journey Management Plan among others. TANAP not only promotes the adoption of these standards within its organization but also encourages all stakeholders to implement similar measures across all sites.

TANAP conducts regular and rigorous Internal and External Audits and Safety Inspections to assess the adherence to standards across all TANAP sites and the Headquarters. These evaluations serve to identify any discrepancies and areas of improvement, with an overarching goal of preventing injuries and incidents during the operation period.

A summary of TANAP's activities in 2024, which also sheds light on the progress in achieving the Short-Medium term targets, is provided below:

- Continued the Incident Investigation and Lessons Learned sharing process to prevent the re-occurrence of similar incidents.
- Conducted legal Health and Safety (H&S) training programs and procedure-specific H&S training modules, including initial and refresher training on road safety. Particularly, in 2024, the TANAP Road Safety Unit began to issue video alerts; for example, on aquaplaning.
- Conducted a total of 41 emergency drills in 2024 to prepare for potential emergencies on various topics including evacuation drills, gas leak intervention drills, vehicle fire intervention, electric shock and fire drills, held in collaboration with the fire brigade.
- Conducted Health and Safety – Environmental (H&S-E) Walkdowns with leaders' participation at all TANAP sites throughout the year to enhance HSE awareness and to demonstrate leadership support for management commitment.
- Continued Internal and External audits/inspections to ensure the implementation of the CoW procedures.
- Continued to implement the **Best SoB (Safety Observation) Incentive Program to promote** Occupational Health, Safety, and Environmental Culture by rewarding outstanding safety observations. This program utilizes an electronic system and includes periodic SoB Training for effective and value-added observations. In 2024, nearly 3,000 HSE Observations were targeted and thanks to the high level of awareness and active participation of employees, around 3,500 SOBs; 34 % of which were about positive observations that were recorded.
- Road safety performance per employee in 2024 was measured and one person who drove 40,000 km without violations was recognized.
- Continued medical health checks of the employees throughout the year to ensure the sustainable health of the employees and business continuity, and to prevent potential health problems.

- PTW Audits, which were performed manually, started to be transferred to the digital environment under the Synergy System in 2024 to easily follow up on actions and perform related analyses. In 2024, a total of 958 PTWs were audited by 72 different TANAP employees/auditors.

- TAR Activities were supported during the planning, preparation and execution phases by taking the below actions:
  - Training of the Contractors, Vendors and TANAP Employees,
  - Organization and Request of spare PPEs,
  - Information to local fire brigades to be ready during the TAR Activities,
  - Emergency and Lifting Equipment checks during the preparation phase,
  - Organization of additional ambulance and medical personnel for day and night shifts.

Occupational health & safety remains a paramount concern for the entire organization, and TANAP is committed to continually improving its practices in this domain.

Indicators	2022	Target	2023	Target	2024	Target
LTI	0	0	0	0	0	0
TRIR	0	<0.3	0.24	<0.3	0	‹ 0.3

2025

Short-Term Targets:

- Increasing frequency of TANAP Internal Audits mainly focusing on Control of Work (CoW), Process Safety, and H&S compliance — **100%**
- Utilization of an Action Tracking System for the management of Internal and External Audits — **100%**
- Utilization of Synergy System for the management of Permit to Work Audits — **100%**
- Sustaining the Risk-based approach for all core business areas through TANAP Corporate Risk Committee — **50%**
- Digitalization of the TANAP Lessons Learned (LL) process — **100%**
- Organizing a comprehensive Disaster Awareness Training Programme for all TANAP employees and their families — **100%**
- Planning drills with earthquake scenarios at all sites — **100%**
- Setting up Search and Rescue Teams and organizing Professional Search and Rescue Training Programme at all sites — **100%**
- Conducting disaster readiness gap assessment programme at all sites — **100%**

2030

Mid-Term Targets:

- Achieving similar successful results on the LTI and TRIR targets as in the previous periods
- Sustaining the Risk-based approach for all core business areas through the TANAP Corporate Risk Committee

2035

Long-Term Ambitions:

- Sustaining the Risk-based approach for all core business areas through TANAP Corporate Risk Committee

Working & Growing With TANAP

TANAP considers its employees as its most valuable asset in ensuring business continuity and long-term success. Accordingly, employee well-being, development and satisfaction are placed at the core of its human resources strategies, policies, and procedures. TANAP remains committed to continually improving its practices to support employees in achieving a healthy work-life balance within a fair, inclusive, and supportive work environment.

TANAP strives to offer competitive compensation, reviewing salaries annually in line with inflation and overall economic conditions. Similarly, the company regularly evaluates and updates its benefits policy to better align with employee expectations and changing circumstances. The steadily declining employee turnover rate since 2022, maintained at a low level in 2024, reflects TANAP's strong commitment to employee engagement and retention.

With a human-centred approach, TANAP sees its workforce as integral to fostering a resilient organisational culture. Promoting transparent communication, collaboration, and mutual trust is a key focus for the Human Resources function. To support both professional and personal development, TANAP offers a range of learning and growth opportunities.

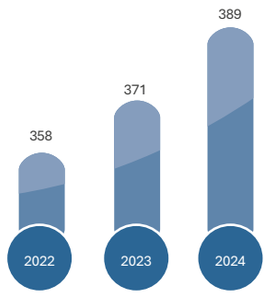
At TANAP, we value knowledge and experience sharing as a crucial contributor to both individual and institutional capacity development.

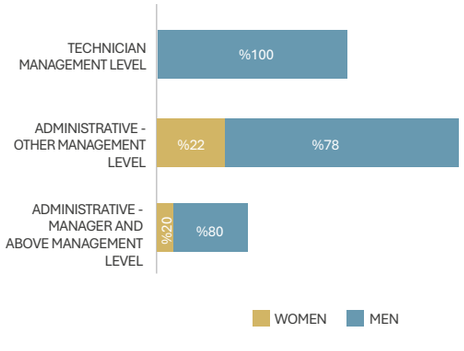
These go beyond job-specific skill development to include broader personal development support. In 2024, various training and development initiatives were implemented to support employees in realising their full potential. To ensure lasting impact and the integration of new knowledge into daily behaviours, these initiatives were reinforced with practical exercises and follow-up activities throughout the year. In addition, further measures were introduced to improve employees' physical and mental well-being, work-life balance, and overall quality of life contributing to the development of a more sustainable and engaged workforce.

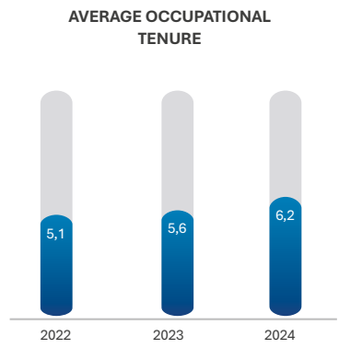
About Our People

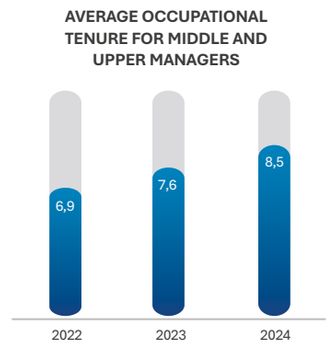
TANAP is committed to fostering an organisational structure that supports decent work and inclusive economic growth, in alignment with SDG 8. This structure is designed to facilitate a healthy balance between employees' professional and personal lives. In 2024, following an organisational review, 18 new employees were hired, contributing to the continued growth of the workforce. **Women currently represent 15% of TANAP's employee base.**

While female participation in the natural gas sector remains limited, 25% of TANAP's head office employees are women - reflecting the company's ongoing efforts to improve gender representation. With 51% of employees based at the Head Office, TANAP remains committed to promoting diversity and inclusion across all locations.

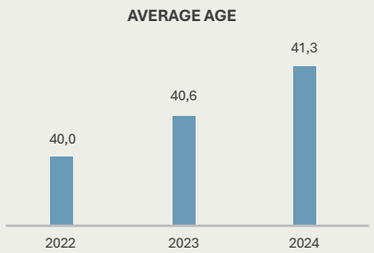


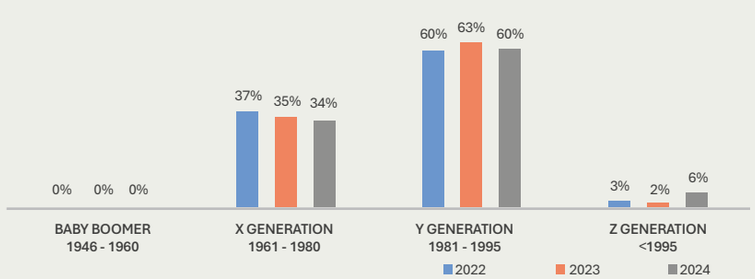






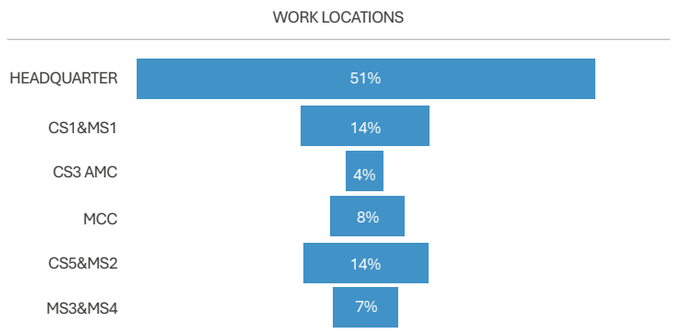
TANAP's declining turnover rate is closely linked to the increase in employee tenure. As of 2024, the average tenure across the workforce stands at 6.2 years, with 35% of employees having served the company for more than 10 years. TANAP's commitment to internal career development was further demonstrated in 2024 when all four managerial-level vacancies were filled through internal promotions. This approach has supported organisational continuity, as evidenced by the average tenure of managers, which currently stands at 8.5 years.





Operating in the high-risk natural gas sector, TANAP's workforce has an average age of 41.3. While TANAP continues to value the experience of its senior employees, it also actively supports the development and inclusion of younger professionals. In 2024, 38% of new hires were under the age of 30, facilitating intergenerational knowledge transfer within the organisation. TANAP also offers internship programs at both its Head Office and field sites, providing young people with meaningful exposure to the energy industry. Notably, 41% of interns in 2024 were women, contributing to TANAP's broader commitment to gender equality in the sector.

TANAP creates employment opportunities across the country through its strategically located field offices along the 1,811 km pipeline corridor, stretching from Ardahan to Edirne. The highest concentration of employees is based in Ankara, followed by Eskişehir and Ardahan.



Empowering Human Capital

TANAP recognises that training and development are one of the key pillars of building a sustainable future and continues to prioritise this area accordingly. Since 2022, the average number of training hours per employee has steadily increased to 74 hours in 2024 - exceeding the annual target by 24%.

Employees participated in both company-organised and self-initiated training programs. In addition to technical and organisational capacity-building sessions, mandatory training, such as occupational health and safety and first aid, are delivered annually in compliance with legal requirements. These programs are designed to equip employees with essential skills that strengthen both personal development and the company's operational resilience.

As of 2024, 85% of employees received the individually requested training support, reflecting TANAP's commitment to supporting personal development. A wide range of targeted training initiatives were implemented throughout the year, addressing the evolving needs of the workforce.

CAPACITY-BUILDING TRAINING:	Leadership At Work	Teamwork Reinforcement	Team Working	Relationship Management Based On Trust & Cooperation	Performance Coaching	Feedback Workshops	Orientation
Target Group:	48 - Managers	Employees Working For Over 3 Years	Newly Recruited Employees	All Employees	Performance Coaches & HR	All Employees	New Employees
Trained Employees:	21-Lead & Chief	104	27	211	22	208	29
TECHNICAL TRAINING:	First Aid	Incident Management	Personal Data Protection Law	Anti-Corruption, Anti-Bribery, and Compliance & Ethics	Health & Safety	Social Induction	Environment
Target Group:	Voluntary Employees	All Employees	All Employees	All Employees	All Employees 97-OHS Safety Session	Newly Recruited Employees	All & Newly Recruited Employees
Trained Employees:	22	18	268	326	95-OHS Health Session	122	410

TANAP believes that sustainable success depends not only on skills development but also on fostering a corporate culture rooted in trust, open communication, and transparency. To this end, TANAP has enhanced its efforts over the past two years to strengthen interpersonal dynamics and team building and ensures that every new employee receives a newly designed program for Teamwork training.

Further steps were taken through the introduction of a structured, three -module Leadership at Work program, designed specifically for managers. This programme includes feedback exercises aimed at building leadership capacity and trust.

To extend these principles organisation-wide, all employees subsequently participated in a two-day training titled Relationship Management Based on Trust & Cooperation, a condensed version of the leadership program. This training, also enriched with feedback exercises, aimed to create a shared understanding of open communication, mutual respect, and collaborative problem-solving across the entire workforce.

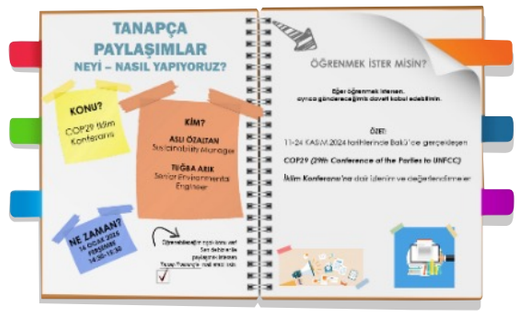
Training to Ensure Good QHSSE Performance Continuity:

TANAP's Integrated Management System (IMS) Policy[1] - publicly available on the TANAP website - outlines its comprehensive commitments to health, safety, environmental protection, and community engagement. These commitments are implemented through a certified management system aligned with internationally recognised ISO standards.

In addition to the publicly disclosed Environmental Approach[2] and Health and Safety Approach[3], ensuring environmental responsibility, and occupational health and safety that reflect current industry best practices, TANAP's Social Approach[4] further highlights its commitment to effective community relations and transparent grievance mechanisms. To ensure alignment with these commitments, all employees and contractor personnel receive mandatory Induction and Refresher Training sessions, delivered in accordance with annual Training Plans. These sessions are designed to reinforce consistent application of QHSSE management system requirements across all operations.

Sustainability Learning and Engagement:

Beyond mandatory trainings, TANAP actively engages employees in broader sustainability learning initiatives to enhance both individual know-how and professional competencies. In 2024, a total of 46 employees participated in 14 external sustainability-related events, including energy and environment fairs and conferences, climate summits, and carbon forums. Notably, TANAP took part in the COP29 Climate Conference held in Baku. Key takeaways from these events were shared across the organisation to foster collective learning.



To improve accessibility and understanding of sustainability topics within the company, an internal session titled "Summary of 2023 TANAP Sustainability Report for TANAP Employees" was organised as part of the knowledge-sharing series, *TANAPÇA PAYLAŞIMLAR.*

1 - https://www.tanap.com/en/integrated-management-systems-policy
2 - https://www.tanap.com/en/environmental-approach
3 - https://www.tanap.com/en/health-work-safety-approach
4 - https://www.tanap.com/en/social-approach

Targeted Training for the UN Sustainable Development Goals

In 2024, TANAP expanded its internal training portfolio to further align with specific United Nations (UN) Sustainable Development Goals (SDGs):

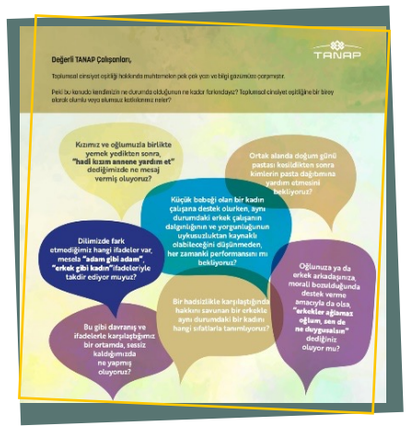
Training on Gender Equity

5 GENDER EQUALITY

A three-module training was delivered to foster awareness and understanding of gender equality in the workplace. The program included:

- Gender Lens
- Discussing Equality Through Films
- Gender-Sensitive Language

Incorporating real-life scenarios and academic insights, the training aimed to deepen employee engagement with gender equality principles across daily interactions and institutional.



TANAP Sustainability Online Library

13 CLIMATE ACTION

To promote continuous learning, TANAP launched an internal digital library curated by Sustainability Coaches. The platform featured short educational videos on key environmental topics, including:

- Carbon Footprint
- Electric Vehicles and the Environment
- Biofuels
- Renewable Synergy
- Ecological Footprint
- Carbon Footprints and Carbon Handprints

2025

Short-Term Targets:

- Following & maintaining the best practices in the sector and integrating the new/ appropriate ones into our system — **100%**
- Keeping the employee turnover rate below the existing rate — **100%**
- Providing a competitive salary and fringe benefits — **100%**

2030

Mid-Term Targets:

- Following & maintaining the best practices in the sector and integrating the new/ appropriate ones into our system — **75%**
- Decreasing employee turnover rates to 4% — **75%**
- More competitive salary and side benefits — **50%**

2033

Long-Term Ambitions:

- Following & maintaining the best practices in the sector and integrating the new/ appropriate ones into our system — **75%**
- Decreasing the turnover rate to 3% — **25%**
- More competitive salary and side benefits — **50%**

Local Communities

TANAP's comprehensive and dynamic social impact management system prioritizes inclusive stakeholder engagement, transparent communication, and an effective grievance redress mechanism. This approach fosters constructive and trusting relationships, particularly with communities directly affected by TANAP's operations. The **Stakeholder Engagement Plan (SEP)** serves as the central guiding document for our engagement strategy and is regularly reviewed and updated to reflect evolving circumstances, including the advancements in communication technologies. In line with our Information Disclosure Policy, the SEP is publicly available on the TANAP website, ensuring transparency and accessibility for all our stakeholders.

Managing Grievances

The Grievance Redress Mechanism, established at the project's inception, remains a cornerstone of our social performance, operating successfully for over a decade. To date, approximately 5,600 grievances have been registered and managed across the 1,811 km pipeline corridor, involving nearly 600 settlements.

In 2024, TANAP received a total of 30 complaints, continuing the downward trend that reflects the maturity of our operations and sustained stakeholder confidence. Notably, 83% of these grievances were resolved within the target timeframe, exceeding the annual closure rate target of 80%. The remaining complaints primarily seasonal or technical in nature require longer resolution periods.

Stakeholder Engagement

Ongoing engagement with local communities remains a priority. In 2024, TANAP organized over 2,000 meetings with the direct participation of local authorities, community representatives, and other key stakeholders. Attendance of in-person meetings increased by 30% compared to previous years, highlighting a significant rise in stakeholder engagement.

TANAP is committed to keeping stakeholders informed about its ongoing and planned activities. To facilitate direct communication with the TANAP Headquarters and Site Social Impact Teams, stakeholders are encouraged to use all available communication channels. Community input is highly valued, and TANAP actively integrates feedback into its operations. To this end, TANAP maintains open communication channels, including in-person meetings, digital tools, and a hotline service. Every inquiry, grievance, or request is systematically recorded and promptly addressed, in accordance with TANAP's commitment to transparency and responsiveness. Significant progress has been made in digitizing the Stakeholder Database, integrating it with Land Acquisition data to enhance data accessibility and coordination among teams involved in social performance. This ongoing effort is crucial for streamlining information management and decision-making

In 2024, TANAP maintained its proactive approach to monitoring and addressing land use violations, working closely with local authorities, landowners, and land users. Through early warning mechanisms and site inspections, potential issues were identified and resolved before escalation, in alignment with TANAP's Land Access Management Principles.

Key Achievements in 2024

1. Grievance Management

- **83% grievance closure rate**, exceeding the target of 80%.
- Improved responsiveness and resolution processes, reducing resolution times.
- Maintained strict protection of personal data and stakeholder privacy in compliance with national legal frameworks.

2. Community Consultations and Engagement

- Successfully conducted 2000+ **Stakeholder Meetings** with increased participation.
- Expanded **community-based emergency preparedness drills**, strengthening collaboration with local responders.
- Further enhanced relationships with directly and indirectly affected communities.

3. Stakeholder Communication and Transparency

- Significant progress in **digitizing and integrating stakeholder and land data** for improved management and reporting.
- Enhanced communication tools and digital engagement methods tailored to stakeholder preferences.
- Ensured consistent and proactive dissemination of information on TANAP operations and community impacts.

4. Land Use Violations

- Strengthened **preventative monitoring systems** to detect land-related issues.
- **Resolved land use violations** in a timely manner through collaboration with local stakeholders and authorities.
- Improved enforcement of **Land Access Management Principles**, minimizing environmental and social impacts.

Looking Ahead: Our Vision for 2025 and Beyond

TANAP's Social Impact Team remains committed to:

- **Evolving stakeholder engagement strategies** in an increasingly digital world while maintaining cultural sensitivity.
- **Upholding high standards** in grievance management, community relations, and environmental and social safeguards.
- Progressing toward **fully digitalized, integrated data management systems** to enhance operational efficiency and transparency.
- Fostering **collaborative, trust-based relationships** with all stakeholders, ensuring the long-term sustainability of our pipeline operations.

2025

Short-Term Targets:

Raising awareness of surrounding communities with what to do in a potential emergency case throughout the pipeline operation by organizing specific drills with the engagement of communities and local authorities	100%
Helping both TANAP teams and their contractors' site teams adopt and appropriately perform land access management principles	100%
Continuing to be the facilitator between parties through engaging directly with stakeholders in performing procedures that secure local communities and TANAP's land access rights	100%
Digitizing the Stakeholder Database by Linking to Land Acquisition-related Data	30%

2030

Mid-Term Targets:

Restructuring and applying stakeholder engagement practices in a culturally appropriate manner in the digitalized world	35%
Continuing the existing good practices	50%

Securing Land and Resource Rights

TANAP's commitment to responsible land and resource rights management is embedded throughout its operations, spanning the 1,811 km pipeline that traverses Türkiye from east to west. The project's approach centres on respecting community land rights while ensuring operational integrity, demonstrated through its comprehensive **Land Access Management Procedure** that governs all field activities. This framework ensures that whenever re-entry to lands is necessary - whether for routine monitoring, geo-hazards-induced maintenance, or repair works - TANAP implements standardized protocols for land entry and exit, documenting all interactions and compensating for any temporary income losses.

In 2024, compensation payments were made to 17 landowners/users whose livelihoods were affected by maintenance and repair activities within the scope of planned site activities at operation. The company's adherence to international standards, particularly IFC Performance Standard 1 and EBRD Performance Requirement 5, has enabled it to manage economic displacement without causing physical displacement across the 20 provinces, 67 districts, and approximately 600 settlements along its route.

Transparency and stakeholder engagement form the cornerstone of TANAP's land rights strategy. The company has developed a **Land Use Conditions** booklet, accessible via its official website, serving as a practical guide for local communities and authorities on land use principles, restrictions, and permissions at pipeline intersection points. In 20024 alone, this proactive approach enabled 25 controlled permissions for third-party crossings by landowners and users, allowing activities such as irrigation system installations. TANAP places special emphasis on identifying and addressing the unique needs of vulnerable stakeholders, including elderly landowners, women-headed households, and persons with disabilities, ensuring their equitable participation in consultation processes and access to compensation mechanisms. When post-restoration land issues arise, TANAP employs a multi-faceted resolution system combining site visits by social impact specialists with a structured grievance mechanism to ensure that comprehensive investigations lead to appropriate corrective actions and compensation. All land acquisition and livelihood restoration efforts undergo rigorous annual assessment by independent external experts, with results **published on TANAP's website** to maintain accountability to stakeholders and alignment with global best practices.

Looking ahead, TANAP has established a progressive three-horizon strategy for enhancing its land and resource rights management. The company's short-term targets for 2025 focus on technological advancement, including 80% progress toward incorporating remote sensing and drone technology for more efficient field investigations, 35% completion of initiatives to digitalize land access and stakeholder engagement processes, and full budget allocation for compensating livelihood losses from post-project impacts.

2025

Short-Term Targets:

- Incorporating remote sensing and drone technology into the existing practices to facilitate a more widespread use to resolve field investigations involving land-related problems — **80%**
- Initiating the digitalization of both land access and stakeholder engagement processes in an integrated approach — **35%**
- Allocation of budget for compensation of livelihood loss due to post-project impacts related to the land and other resources — **100%**

2030

Mid-Term Targets:

- Reduction of carbon footprint and economic impact on rented land management
- Performing the fully digitalized integrated land access and stakeholder engagement process

2033

Long-Term Ambitions:

- Continuing the current practices that reduce impacts on land and natural resources

Section 6

Care for the Planet

GHG Emissions

TANAP is committed to minimizing its environmental footprint by implementing various strategies and mitigation measures, in line with both national regulations and global standards. Since entering the operational phase, the primary focus has been on reducing Greenhouse Gas (GHG) emissions, specifically within Scope 1 (direct emissions from operations) and Scope 2 (emissions from energy use), as part of its broader environmental responsibility.

TANAP's direct emissions (Scope-1) reporting primarily includes two major GHGs: carbon dioxide (CO_2) and methane (CH_4), which originate from the following sources:

- Stationary Combustion Emissions
- Mobile Combustion Emissions
- Vented Emissions
- Fugitive Emissions

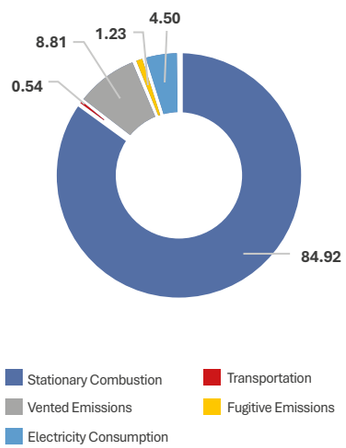
The main sources of CO_2 are combustion, venting and fugitive emissions. However, the concentration of CO_2 in commercial natural gas is generally low (< 0.2%), and vented and fugitive emissions are minor compared to those from combustion. In contrast, methane emissions are primarily associated with vented and fugitive emissions.

TANAP has set ambitious goals to reduce GHG emissions through a combination of technological innovations and operational improvements. The company continuously works to improve the energy efficiency of its equipment and infrastructure, to minimise methane leakage, and to optimise energy consumption across its network. By implementing best practices and adopting new technologies, TANAP aims to reduce its environmental impact while meeting the growing demand for natural gas.

In compliance with national regulations and international standards, TANAP annually reports on GHG emissions to relevant regulatory authorities, including the Ministry of Environment, Urbanization, and Climate Change (MoEUCC). The company's GHG emissions reporting adheres to the Regulation on the Monitoring of Greenhouse Gas Emissions and is subject to independent auditor verification. This transparent approach allows stakeholders to track progress, and ensures TANAP's accountability in addressing climate change and supporting sustainable energy solutions.

As outlined in the 2023 Sustainability report, the management and reduction of fugitive emissions have been key to achieving TANAP's carbon reduction target. A detailed breakdown shows that actions taken in 2024 minimised fugitive emissions significantly. In December 2024, manual fugitive emission measurements were carried out at CS1/MS1, CS5/MS2 and MS4 stations by a qualified independent company. As a result of these inspections, minor gas leaks were detected and incorporated into 2024 GHG calculations as actual measured data. This facilitated a transition away from estimations, thereby increasing the accuracy of the reporting.

% Breakdown of GHG Emissions in 2024



The breakdown of TANAP's 2024 GHG Emissions indicates that stationary combustion is the primary emission source, accounting for 84.92% of the total. This is followed by vent emissions at 8.81%, while emissions resulting from electricity consumption represent 4.50% of the total. Emissions from transportation and fugitive sources contribute relatively minor shares to the overall GHG emissions.

Boundary of TANAP's GHG Emissions

TANAP follows the International Financial Institutions (IFIs) Framework for Greenhouse Gas (GHG) Accounting, updated in 2021, which applies to its activities due to financial support from institutions such as the World Bank and EBRD. TANAP calculates and reports its annual GHG emissions (over 100,000 tonnes CO_2eq) in accordance with this framework.

Under the Regulation on the Monitoring of Greenhouse Gas Emissions published in the Official Gazette No. 29003 on 17.05.2014, the facilities are required to monitor and report their GHG emissions according to the Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions (published in the Official Gazette dated 22 July 2014 and numbered 29068) and the Communiqué on Verification of Greenhouse Gas Emission Reports and Authorization of Verifying Bodies (dated 02.12.2017 and numbered 29068). Emission reports must be verified by an authorised verifier and submitted to the relevant Provincial Directorate of the Ministry of Environment, Urbanization and Climate Change (MoEUCC). More detailed information can be found in the 2023 Sustainability Report.

TANAP is required to verify emissions at CS1 and CS5 annually. This verification includes stationary combustion emissions from natural gas and diesel used by the stations' utilities.

Each year, MoEUCC assigns a different verifier. Through an application made via the Integrated Environmental Information System. The verifications of 2024 GHG emissions at CS1 and CS5 stations were completed in April 2025. Both verifications confirmed that TANAP's 2024 GHG Emission declarations for these stations were within an acceptable 5% error margin.

TANAP's GHG Emissions

Based on the methodology outlined above, the total annual GHG emissions (Scope 1 + Scope 2) from TANAP operations in 2024 were calculated as 336,800.85 tCO_{2eq} (tonnes of CO_2-equivalent). This represents a **4.97% decrease** compared to the 2023 emissions of 354,408.91 tCO_{2eq}. Similarly, GHG emissions intensity (greenhouse gases emitted per unit of transmitted natural gas) ($tCO2_{2eq}$) decreased by 6.45% in 2024 compared to the previous year. Additionally, methane per unit of transmitted natural gas (tCH_4) dropped significantly by 35.68% compared to 2023.

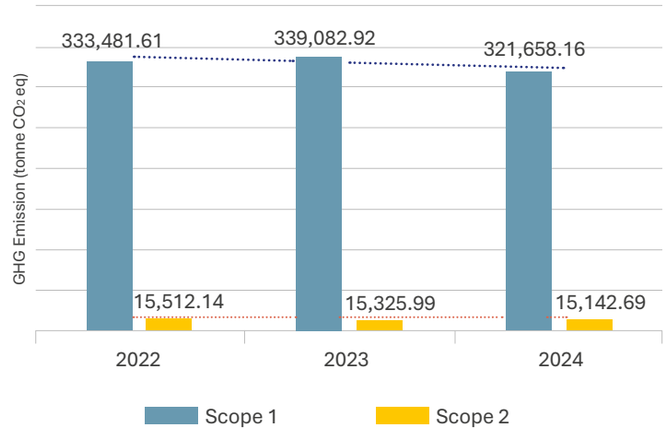
Annual GHG Emissions (tCO_2-eq/year)

Scope	TOTAL 2022 tCO_2-eq/yr	TOTAL 2023 tCO_2-eq/yr	TOTAL 2024 tCO_2-eq/yr
Direct Emissions (Scope 1)	333,481.609	339,082.92	**321,658.16**
Indirect Emissions (Scope 2)	15,512.14	15,325.99	**15,142.69**
Total CO2e Emission (tCO_2-eq/yr)	**348,993.744**	**354,408.91**	**336,800.85**

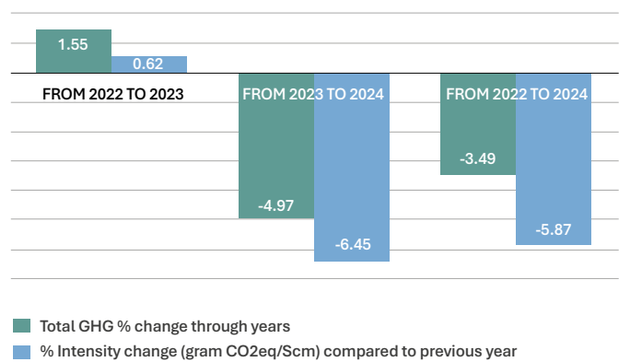
4.97% decrease

2.38% decrease

YEARLY SCOPE-1 and SCOPE-2 GHG EMISSIONS

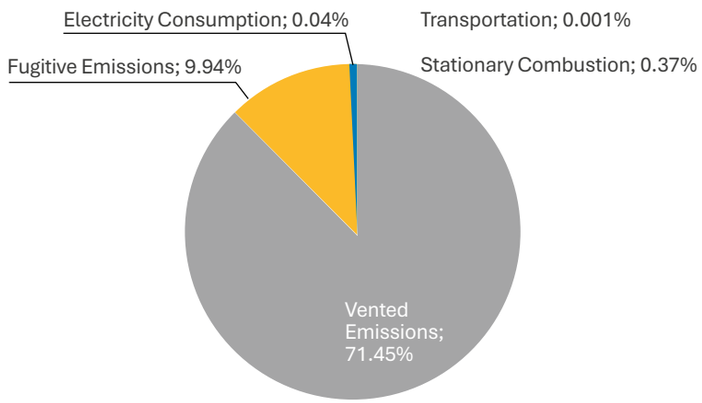


TOTAL GHG and INTENSITY EMISSIONS CHANGES (%)



A breakdown of direct emissions indicates that stationary combustion is the largest contributor in terms of CO_2-equivalent. Over the years, the volume of gas transmitted has increased, resulting in proportional growth in stationary combustion. However, emission intensity in 2024 has decreased by 6.45% as the calculation approach for fugitive emissions, resulting in methane emissions, has been shifted from the globally recognised calculation methodology to site-based measurement.

2024 Methane Emissions Scope-based Breakdown



Methane emission analysis for 2024 indicates that vented emissions accounted for the largest share, with 71.45%, followed by fugitive emissions at 9.94%. TANAP remains focused on reducing methane emissions through continuous operational improvements as part of its broader sustainability strategy.

All in all, since our base year of 2022 (commencement of operations plateau period), until the end of 2024 total emissions, including the Scope-1 and Scope-2 categories, and emission intensity have declined. TANAP successfully met its target of a 1% reduction in GHG emissions by the end of 2024, ahead of the 2025 goal. This target was achieved through the collaborative and proactive efforts of the Environmental team and the Operation & Maintenance teams, initiated by the Sustainability Management.

Two major initiatives contributing to the methane emission reduction from fugitive and vent sources were implemented in 2024:

1. **Manual Measurement of Fugitive Emissions - December 2024**
   Manual fugitive emission measurements were conducted at CS1/MS1, CS5/MS2 and MS4 stations by a competent third-party service provider.

   - Previously, fugitive emissions had been calculated as per the TIER 3 estimate approach based on default emission factors for the number of reciprocating compressors, metering stations and pipeline length.
   - On-site measurement was introduced to obtain actual data, replacing the estimation data based on the globally recognised GHG Calculation methodology.
   - Minor gas leaks were detected and reflected in the 2024 GHG calculations. In the meantime, the detected points have been included in the maintenance plans, and the necessary repair activities have been commenced.

2. **TAR (Turnaround) Program - August 2024**
   A planned pipeline shutdown was conducted across all TANAP stations for 96 hours. Maintenance activities were completed safely and successfully in line with the SGC TAR (Turnaround) Management Plan. Despite a relative increase in volumes of the vented emissions during TAR activities, the completion of maintenance and repair works requiring planned shutdowns is anticipated to contribute to a reduction in methane emissions in the long term.

Further Initiatives for Emission Reduction

With the aim of reducing GHG emissions, TANAP is engaged in a collective effort to commence various corrective and improvement initiatives contributing to achieving emission reductions at all potential sources. They are in brief:

- **Manual Fugitive Emission Measurements**

  The TIER 3 estimated calculation approach has been replaced with a manual fugitive emission measurement method, which allows for the detection and repair of minor leaks in a timely manner.

- **Energy Efficiency Improvements at TANAP HQ**

  With the support of the Administrative Affairs Department, automation systems were introduced for lightning and heating, ventilation and air conditioning (HVAC) at the TANAP HQ building. Sensor-based lighting systems replaced conventional fixtures, leading to reduced electricity consumption and, in turn, lower GHG emissions.

- **Renewable Energy and Energy Efficiency Initiatives**

  As part of TANAP's short-term targets, feasibility studies for renewable energy sources at all facilities were conducted in 2024. These studies assessed potential renewable energy sources based on local regulatory requirements and regional characteristics. Efficiency rankings, specific to the recommended options, were covered in the study. The studies also covered energy storage alternatives and proposed potential design changes to accommodate new energy sources, ensuring that continuous operations remain unaffected. Recommendations were made for incorporating the most appropriate renewable and alternative energy sources into future station designs.

Waste Heat Recovery

A detailed engineering study was completed to explore to use the waste heat from the gas turbine exhaust gases at compressor stations Recommendations for the most suitable options were made for incorporation into future modifications.

Dynamic Uninterruptible Power Supply (DUPS)

To ensure reliable, energy-efficient power for TANAP MS1 and CS1 stations, implementing DUPS has commenced in 2024. The DUPS system is planned to be fully commissioned in 2025. This technology offers seamless power continuity and operational reliability while reducing the dependency and long running hours on traditional diesel generators, ultimately lowering GHG emissions.

Hydrogen/synthetic methane blending compatibility

As part of TANAP's forward-looking strategy, a system-wide pipeline assessment of Hydrogen/synthetic methane blending compatibility was conducted in 2024. The relevant regulations and technological developments are closely being followed; however, as a result of preliminary engineering studies, such a blending operation is currently suspended as the implementation of this operation is not feasible under the given circumstances.

Hybrid Working Model

Given the scale of operations - spanning 1,811.7 km and involving frequent field activities - the feasibility of a hybrid working model was also assessed. It was concluded that, under current conditions, transition to a hybrid working model would not be feasible due to the activities that require on-site presence to ensure safety and efficiency.

2025

Short-Term Targets:

• Carrying out engineering studies and cost-benefit analysis to check the feasibility of flaring instead of cold vent application	0%
• Investigating possibilities of using renewable energy sources (primarily solar) at all facilities	100%
• Including GHG emission reduction measures such as electrification of compressor drivers at the existing and future compressor stations as well as incorporating electrification into new design and construction processes for expansion projects	0%
• Commencing site surveys at the facilities for leak detection and repair activities to minimize and prevent fugitive emissions	100%
• Planning an engineering study to evaluate the feasibility of waste heat recovery systems	100%
• Implementing Dynamic Uninterrupted Power Supply (DUPS) Project to minimize and prevent fugitive emissions	75%
• Assessing the Hydrogen/synthetic methane blending compatibility of our systems	100%
• Considering a transition to a hybrid working model, where possible	100%
• Supporting the enlargement of carbon sink areas through initiating a TANAP Forestation Project	25%

2030

Mid-Term Targets:

• Implementing pilot projects to use renewable energy sources at all facilities	25%
• Planning installation of waste heat recovery systems across the facilities, if feasible	0%
• Fostering electrification including using electrical vehicles across the company and initiating employee fringe benefits/support programs to promote the use of electrical vehicles	0%
• Undertaking modification works for reducing fugitive emissions and climate-related impacts	0%
• Implementing new technologies to enable measuring fugitive emissions more accurately and preventing as much as possible	25%
• Implementing flaring (instead of cold venting) if found feasible and having a mitigative impact on our GHG emissions	0%
• Facility Readiness for Hydrogen/Synthetic Methane Blending	0%
• Continuing site surveys at the facilities for leak detection and repair activities to minimise and prevent fugitive emissions	0%

2033

Long-Term Ambitions:

• Getting ready for Hydrogen/Synthetic Methane Blending and implementing recommendations of the studies to get ready for any Hydrogen transportation projects.	0%
• Conducting a feasibility study on the venting gas capture system to reduce CO_2 emissions from flaring	0%
• Continuing to track emissions, reviewing the actions taken, and revising strategy as needed	0%

Air Emissions

TANAP prioritises the reduction of air emissions, including Hazardous Air Pollutants (HAP) such as benzene (C_6H_6), hydrogen sulphide (H_2S), ozone (O3), nitrogen oxides (NOx), and sulphur monoxide (SO). During the project design phase, TANAP thoroughly investigated the specifications and design of necessary equipment, selecting the most suitable options such as Turbo Compressors, along with the implementation of an optimal operational framework and industrial practices to minimise air emissions.

To further mitigate the emissions of significant pollutants, TANAP employs efficient technologies and practices, such as gas leakage detectors, repair systems, etc. Additionally, TANAP conducts regular air emission monitoring and reporting, taking necessary measures to mitigate the environmental impact of these emissions. Within the scope of legal obligations, annual air emission measurements were also carried out in 2024 by the Authorised Laboratories, which are Accredited Organisations, appointed by the Ministry of Environment, Urbanization and Climate Change (MoEUCC) of the Republic of Türkiye. According to these measurements, there were no exceedances reported at any TANAP site.

As part of TANAP's mid-term targets, engineering studies have been conducted to optimise Mainline Turbo Compressor Start Processes at CS1 and CS5 stations. This project has successfully minimised environmental impacts by reducing vent emissions.

Moreover, the Bidding Procedure has been revised to incorporate sustainability criteria in the evaluation process of firms regarding their sustainability practices.

An Engineering Study for the installation of Heat Recovery Units for TUCOs at CS1 and CS5 was conducted. Appropriate technologies for each station were investigated and the efficiencies of alternative systems were evaluated.

Through the implementation of these measures and ongoing monitoring and reporting processes, TANAP demonstrates a strong commitment to environmental sustainability.

2025

Short-Term Targets:

• Maintaining annual air emissions measurements carried out by authorized laboratories	100%
• Shortening the reporting periods to quarterly	0%
• Conducting 6 month-periods to maintain more robust monitoring, review and reduction of annual Air Emission KPIs as applicable	0%

2030

Mid-Term Targets:

• Conducting an Engineering Study to optimise air emission in Turbo Compressors (TUCOs), Water Bath Heaters (WBH), Boilers, and Generators by applying necessary modifications as required	50%
• Conducting an Engineering Study for the installation of Heat Recovery Units for TUCOs at CS1 and CS5	100%
• Revision of the Bidding procedure to include sustainability checks for firms with firm views and practices toward achieving sustainability	100%

Biodiversity

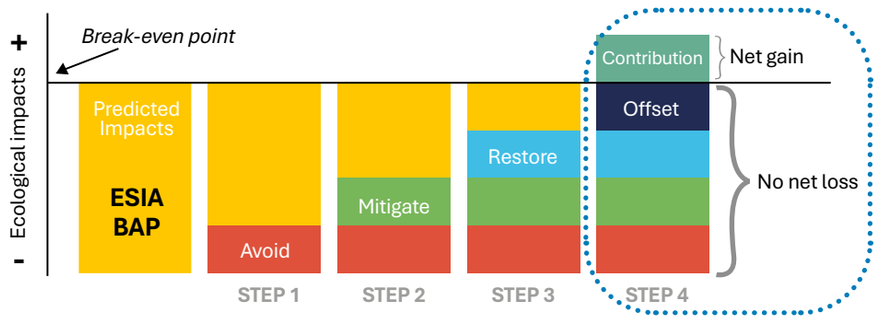
TANAP remains committed to managing potential impacts on biodiversity throughout the construction and operation phases in line with the Environmental and Social Impact Assessment (ESIA) Report and the Biodiversity Action Plan (BAP). This commitment follows the biodiversity mitigation hierarchy principles: avoidance, minimisation, remediation, and offset.

The BAP, developed in accordance with IFC's 2012 Performance Standards, particularly Performance Standard 6 (PS6), is a rare example among linear infrastructure projects for its sensitivity to critical habitats. It outlines specific measures to avoid or minimise impacts on biodiversity and guides habitat rehabilitation efforts, including soil restoration and the use of native plant species.

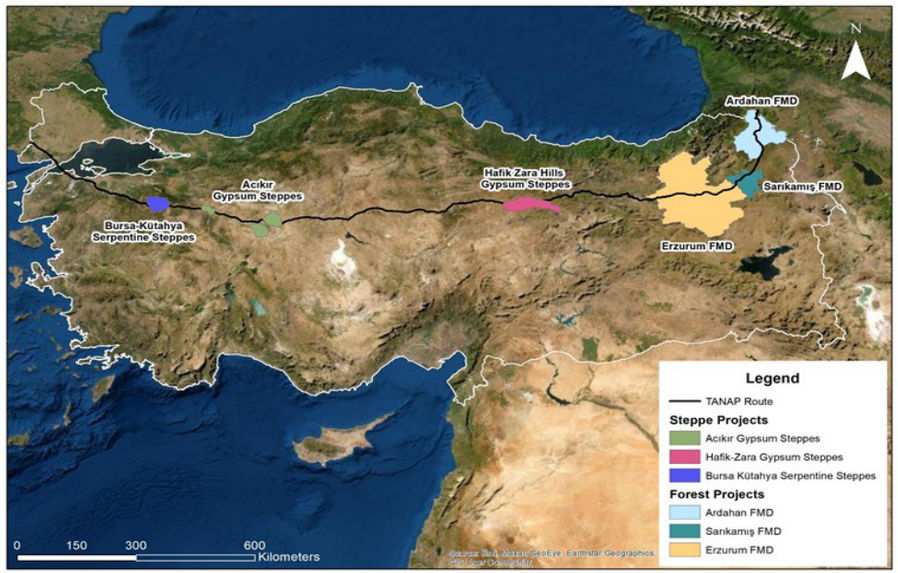
Through baseline studies and follow-up assessments, the BAP identified and documented 67 terrestrial and 27 freshwater critical habitats, while confirming the absence of critical marine habitats along the pipeline route.

In addition to protecting existing habitats and species, TANAP's efforts have contributed to the discovery of new species, supporting broader global biodiversity conservation initiatives. The primary objective of these activities is to achieve a **net gain in Critical Habitats** and **no net loss in Natural Habitats or Priority Biodiversity Features**, as required by IFC's PS6 and EBRD's Performance Requirement 6 (PR6).

Mitigation Hierarchy



To meet these goals, TANAP has integrated the first three steps of the mitigation hierarchy into project design, environmental and social impact assessment, and biodiversity management planning. To address the offset step, TANAP adopted a ***Biodiversity Offset Strategy (BOS)*** in 2017 and developed a Biodiversity Offset Management Plan (BOMP) in 2021. These documents aim to generate measurable positive outcomes for biodiversity across Türkiye. The BOMP encompasses two flagship offset initiatives: the "Resilient Steppe Offset Project" and the "Forest Biodiversity Conservation Offset Project", which have been implemented in ecologically significant regions of Türkiye since 2022.



Resilient Steppe Offset Projects

The primary objective of the Resilient Steppes Offset Projects is to enhance the resilience of the steppe social-ecological system in response to the dynamic social, ecological, economic and climatic conditions impacted by TANAP's operation during the construction works. This goal is pursued through the following key objectives:

- Establish a scientific and strategic rationale for the conservation, sustainable use and regenerative management of the steppe ecosystems and their biodiversity.
- Strengthen the effective management of the steppe ecosystems to support both conservation outcomes and sustainable livelihoods.
- Implement capacity-building initiatives focused on steppe ecosystem conservation and develop holistic, regenerative grazing models.

Throughout 2024, ongoing monitoring was conducted in the Species Conservation Areas (SCAs) and Rehabilitation Areas associated with the Steppe Offset Projects. These areas are located in three key regions as shown in the map: (1) Bursa-Kütahya Serpentine Steppes, (2) Eskişehir-Acıkır Gypsum Steppes, and (3) Sivas-Hafik Zara Hills Gypsum Steppes.

Rehabilitation and erosion control efforts conducted in 2024 included seed collection, species transplantation and grazing pressure reduction through improved grazing management. Transplantation activities were specifically carried out in the Bursa-Kütahya and Acıkır offset project sites.

The main encouraging positive outputs are as follows:

At the Bursa-Kütahya serpentine steppes, land preparation, seeding, and planting activities, combined with effective grazing management, have brought about a measurable increase in vegetation in plain areas (from 28% to 37% vegetation cover).

Similarly, gully reclamation, seeding and transplantations at Acıkır gypsum steppes yielded promising results:

- In Rehabilitation Area 2 (RA2), grazing enclosure and effective grazing management practices led to an increase in average vegetation cover from 32% to 35%,
- In RA3, vegetation cover remained stable,
- In RA5, a slight improvement was observed, with cover increasing from 17% to 18%, attributed to controlled grazing enclosure and site-specific interventions.

Transplantations of target flora species were performed at both Acıkır and Bursa-Kütahya offset sites. Biodiversity outcomes are influenced by numerous site-specific variables, including local climate, proximity to the SCAs and traditional grazing patterns in the surrounding villages. As the first initiative in Türkiye to simultaneously integrate biodiversity conservation and grazing management at this scale, the Resilient Steppe Project offers valuable insights for future offset projects and long-term monitoring phases.

In the second quarter of 2024, *ex-situ* propagated individuals of target species were planted on offset areas with support from the Nezahat Gökyiğit Botanical Garden (NGBG). Notably, *Gypsophila osmangaziensis* seedlings were transferred and planted in the Eskişehir-Acıkır gypsum steppes and propagules of *Alyssum dudleyi* in the Bursa-Kütahya serpentine steppes.

The Integrated Range Management Plan is a complementary element of the Resilient Steppe Offset Project where local staff continued to monitor and manage key activities. These activities include designing paddocks and their borders, recording herd information, and managing livestock exclusion periods. Holistic rangeland management strategies were discussed collaboratively with local Mukhtars and herd owners. One of the most significant findings was the marked variation in effective management strategies between regions and even among individual villages. This required an adaptive management approach, with customized scenarios developed for each village to achieve desired outcomes. The implementation and assessment of communal grazing systems, particularly within the Resilient Steppes Offset Project, revealed that land structure and existing infrastructure play a critical role. Beyond the physical resources provided, these factors directly influenced community engagement and willingness to participate.

The Project reaffirmed the need for integrated planning that accounts for herd movement patterns, local land-use strategies, and strong community collaboration to ensure successful and sustainable biodiversity outcomes.

An independent monitoring assessment was conducted on 7-8 October 2024 by the European Bank for Reconstruction and Development (EBRD). During the monitoring, TANAP presented project progress, hosted a site visit to the pilot project village (Yenisofça in Eskişehir province), and answered the audit team's inquiries. Field visits to local rangelands highlighted grazing management practices and related activities. The assessment was successful and yielded valuable recommendations for all the project stakeholders.

Biodiversity Offset Project Areas

Resilient Steppe Offset Plans
Achieving biodiversity conservation through holistic grazing and rangeland management practices

Gypsum Steppe – Acikir Offset Site

Forest Biodiversity Conservation Offset Plans
Achieving biodiversity conservation through improved forest management

Mixed coniferous forest - Erzurum FMD

2021: Start of Implementation *2023: Start of Monitoring Initial Outcomes*

Forest Biodiversity Conservation Offset Projects

The Forest Biodiversity Conservation Offset Projects prioritise forest habitats, which experienced the second-highest calculated loss of biodiversity value due to the TANAP Project. These projects aim to integrate biodiversity conservation into forest management practices, focusing on zones identified for their high biodiversity value in collaboration with relevant forestry authorities.

The primary objectives of this initiative include integrating biodiversity values into forest management plans, conducting biodiversity monitoring across selected forest ecosystems under the Erzurum Regional Directorate of Forestry, and implementing capacity-building activities to support sustainable forest management and conservation.

Baseline field studies were carried out to identify areas of high biodiversity value, with emphasis on key species and ecosystems. In 2024, monitoring target habitats, focal species and ecological and evolutionary processes was completed. Within focal habitats, no reduction in species diversity was observed in the areas designated as strict implementation zones.

Monitoring of focal species confirmed that:

- Forestry guidelines were effectively implemented over 75% of the area, annually.
- Strict protection from forestry activities was successfully maintained.

2025

Short-Term Targets:

• Supporting & Enhancing the best practices for holistic grazing management	100%

2030

Mid-Term Targets:

• Increasing offset areas for Resilient Steppe Offset Projects	0%
• Increasing offset areas for Forest Biodiversity Conservation Projects	0%
• Supporting scientific research for biodiversity	50%

2033

Long-Term Ambitions:

• Approaching the achievement of No Net Loss and Net Gain	25%

TANAP BIODIVERSITY YEAR

The diverse landscapes of Anatolia, bridging Asia and Europe, continue to provide vital habitats for numerous plant and animal species, supported by Türkiye's varied climatic regions.

In this context, TANAP declared 2024 the **"Biodiversity Year",** reinforcing its long-standing dedication to biodiversity preservation and awareness.

TANAP takes pride in contributing to **Türkiye's biodiversity knowledge** through field research that has resulted in the identification of 17 species, comprising 6 flora and 11 fauna species, previously unknown to Türkiye or science. Detailed information on these discoveries is available in the 2023 Sustainability Report. On Ilgar Mountain in Ardahan, necessary studies regarding insect, *Sargus flavipes* species, have been completed and published in the Biodiversity Journal, contributing to the scientific world on December 30, 2024. You can access the detailed article about Sargus flavipes here: https://doi.org/10.31396/Biodiv.Jour.2024.15.4.881.884

The Year of Biodiversity initiative aimed to raise awareness and knowledge among TANAP employees and the broader stakeholders about Türkiye's biological richness - an invaluable heritage that is deserving of recognition and protection. Guided by this vision, TANAP encouraged a deeper appreciation of biodiversity within its organisation. For more information on biodiversity initiatives, please visit the next section: "**LOOK**: 2024 Biodiversity Year Events".

2024 Biodiversity Year

As part of the biodiversity awareness campaign, **two species** representing Türkiye's uniquely rich and beautiful diversity - *Neolycaena soezen* and *Astragalus askaleensis* - which were discovered during TANAP activities, were illustrated by the **Plant Illustrators Group (BİRET)**, affiliated with the Flora Research Association. Founded in 2005, the association supports research and conservation efforts focused on Türkiye's flora, promoting sustainable use and scientific understanding of the country's plant diversity.

2024 Biodiversity Year

TANAP's commitment to biodiversity is not limited to documentation. It also strives to pass this heritage on to future generations. In this regard, a **children's book** was published, presenting the newly discovered species as illustrated characters.

The book aims to promote environmental awareness, the value of science, and the importance of biodiversity conservation among younger generations.

TANAP also extended its gratitude to the children who contributed with their biodiversity-themed drawings, exhibited on a poster at its facilities during the 2024 Year of Biodiversity.

TANAP has consistently demonstrated a strong commitment to environmental impact assessment and biodiversity management. In April 2024, TANAP participated in the **International Association for Impact Assessment (IAIA) Conference in Dublin**, presenting its biodiversity initiatives in Türkiye. The Environment Manager of TANAP delivered a presentation and contributed an article highlighting the success of TANAP's biodiversity conservation projects. As the only international, interdisciplinary, educational conference devoted to impact assessment, the IAIA Conference provided TANAP an important opportunity to engage with global experts and expand its perspective on biodiversity-related strategies and innovations.

IAIA24 DUBLINIRELAND

LOOK: 2024 Biodiversity Year

2024 BIODIVERSITY YEAR EVENTS

Throughout 2024, declared as the Biodiversity Year, TANAP employees came together multiple times for educational trips, aiming to raise awareness on the vital role of conserving biodiversity for the sustainability of all life. Participants for the trips were selected via a lottery system, considering gender equality through equal representation of women and men.

1 The first activity took place in May 2024 in the Floodplain Forests of İğneada, located in Kırklareli. The **İğneada Floodplain Forests** were declared Türkiye's 39th National Park on November 3, 2007. Under the guidance of two academics specialised in the region's flora and fauna, participants engaged in field observations, received accompanying training and immersed themselves in the unique nature of the area.

As the largest floodplain forest in Türkiye and one of the few of its kind in the world, İğneada Floodplain Forest is under full protection. This rare and unique ecosystem hosts a mosaic of dunes, wetlands, flooded and deciduous forests. Large, old trees with broad trunks contribute to its status as one of Türkiye's most biologically diverse regions. The dominant tree species include beech, hornbeam, oak, ash, alder, white poplar, sycamore-leaved maple, walnut, cornelian cherry, hazelnut, and various fruit-bearing forest trees. Climbing and vine-like plants wrap around the tree trunks, creating a tropical appearance.

In addition to the Floodplain Forests, participants visited Dupnisa Cave, an ecologically significant site and the first and only cave in Thrace opened to tourism. The cave system has a total length of 2,720 meters, including Dry and Girl Caves in the upper level and the Wet Cave, which lies at a depth of 50-60 meters. This cave, with a continuously flowing underground river and an entrance located 345 meters above sea level, has a total length of 1,977 meters. As the second-longest cave in Thrace, Dupnisa Caves were opened to visitors in 2003. Visitors can access a 250-meter section of the Dry Cave, which forms the upper level and is filled with giant stalactite and stalagmite columns and 200 meters of the Wet Cave via a walking platform and lighting. The areas featuring an underground river and deep lakes provide exciting opportunities for adventure and nature sports enthusiasts.

LOOK:

2024 Biodiversity Year

2 The second event of the Biodiversity Year was held in **Konya** in June 2024. At the Bozdağ Wildlife Development Area, participants observed the Anatolian Wild Sheep, an endemic and endangered species found only in Türkiye, through an off-road experience. The Konya Basin, which holds one-third of Türkiye's underground water reserves, was also explored, focusing on its unique geological features such as sinkholes. Throughout the event, an expert academic accompanied the team to provide insights on the flora and fauna of the Konya Basin.

Participants first visited the Tropical Butterfly Garden, home to 60 butterfly species and 195 plant species. The garden, that was opened in 2015, is Türkiye's first **butterfly garden** and Europe's **"Largest Enclosed Flight Area"**. Covering a total area of 7,200 m^2, including a 3,500 m^2 walkable tropical habitat and an insect museum, the garden provides immersive experiences in entomology and botany. Guided by an expert academic, visitors gained detailed insights into the region's flora and fauna.

With special permission from the Ministry of Agriculture and Forestry, 8th Regional Directorate, TANAP employees then visited the Bozdağ Wildlife Development Area. Accompanied by officials from the Directorate and field supervisors, they observed the Anatolian Wild Sheep (Ovis gmelini anatolica). This species is notable for being one of the five wild sheep species in the world and the only wild sheep in which females lack horns and is shown by research to be the ancestor of domestic sheep in Türkiye. On September 7, 2005, with a Cabinet Decision, an area of 59,296.50 hectares was designated as a Wildlife Development Area.
To monitor the wild sheep in their natural habitat without any interference, the Bozdağ Wildlife Development Area is being monitored by experts using camera traps and cameras. Currently, there are approximately 700 Anatolian Wild Sheep in Konya.

LOOK:

2024 Biodiversity Year

During the trip, the Bozkır region, known as Konya's "green zone," and the boundaries extending to the Taurus Mountains were explored. Throughout the day, specific species of Konya's flora were examined, and participants received training on species identification.

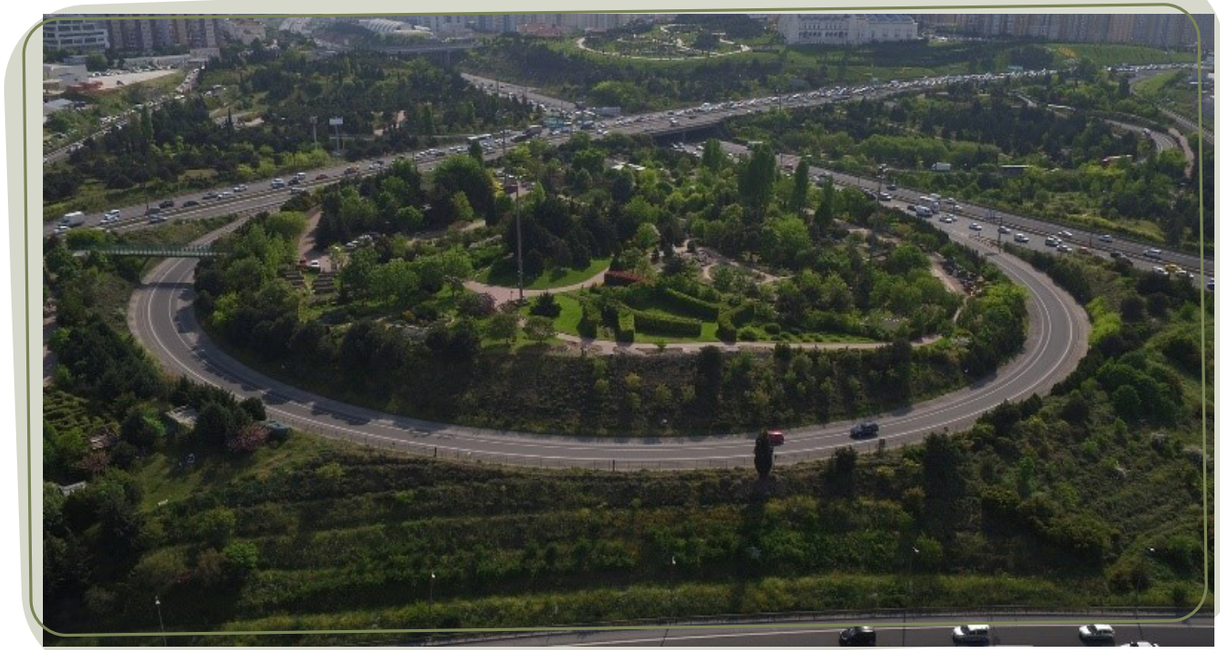
Another key location visited in Konya was the **Kızören Sinkhole**, one of the region's many sinkholes. Located in the Karatay district, this sinkhole has a diameter of 235 meters and a depth of 171 meters. With a current water level of 145 meters, the Kızören Sinkhole is, has been designated as a Ramsar Site; however, due to the uncontrolled use of underground water, its water level is gradually decreasing over time.

The group lastly visited the **Çatalhöyük Neolithic Archaeological Site**, a UNESCO World Heritage Site. This site bears evidence of significant social changes and developments, such as the beginning of agriculture and the transition to settled communal life, a crucial stage in human development. Historical remains dating back to 9000-5500 BCE have been uncovered at this excavation site.
At Çatalhöyük, a promotional and welcome centre was also visited, and an interactive museum experience allowed for the observation of the living conditions of people from that period.

LOOK:

2024 Biodiversity Year

3 As the final event of the year, in November 2024, the **Nezahat Gökyiğit Botanical Garden** in Istanbul was visited first. Participants observed target plant species that had been collected as part of TANAP's Biodiversity Offset Projects and cultivated in the garden. Expert-led sessions provided close-up explorations of rare plant species. This park, established to increase public awareness about the importance and value of plants (the true and only guarantee for the continuation of life on Earth), was opened to the public in 2022. Its goals include conducting scientific research and organising educational programs on global and native flora, encouraging the creation of well-documented collections, and establishing a plant consultation centre. The park also aims to support global biodiversity by protecting endemic, rare, and threatened plant species; to showcase drought resistant plants; and to contribute to the fight against erosion and desertification around the world.



LOOK:

2024 Biodiversity Year

Then, the **Climate Museum**, located within the Hasanpaşa Gasworks building, which has been active since 1982, was also visited. The museum explores the theme of the “Climate Crisis” through an exhibition spanning two buildings.,
It examines the rapid rise in fossil fuel use during the Industrial Revolution, contextualising it with the industrial heritage of the gasworks.

The climate crisis, which is considered the foremost global issue of our time driving the sixth mass extinction of the Anthropocene era, lies at the heart of Türkiye’s first public climate centre, the Museum Gazhane. With this mission, the Climate Museum presents visitors with informative written and visual content addressing key questions such as:

- What is climate?
- How has the climate changed over time?
- What makes today’s climate change different from past variations?
- What are the potential future scenarios of climate change?
- What are its social and economic consequences?
- What actions can be taken to mitigate climate change?

Through exhibitions, talks, and events, the Climate Museum closely follows the global climate agenda and contributes to raising awareness about solutions for implementing sustainable living conditions.

These activities have significantly enhanced the biodiversity awareness of TANAP employees, while also deepening their understanding of Türkiye’s ecologically valuable and culturally rich areas.

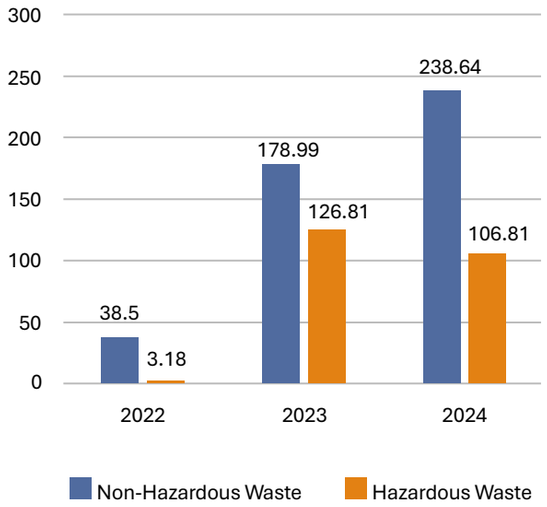
Waste Management

TANAP is committed to fostering a strong corporate culture of effective waste management across its operational sites and headquarters. TANAP aims at standardising waste management practices throughout all processes, including those involving stakeholders.

Through implementing systematic waste segregation, continuous monitoring and transparent reporting to relevant authorities, TANAP demonstrates how corporate waste management policies can notably improve the quality of life and promote environmental sustainability. TANAP also keeps pace with current trends, adopting sustainable practices to reduce and manage various types of waste, including industrial and domestic waste.

In parallel, TANAP continues its efforts to raise awareness among its employees through training events on waste management, environmental issues, and effective waste prevention measures. These sessions are tailored to different roles and responsibilities, ensuring the information delivered is relevant and actionable.

Non-Hazardous & Hazardous Wastes (metric tonne)



TANAP has implemented an effective waste management system and regularly provides training to all employees. In 2024, there was an increase in the amount of non-hazardous waste, while the amount of hazardous waste decreased.

The rise in non-hazardous waste amount was primarily due to increase in the amount of man-power during key operational activities such as TAR and PIG operations.However, thanks to the waste management awareness within TANAP, the volume of hazardous waste generatedin 2024 was lower than the previous year, despite the increase in overall operational activity.

2025

Short-Term Targets:

- Increasing awareness of employees and stakeholders on waste management processing through applied acts — **75%**
- Improving Waste Management processes through the construction of new waste accumulation points — **75%**
- Applying more robust assessments for materials' validity as well as for detection and control of material aging, to avoid disposal of unused materials — **75%**
- Developing an optimized procurement plan and implementing it robustly to avoid shortage or expiry of unused materials — **75%**
- Encouraging employees to use reusable and recyclable materials instead of plastic and/or disposable ones — **100%**

2030

Mid-Term Targets:

- Fostering digitalization of operations to reduce waste — **50%**

2033

Long-Term Ambitions:

- Applying Reliability Centered Maintenance (RCM) and Condition Based Monitoring (CBM) process to reduce the amount of disposed material — **0%**

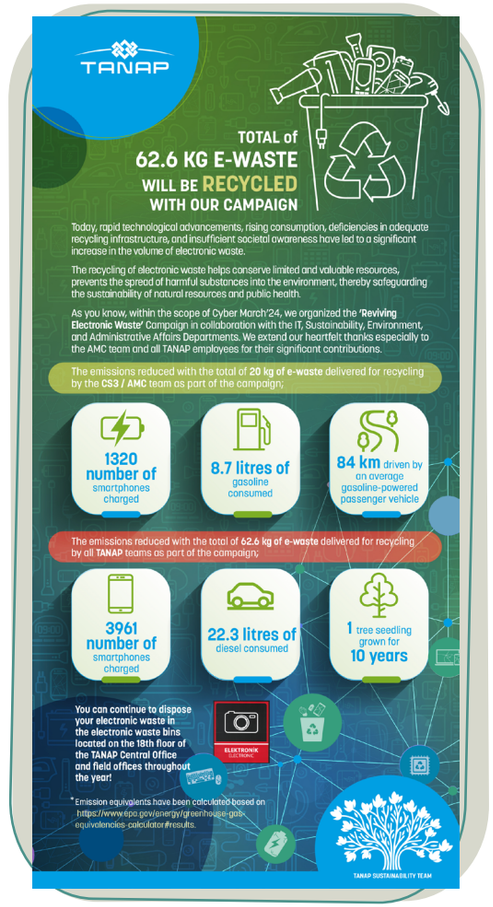
2024 Good Practices to Reduce Waste:

In 2024, several notable practices were implemented to reduce waste and advance progress toward TANAP's mid-term sustainability targets. These include:

As part of the CyberMarch Events held in March 2024, which coincided with Global Recycling Day on March 18 and Zero Waste Day on March 30, TANAP highlighted the importance of reducing electronic waste for human and environmental health.

In collaboration with the IT, Administrative Affairs, Environment, and Sustainability Teams, a campaign titled **"Giving Electronic Waste a New Life"** was carried out within the company.

During this initiative, approximately 63 kg of e-waste was collected and sent for recycling, which contributed to a reduction in emissions equivalent to charging 3,961 smartphones.



To raise awareness about waste reduction on Global Recycling Day, March 18, a group of TANAP Sustainability Coaches and employees, who had shared their suggestions for improved practices through the TANAP's "Smart Ideas for Sustainability Practices" Platform, visited the ITC Mamak Integrated Solid Waste Facility in Ankara. The purpose of this visit was to enable TANAP employees to observe exemplary waste management practices on-site and gather firsthand information from facility authorities. During this visit, an online seminar on the waste management philosophy and practices at the facility was given by the facility representatives to both physical and online attendees from TANAP.

By placing bread collection bins at MCC, bread waste generated either at the MCC office or at employees' homes is collected and repurposed as feed for poultry at MCC. This practice prevents bread waste from being discarded and, instead, transforms it into a valuable food source for animals. Through this initiative, TANAP contributes to reducing food waste and promoting the reuse of resources, thereby supporting the United Nations Sustainable Development Goal (SDG) 12: Responsible Consumption and Production.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

At MS3 & MS4 sites, paper labels used during isolation of systems have been coated with PVC to reduce waste from single-use items. This improvement allows the writing on the labels to be erased, enabling the labels to be reused multiple times during isolation.

In Türkiye, the Zero Waste Project was launched in 2017, based on the principle that all natural resources are the common heritage of humanity. Following the publication of the Zero Waste Regulation on 12.07.2019, steps were taken to prevent and reduce waste generation, segregate waste at the source, and conserve raw materials and energy through recycling.

Aligned with the goals of the Zero Waste Project, TANAP carries out waste segregation at the source across all sites with the valuable support of its employees. The collected waste is then delivered to licensed recycling companies, reintroducing materials into the circular economy, supporting sustainable development goals and contributing to the fight against climate change.

Waste volumes sent for recycling and training activities on zero waste are reported annually via the Zero Waste Information System of the Ministry of Environment, Urbanisation and Climate Change. Based on this data, **all TANAP facilities were awarded the Zero Waste Certificate** as of 2024.


TÜRKİYE CUMHURİYETİ
ÇEVRE, ŞEHİRCİLİK VE İKLİM DEĞİŞİKLİĞİ BAKANLIĞI

SIFIR ATIK

T.C. ANKARA VALİLİĞİ ÇEVRE,ŞEHİRCİLİK VE İKLİM DEĞİŞİKLİĞİ İL MÜDÜRLÜĞÜ

SIFIR ATIK BELGESİ

(Temel Seviye)

Belge No: TS/6/C/20/317 Tarih: 14/02/2024

Adı: TANAP DOĞALGAZ İLETİM ANONİM ŞİRKETİ-OTOMASYON VE KUMANDA BİNASI
Adresi: ANKARA,KARAOĞLAN Mahallesi, ANKARA CADDE, No: 211-, GÖLBAŞI,Türkiye
Vergi No:8180348233
Türü: Bina/Yerleşke

12/07/2019 tarihli ve 30829 sayılı Resmi Gazete'de yayımlanarak yürürlüğe giren Sıfır Atık Yönetmeliği'nce Sıfır Atık Yönetim Sistemi'ni kurarak **Sıfır Atık Belgesi**'ni almaya hak kazanmıştır.

Türkmen HACIHALİLOĞLU
Çevre Şehircilik ve İklim Değişikliği İl Müdürü

Belge Son Geçerlilik Tarihi:
14/02/2029

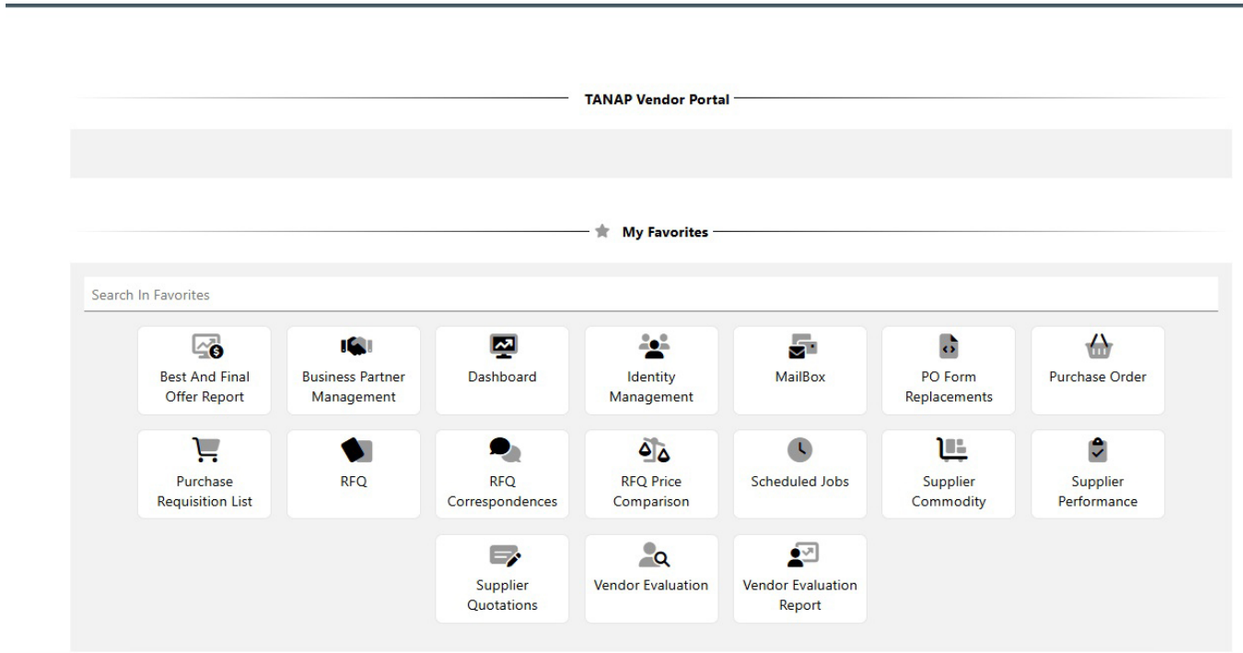
E-İMZALIDIR

The TANAP Procurement and Supply Chain Management team has highlighted **three key achievements** that support sustainability objectives. These achievements are:

- Increasing efficiency by saving time and energy through digitalisation
- Minimising waste generation by reducing the use of paper thanks to digitalisation
- Reducing carbon emissions by reducing the need for e-mail and paper usage, as a result of increased process efficiency

These achievements are based on the following exemplary steps taken in 2024:

The first one was the incorporation of the "**Vendor Portal**", a digital platform launched in 2024, which has delivered significant benefits. The portal streamlines procurement processes, enhancing efficiency in terms of time and energy while reducing paper use and overall waste. This e-procurement system **eliminated the need for 10,540 emails and 7,440 sheets of paper,** resulting in an estimated avoidance of 601.4 kg CO_2-equivalent greenhouse gas emissions in 2024.



In addition to the e-procurement system, an **automated storage system** was commissioned at the CS5. This system enhances employee safety by reducing the risk of workplace accidents and promoting an ergonomic working environment. It also mitigates fire and security risks by ensuring the safe and organised storage of materials. By optimising energy and resources, the automated system contributes to minimising environmental impact and supports waste reduction efforts. Furthermore, it streamlines operations by lowering training needs and skill requirements for employees, thereby increasing overall process efficiency and reducing workplace risks.

Considering these benefits, a decision was made to extend this system at the CS1, CS3, and MS4 sites. The installation of these automated storage units commenced in 2024 and was scheduled to be completed and operational by 2025.

The **SAP Warehouse Management (WM) module** has been successfully commissioned. As part of its commitment to sustainability, the Procurement and Supply Chain Management team has taken a significant step towards improving inventory management by launching the SAP Warehouse Management (WM) module. Previously managed using material codes, inventory processes will now be conducted based on shelf addresses through the SAP WM system. This transformation aims to maximise stock accuracy and enhance control over inventory. By enabling a “first-in, first-out” (FIFO) approach, the system helps prevent the accumulation of expired or obsolete materials, thereby contributing to more sustainable resource use and waste minimisation.

Another notable step was the introduction of the **“Scrap Material Sales Procedure”**, which aims to reintegrate valuable scrap materials generated at Stations (materials deemed too valuable to be considered waste) back into productive use.

This initiative not only promotes resource efficiency by redirecting scrap materials into the production process instead of disposing of them as waste, but also generates economic value through their sale. In 2025, the scope of this initiative will be expanded to include selling all scrap materials in compliance with this procedure.

Resource Management

TANAP places utmost importance on efficient resource management and the protection of water resources, considering water consumption a top priority throughout its operations, while also optimising electricity consumption at both offices and operational sites. Recognising the significance of resource management in sustainability, TANAP is making dedicated efforts to manage water and electricity consumption effectively.

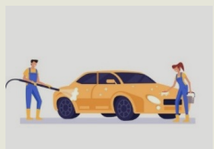
As part of the operation activities, several measures have been implemented to minimise water usage and mitigate adverse impacts on aquatic biodiversity. Regular monitoring of water quality at each site not only ensures compliance with environmental regulations but also safeguards human health.

In line with sustainability commitments, TANAP continues to take significant steps in water management in 2025. CS3 AMC site has set a target to reduce the potable water consumption by 20% by 2025. Effective measures taken in 2024 resulted in a **water savings of 708 m³** compared to 2022. This saving **equals to the water consumption of 4,720 car washes, or 4 years of water consumption of a household or 37,263 water dispensers.**

Additionally, each station is equipped with the **Waste Water Treatment Facilities**, and maintenance contracts ensure the reliability of these facilities and sewage systems by service providers.

Moreover, TANAP prioritises the provision of safe water for its employees, adhering to Health and Safety Standards. Drinking water at HQ and stations is supplied by a certified company. Consequently, installation of potable water drinking systems, which was one of the short-term targets, has been examined and assessed as “Not Feasible” for HQ and stations.

Water Saving at AMC Corresponds to the Water Consumption of...



4,720 car wash

water need of a household for 4 years

37,263 dispenser-size water bottles

In the meantime, quality analysis for tap water is regularly conducted to ensure the provision of safe drinking water. In addition to the health and safety aspects, efficient usage of water is another concern, contributing to the conservation of resources. Water taps are therefore equipped with photocells.

Waste Water Consumption (m³)	2020	2021	2022	2023	2024
	12,255.58	8,877.88	11,831.32	25,238.68	24,720.00

Potable Water Water (m³)	2020	2021	2022	2023	2024
	45,231.94	43,687.02	64,940.88	42,858.34	52,131.15

Potable water consumption in 2024 increased by 21.65 % compared to the previous year. This rise was primarily driven by critical mobilisation across the pipeline and cleaning activities associated with operational activities, particularly due to Turn Around (TAR) and pipeline inspection and cleaning (pigging) activities coinciding within the same year. To mitigate this additional water demand at TANAP sites, future efforts will focus on optimising maintenance activities and prioritising water-efficient alternatives.

TANAP ensures transparency and accountability by conducting regular analyses and reporting on water usage. Wastewater is periodically analysed by authorised laboratories, which enables TANAP to contribute towards a sustainable environment.

Among TANAP's short-term targets, a 1% reduction in water and electricity consumption at Headquarters was successfully achieved by the end of 2024. Thanks to the automation of lighting and heating, ventilation and air conditioning (HVAC) systems, electricity consumption decreased by 3.4% compared to the previous year. Additionally, a 1.37% reduction in water consumption was achieved through the installation of sensor-fitted tap systems at the headquarters building.

Years	HQ Water Consumption (m3)	HQ Electricity Consumption (kWh)
2023	2,445.34	779,479.17
2024	2,411.76	753,085.09
% Reduction	1.37	3.40

A more significant reduction in electricity consumption is expected in 2025, as the final phase of system upgrades was completed in November 2024.

2025

Short-Term Targets:

- Conducting an Engineering study to evaluate if water accumulated in the retention pond can be treated and re-used at the site. — **0%**
- Decreasing water and electricity consumption by 1% at TANAP Headquarters — **100%**

2030

Mid-Term Targets:

- Monitoring the existing practices and improving where needed — **50%**

Closure And Rehabilitation

TANAP remains committed to social and environmental standards during all land access activities. Maintenance, repairs, and improvements may require temporary re-entry into previously accessed lands, including those under cultivation.

Core operational activities include routine right-of-way (Row) patrolling, geo-hazard assessments, and ongoing monitoring of landslides as well as land and slope erosion. These thorough and regular monitoring efforts are functional to generate a robust data set for long-term planning and future rehabilitation activities after the pipeline's commercial life ends.

As defined in the Land Access Management Procedure, site inspection checklists are continuously used to monitor and record reinstatement activities, such as clean-up, re-contouring, topsoil replacement, seeding, hydroseeding/hydro-mulching, erosion control (e.g., slope breakers), reforestation, river crossing management, and the preservation of terrestrial critical habitats, including the collection of native flora seeds and bulbs, where needed. Furthermore, a structured consent protocol is followed upon completing the reinstatement of the private lands. This includes signing a written agreement confirming the return of land to its rightful owner, ensuring transparency and mutual acknowledgement. Both are corporate tools developed for quality assurance in land management.

In 2024, the Projects and Modifications Directorate effectively managed re-entry and exit activities along the pipeline route, particularly at river crossing points and block valve stations, to carry out improvement works aimed at mitigating risks that may affect pipeline and asset integrity. All field works are meticulously documented through land entry and exit protocols, pre-construction surveys and closure reports. Below are examples illustrating the conditions of the reinstated lands before and after these activities:

BEFORE	AFTER	
		Upgrading Services for Drainage System of BVS49
		Scour Protection for RVX4_0699 at KP 1534+885
		Scour Protection for RVX4_0028 at (KP 221+894)

Appendices

Appendices

Appendix - 1:
IFIs Performance Standards

Appendix-1 Compliance with IFIs' Standards

The relevant International Finance Institutions (IFIs)' Standards, Requirements, and Guidelines that TANAP adheres to are as follows:

IFC Performance Standards (PS) (2012)

- **PS 1:** Assessment and Management of Environmental and Social Risks and Impacts;
- **PS 2:** Labour and Working Conditions;
- **PS 3:** Resource Efficiency and Pollution Prevention;
- **PS 4:** Community Health, Safety, and Security;
- **PS 5:** Land Acquisition and Involuntary Resettlement;
- **PS 6:** Biodiversity Conservation and Sustainable Management of Living Natural Resources; and
- **PS 8:** Cultural Heritage.

IFC Environmental, Health and Safety (EHS) Guidelines, including EHS General Guidelines (2007)

EBRD Environmental and Social Policy and Performance Requirements (2014)

- **PR1** – Assessment and Management of Environmental and Social Impacts and Issues;
- **PR2** – Labour and Working Condition;
- **PR3** – Resource Efficiency, Pollution Prevention and Control;
- **PR4** – Health and safety;
- **PR5** – Land acquisition, involuntary resettlement and economic displacement;
- **PR6** – Biodiversity conservation and sustainable management of living resources;
- **PR8** – Cultural heritage; and
- **PR10** – Information disclosure and stakeholder engagement.

World Bank Safeguard Policies*

- **OP 4.01** Environmental Assessment;
- **OP 4.04** Natural Habitats;
- **OP 4.09** Pest Management;
- **OP 4.36** Forestry;
- **OP 4.11** Physical Cultural Resources; and
- **OP 4.12** Involuntary Resettlement.

*As the Environmental and Social Framework (ESF), consisting of ten Environmental and Social Standards (ESSs), approved by the World Bank, applies to all Financed Investment Projects initiated on or after October 1, 2018, and contrarily, TANAP financing started before 2018, only WB Operational Policies below were valid for TANAP.

Appendices

Appendix - 1:
IFIs Performance Standards

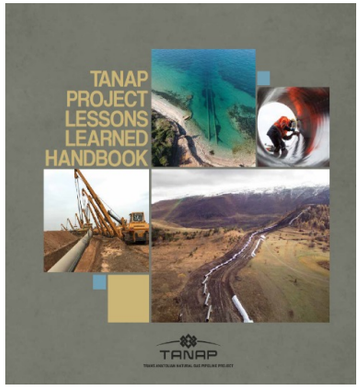
Equator Principles (2013)

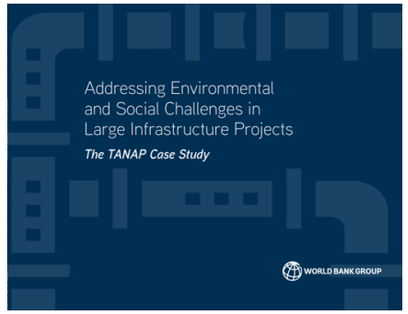
- **Principle 1:** Review and Categorisation;
- **Principle 2:** Environmental and Social Assessment;
- **Principle 3:** Applicable Environmental and Social Standards;
- **Principle 4:** Environmental and Social Management System and Equator Principles Action Plan;
- **Principle 5:** Stakeholder Engagement;
- **Principle 6:** Grievance Mechanism;
- **Principle 7:** Independent Review;
- **Principle 8:** Covenants;
- **Principle 9:** Independent Monitoring and Reporting; and
- **Principle 10:** Reporting and Transparency

In line with these standards, overall assessments of TANAP's environmental and social (E&S) performances based on regular external monitoring have been conducted since 2017, and for further information, all assessment reports (Independent E&S monitoring visit reports) are publicly accessible via https://www.tanap.com/en/reference-documents

TANAP in Publications - in-depth analysis

"TANAP Lessons Learned Handbook", serves as a practical guide and a documented record of experience sharing with stakeholders in the Oil & Gas sector. It aims improve practices and contribute to the ESG efforts by enhancing industry standards. The handbook is publicly disclosed, offering valuable insights for better operations and sustainability initiatives in the sector.





Addressing Environmental and Social Challenges in Large Infrastructure Projects : The TANAP Case Study (worldbank.org)

The TANAP Case Study document prepared and disclosed by the World Bank provides a comprehensive case study on TANAP, highlighting its contributions on a global scale. It focuses on elevating industry practices concerning people and the environment. The study also serves as a model for best practices in the energy sector, emphasizing sustainable development and community engagement as well as protection of the nature in large-scale investments.

Appendices

Appendix - 2: GRI Content Index

Statement of use	TANAP has reported the information cited in this GRI content index for the period 1 January and 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Throughout
	2-2 Entities included in the organization's sustainability reporting	Not Avaliable
	2-3 Reporting period, frequency and contact point	Introduction FOCUS ON
	2-4 Restatements of information	Introduction FOCUS ON
	2-5 External assurance	Introduction FOCUS ON
	2-6 Activities, value chain and other business relationships	Not Avaliable
	2-7 Employees	Section 5 (Working with TANAP)
	2-8 Workers who are not employees	Not Applicable
	2-9 Governance structure and composition	Not Applicable
	2-10 Nomination and selection of the highest governance body	Not Applicable
	2-11 Chair of the highest governance body	Not Applicable
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 21
	2-13 Delegation of responsibility for managing impacts	Page 21, 45
	2-14 Role of the highest governance body in sustainability reporting	Not Avaliable
	2-15 Conflicts of interest	Section 3 (Ethics and Anti-Corruption)
	2-16 Communication of critical concerns	Section 3 (Ethics and Anti-Corruption)
	2-17 Collective knowledge of the highest governance body	Not Avaliable
	2-18 Evaluation of the performance of the highest governance body	Not Avaliable
	2-19 Remuneration policies	Section 5 (Working with TANAP)
	2-20 Process to determine remuneration	Confidential
	2-21 Annual total compensation ratio	Confidential
	2-22 Statement on sustainable development strategy	Section 4 (Investment Programmes)
	2-23 Policy commitments	Section 2
	2-24 Embedding policy commitments	Section 2
	2-25 Processes to remediate negative impacts	Section 3, 5, and 6
	2-26 Mechanisms for seeking advice and raising concerns	Throughout
	2-27 Compliance with laws and regulations	Throughout, particularly page 12
	2-28 Membership associations	Not Avaliable
	2-29 Approach to stakeholder engagement	Section 5, particularly page 12
	2-30 Collective bargaining agreements	Not Avaliable
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pge 25-27
	3-2 List of material topics	Page 26
	3-3 Management of material topics	Pge 25-27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Unavaliable
	201-2 Financial implications and other risks and opportunities due to climate change	Page 28-29, and 34-35

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Appendix - 2: GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Confidential
	201-4 Financial assistance received from government	Confidential
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Confidential
	202-2 Proportion of senior management hired from the local community	Not Applicable
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 36-37, 44-47, 85-86
	203-2 Significant indirect economic impacts	Page 36-37, 44-47
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Unavaliable
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 25-29
	205-2 Communication and training about anti-corruption policies and procedures	Page 27 and 40
	205-3 Confirmed incidents of corruption and actions taken	Not Applicable
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Applicable
GRI 207: Tax 2019	207-1 Approach to tax	Not Avaliable
	207-2 Tax governance, control, and risk management	Confidential
	207-3 Stakeholder engagement and management of concerns related to tax	Confidential
	207-4 Country-by-country reporting	Confidential
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not Applicable
	301-2 Recycled input materials used	Not Applicable

GRI STANDARD	DISCLOSURE	LOCATION
GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	Not Applicable
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Not Avaliable
	302-2 Energy consumption outside of the organization	Not Avaliable
	302-3 Energy intensity	Not Avaliable
	302-4 Reduction of energy consumption	Section 3 and 6; particularly pg 44
	302-5 Reductions in energy requirements of products and services	Section 3 and 6; particularly pg 44
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Section 6 (Resourcer Management)
	303-2 Management of water discharge-related impacts	Section 6 (Resourcer Management)
	303-3 Water withdrawal	Section 6 (Resourcer Management)
	303-4 Water discharge	Section 6 (Resourcer Management)
	303-5 Water consumption	Section 6 (Resourcer Management)
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Section 6 (Biodiversity)
	304-2 Significant impacts of activities, products and services on biodiversity	Section 6 (Biodiversity)
	304-3 Habitats protected or restored	Section 6 (Biodiversity)
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Section 6 (Biodiversity)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Section 6 (GHG Emissions)
	305-2 Energy indirect (Scope 2) GHG emissions	Section 6 (GHG Emissions)

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Appendix - 2: GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Section 6 (GHG Emissions)
	305-4 GHG emissions intensity	Section 6 (GHG Emissions)
	305-5 Reduction of GHG emissions	Section 6 (GHG Emissions)
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Section 6 (GHG Emissions)
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Section 6 (Waste Management)
	306-2 Management of significant waste-related impacts	Section 6 (Waste Management)
	306-3 Waste generated	Section 6 (Waste Management)
	306-4 Waste diverted from disposal	Section 6 (Waste Management)
	306-5 Waste directed to disposal	Section 6 (Waste Management)
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not Avaliable
	308-2 Negative environmental impacts in the supply chain and actions taken	Not Avaliable
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Section 5 (Working with TANAP)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not Avaliable
	401-3 Parental leave	Not Avaliable
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not Avaliable

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Section 5 (OHS)
	403-2 Hazard identification, risk assessment, and incident investigation	Section 3 (Risk), Section 5 (OHS)
	403-3 Occupational health services	Section 5 (OHS)
	403-4 Worker participation, consultation, and communication on occupational health and safety	Section 5 (OHS)
	403-5 Worker training on occupational health and safety	Section 5 (OHS)
	403-6 Promotion of worker health	Section 5 (OHS)
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section 3 (Risk), Section 5 (OHS)
	403-8 Workers covered by an occupational health and safety management system	Section 5 (OHS)
	403-9 Work-related injuries	Section 5 (OHS)
	403-10 Work-related ill health	Section 5 (OHS)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 11, Section 5 (Working with TANAP)
	404-2 Programs for upgrading employee skills and transition assistance programs	Section 5 (Working with TANAP)
	404-3 Percentage of employees receiving regular performance and career development reviews	Not Avaliable
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 11, 52 & 54
	405-2 Ratio of basic salary and remuneration of women to men	Confidential

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GRI STANDARD	DISCLOSURE	LOCATION
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Not Applicable
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Applicable
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Not Applicable
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Applicable
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not Avaliable
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not Applicable
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Section 5; particularly pg 57-59
	413-2 Operations with significant actual and potential negative impacts on local communities	Section 5; particularly pg 57-59
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Not Applicable
	414-2 Negative social impacts in the supply chain and actions taken	Not Applicable
GRI 415: Public Policy 2016	415-1 Political contributions	Not Applicable
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not Applicable
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not Applicable
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not Applicable
	417-3 Incidents of non-compliance concerning marketing communications	Not Applicable
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Applicable

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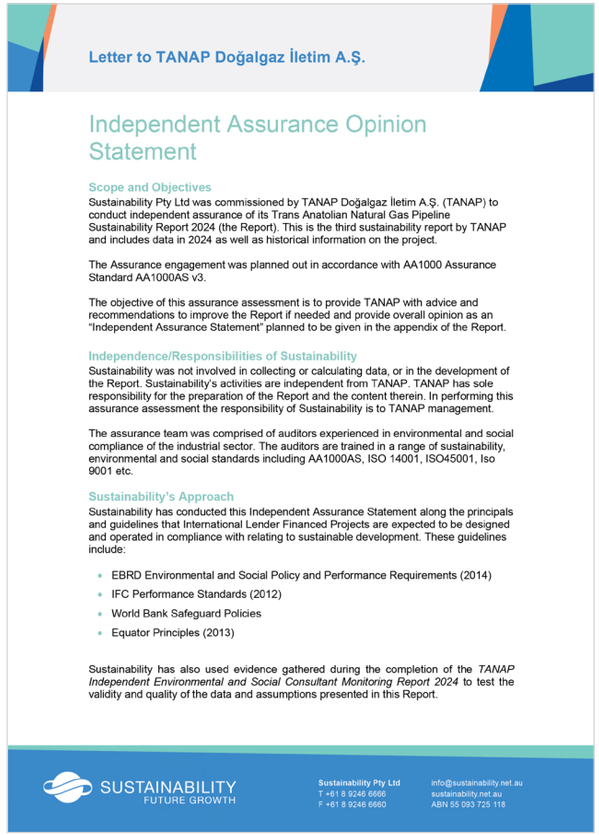
APPENDIX - 3: Independent Assurance Opinion Statement



Letter to TANAP Doğalgaz İletim A.Ş.

Independent Assurance Opinion Statement

Scope and Objectives

Sustainability Pty Ltd was commissioned by TANAP Doğalgaz İletim A.Ş. (TANAP) to conduct independent assurance of its Trans Anatolian Natural Gas Pipeline Sustainability Report 2024 (the Report). This is the third sustainability report by TANAP and includes data in 2024 as well as historical information on the project.

The Assurance engagement was planned out in accordance with AA1000 Assurance Standard AA1000AS v3.

The objective of this assurance assessment is to provide TANAP with advice and recommendations to improve the Report if needed and provide overall opinion as an "Independent Assurance Statement" planned to be given in the appendix of the Report.

Independence/Responsibilities of Sustainability

Sustainability was not involved in collecting or calculating data, or in the development of the Report. Sustainability's activities are independent from TANAP. TANAP has sole responsibility for the preparation of the Report and the content therein. In performing this assurance assessment the responsibility of Sustainability is to TANAP management.

The assurance team was comprised of auditors experienced in environmental and social compliance of the industrial sector. The auditors are trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO45001, Iso 9001 etc.

Sustainability's Approach

Sustainability has conducted this Independent Assurance Statement along the principals and guidelines that International Lender Financed Projects are expected to be designed and operated in compliance with relating to sustainable development. These guidelines include:

- EBRD Environmental and Social Policy and Performance Requirements (2014)
- IFC Performance Standards (2012)
- World Bank Safeguard Policies
- Equator Principles (2013)

Sustainability has also used evidence gathered during the completion of the *TANAP Independent Environmental and Social Consultant Monitoring Report 2024* to test the validity and quality of the data and assumptions presented in this Report.

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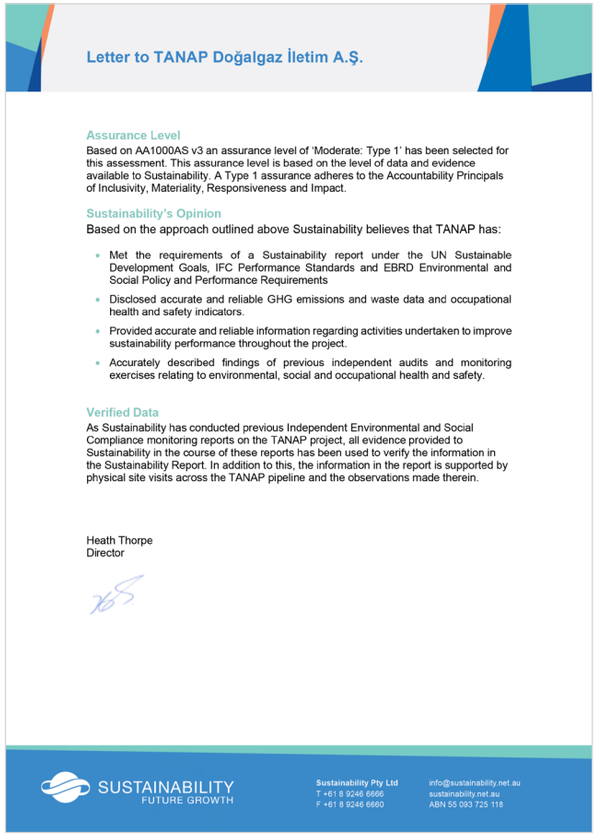

Letter to TANAP Doğalgaz İletim A.Ş.

Assurance Level

Based on AA1000AS v3 an assurance level of 'Moderate: Type 1' has been selected for this assessment. This assurance level is based on the level of data and evidence available to Sustainability. A Type 1 assurance adheres to the Accountability Principals of Inclusivity, Materiality, Responsiveness and Impact.

Sustainability's Opinion

Based on the approach outlined above Sustainability believes that TANAP has:

- Met the requirements of a Sustainability report under the UN Sustainable Development Goals, IFC Performance Standards and EBRD Environmental and Social Policy and Performance Requirements
- Disclosed accurate and reliable GHG emissions and waste data and occupational health and safety indicators.
- Provided accurate and reliable information regarding activities undertaken to improve sustainability performance throughout the project.
- Accurately described findings of previous independent audits and monitoring exercises relating to environmental, social and occupational health and safety.

Verified Data

As Sustainability has conducted previous Independent Environmental and Social Compliance monitoring reports on the TANAP project, all evidence provided to Sustainability in the course of these reports has been used to verify the information in the Sustainability Report. In addition to this, the information in the report is supported by physical site visits across the TANAP pipeline and the observations made therein.

Heath Thorpe
Director

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TANAP