

# SUSTAINABILITY REPORT

2022 → ✈️ → 2023





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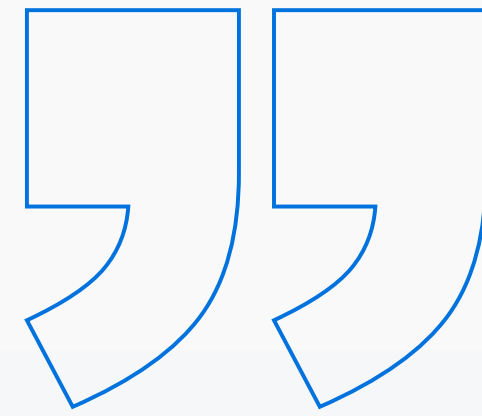
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**DEAR STAKEHOLDERS,  
I AM PLEASED TO PRESENT THE  
AZERBAIJAN AIRLINES (AZAL)  
SUSTAINABILITY REPORT FOR  
THE FISCAL YEAR 2022-2023,  
HIGHLIGHTING OUR CONTINUOUS  
EFFORTS TOWARDS OPERATIONAL  
EXCELLENCE, INNOVATION, AND  
SUSTAINABILITY.**

## MESSAGE FROM THE PRESIDENT



In 2022, following the challenging times of the pandemic, AZAL successfully recovered its operations. This achievement is clearly reflected in our operational performance. The number of flights nearly doubled from 9,139 in 2021 to 18,363 in 2022. Furthermore, we did not just restore our operations to pre-pandemic levels, but exceeded them, as demonstrated by the 26,266 flights in 2023, marking a significant leap in our recovery and overall performance which was achieved through continuous improvement made in various fields of the Company.

The scope of work done towards recovery and its further support includes enhancing the efficiency of operations while elevating the experience we offer to our passengers. Our commitment to continuous sustainable development is reflected in various initiatives such as continuously

upgrading the website and mobile application. In 2023, we have also started exploring the integration of Customer Relationship Management (CRM), to provide services that are designed to the needs of customers.

At the same time, our commitments are directed to alignment with international tendencies and best practices. This includes diversification of our fleet with fuel-efficient aircraft such as Airbus A320neo and Boeing Dreamliner 787-8. We believe these strategic steps will further strengthen our position as a leading carrier in the CIS region, seamlessly integrating operational and financial success with sustainable growth.

In 2023, our Strategic Development Plan was approved, with one of its directions being cost optimization. I am proud that the initial implementation of this strategy, combined with our ongoing efforts to enhance performance, resulted in a significant increase in our financial outcomes. Specifically, we achieved revenue of 1.4 billion AZN in 2023, demonstrating our strategic initiatives' effectiveness and resilience in a competitive market.

On the other hand, the effective steps taken over the years are reflected not only in our operational and financial performance but also recognized internationally. We are proud to be named the “Best Regional Airline in Central Asia and the CIS” and the “Best Airport in Central Asia and the CIS” for 2022 and 2023. We are committed not only to maintaining our position but also to striving for continuous improvement.

Understanding the critical role of our subsidiaries, we have consistently worked to improve their

operations as well. AZANS, our subsidiary responsible for air traffic management, 2022 was awarded the prestigious CANSO Global Safety Achievement Award, placing us among the top five most reliable air navigation service providers worldwide.

As we look ahead, AZAL is committed to sustainability within the airline industry, particularly in the context of Azerbaijan's growth and development. We will continue to integrate sustainable practices into our operations to foster a more responsible and prosperous future for Azerbaijan's aviation industry.

**Samir Rzayev**  
President of AZAL







This biannual Sustainability Report for 2022–2023, published by Azerbaijan Airlines (hereafter referred to as “AZAL,” “Azerbaijan Airlines,” “We,” or “The Company”), aims to transparently communicate AZAL’s environmental, social, and governance (ESG) sustainability efforts to our stakeholders. We recognize that transparent and high-quality reporting, aligned with stakeholder expectations, is essential for building trust and credibility in our sustainability performance and impacts. To effectively present an overview of our performance, we adhere to the GRI standards as our primary guidance. We value stakeholder input and encourage comments and feedback. Please feel free to contact the appropriate representative (contact details are provided at the end of the report) to share your ideas.

## SCOPE AND METHODOLOGY

<b>About the Report</b>	The 2022-2023 Sustainability Report offers a comprehensive overview of our sustainability performance, addressing key topics. It underscores our commitment to governance compliance by analyzing governance practices, economic impact, and employee engagement. The report also includes customer-focused sections that highlight initiatives aimed at improving services. It concludes with a focus on our environmental efforts, detailing our environmental management practices and analyzing greenhouse gas emissions.	
<b>Reporting Cycle</b>	Biannual	
<b>Reporting Period</b>	1 January, 2022 – 31 December, 2023	
<b>Reporting Boundary</b>	<p>Azerbaijan Airlines CJSC’s structural divisions and subsidiaries:</p> <ul style="list-style-type: none"> <li>• Azerbaijan Airlines Passenger Aviation Company;</li> <li>• Buta Airways Passenger Aviation Company;</li> <li>• National Aviation Academy (NAA);</li> <li>• Heydar Aliyev International Airport (GYD);</li> <li>• Ganja International Airport (GNJ);</li> <li>• Nakhchivan International Airport (NAJ);</li> <li>• Lankaran International Airport (LLK);</li> </ul>	<ul style="list-style-type: none"> <li>• Zaqatala International Airport (ZTU);</li> <li>• Gabala International Airport (GBB);</li> <li>• Fuzuli International Airport Limited Liability Company;</li> <li>• Zangilan International Airport;</li> <li>• Azeraeronavigation Air Traffic Department (AZANS);</li> <li>• General Directorate of Aviation Security;</li> <li>• AZALOIL Fuel and Lubricant Materials Department (AZALOIL);</li> <li>• Affiliates and Representative Offices.</li> </ul>
<b>Organization Name</b>	Azerbaijan Airlines CJSC	
<b>Headquarters</b>	Baku, Azerbaijan	
<b>Reporting Frameworks</b>	<ul style="list-style-type: none"> <li>• The report is written by the Global Reporting Initiative (GRI) Standards</li> <li>• United Nations Sustainable Development Goals (SDGs)</li> </ul>	
<b>Available Languages</b>	English, Azerbaijani	



AZAL conducted a comprehensive materiality analysis for this report, adhering to the GRI Standards as part of our commitment to transparency and accountability. This process involved engaging with internal stakeholders through interviews, analyzing customer feedback, conducting detailed industry benchmarks, and assessing potential risks associated with each indicator. As a result, we identified and prioritized sixteen key material issues that are crucial to both our operations and our stakeholders. This analysis reflects our dedication to addressing significant concerns and enhancing sustainability across all areas of our operations.

## MATERIALITY ANALYSIS

	Negative Impact			Positive Impact	
	Severity	Likelihood	Human Rights	Scale	Likelihood
<b>Environmental Sustainability</b>					
Climate Change & GHG emissions	Severe	Likely	Low	Significant	Not likely
Fuel efficiency and SAF	Not severe	Likely	Medium	Significant	Not likely
Noise & Local Air Quality Management	Severe	Likely	High	Very Significant	Likely
<b>Social Responsibility</b>					
Diversity, Equity and Inclusion	Not severe	Not likely	High	Significant	Likely
Community Engagement	Not severe	Likely	Low	Significant	Likely
Employee Relations & Talent Development	Extremely severe	Likely	High	Very Significant	Likely
Healthy and Safety	Extremely severe	Not likely	High	Very Significant	Extremely ikely
<b>Economic &amp; Operational Excellence</b>					
Service Quality & Customer Satisfaction	Severe	Likely	Medium	Significant	Likely
Supply Chain Sustainability	Extremely severe	Not likely	Medium	Very Significant	Likely
Sustainable Economic Growth	Extremely severe	Likely	High	Very Significant	Likely
Fleet Management	Extremely severe	Not likely	High	Very Significant	Extremely ikely
Innovation & Technological Advancement	Severe	Likely	Medium	Significant	Likely
<b>Governance &amp; Compliance</b>					
Compliance & Regulatory Adherence	Extremely severe	Not likely	High	Very Significant	Extremely ikely
Good Governance & Business Ethics	Extremely severe	Likely	Medium	Very Significant	Likely
Cybersecurity	Extremely severe	Likely	High	Very Significant	Extremely ikely
International Cooperation	Severe	Not likely	Low	Significant	Likely

Table 1. AZAL's material topics for 2022-2023







# ABOUT US





Azerbaijan Airlines, a Closed Joint Stock Company, was founded on April 7, 1992, as the first national airline established following Azerbaijan's independence. AZAL serves as the national air carrier and is a leading aviation company in the CIS region, boasting a highly modern fleet of aircraft. Known for its exceptional passenger service, it ranks among the top air carriers in civil aviation, as reflected by its high standings in the prestigious Skytrax international ratings. As part of its ongoing expansion, Azerbaijan Airlines regularly introduces new seasonal and charter routes to extend its destination network.



## MAJOR MILESTONES OF 2022-2023

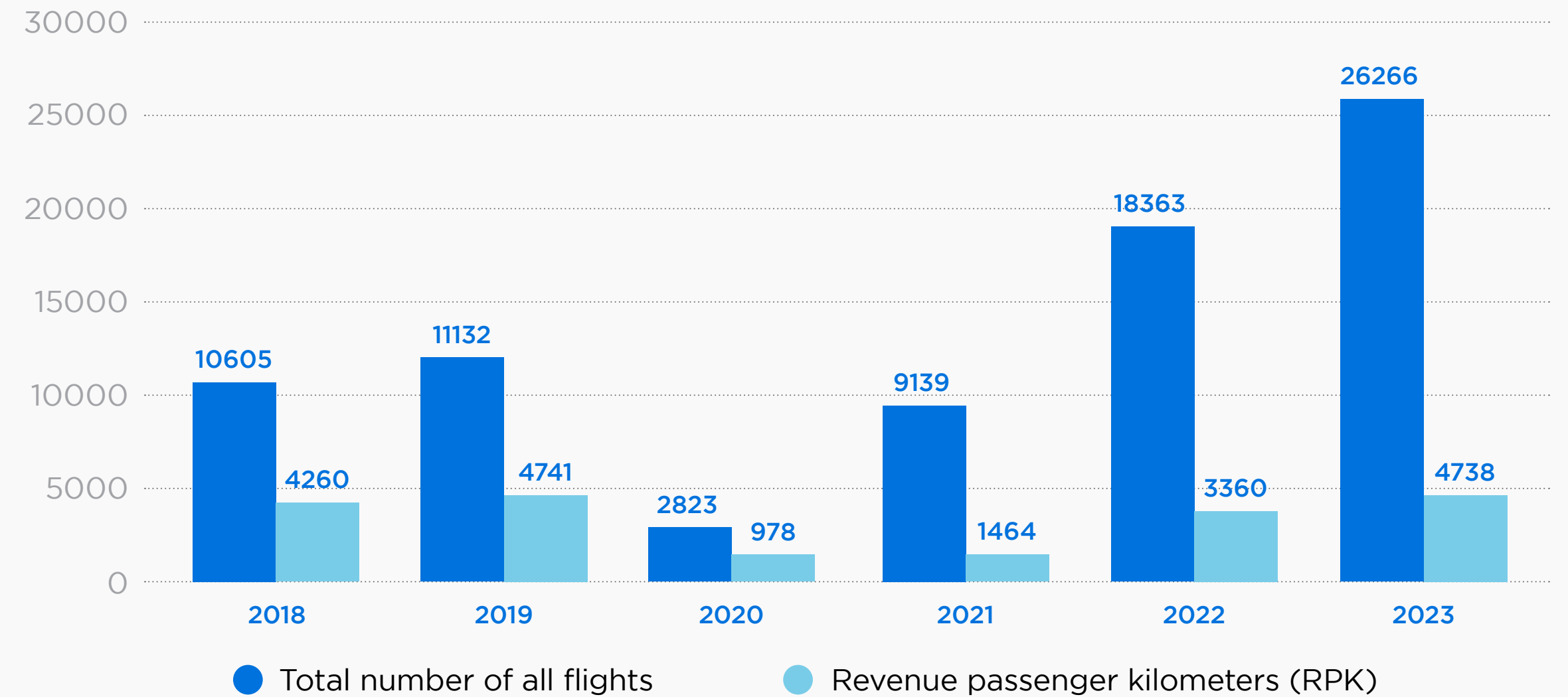
### OPERATIONAL HIGHLIGHTS

- Opening of new international airport in Zangilan in 2022 enhancing connectivity of region and enhancing efficiency
- Initiated the establishment of the first Approved Training Organization (ATO) in Azerbaijan. The purpose of the project is to provide pilot trainings that meets standards.
- Memorandum with IATA Consulting for 2022-2030, focusing on network and fleet planning, detailed schedules for 2023-2027, and a high-level plan for 2028-2030, aiming to enhance efficiency and European Aviation Safety Agency compliance
- Consolidation of Buta Airways with AZAL aiming to reduce operational cost and increase the efficiency

### OVERTAKING PREPANDEMIC LEVEL OF DEVELOPMENT

We are delighted to share that despite the pandemic challenges, we have not only recovered our operations but have also exceeded pre-pandemic levels in the total number of flights, while revenue passenger kilometers have reached pre-pandemic levels demonstrating the actual usage of our service.

Number of Flights and Revenue Passenger Kilometers



### AWARDS

The Skytrax World Airport Awards set the global standard for airport quality, based on a survey of airport customers from over 100 countries. In 2022 and 2023, AZAL and its subsidiaries received the following awards:



"Best Regional Airline in Central Asia and CIS" for the 12<sup>th</sup> consecutive year in 2023



"Best Low-Cost Airline in Central Asia and CIS" first time in 2022



"Best Airport in Central Asia & CIS" for the 5<sup>th</sup> consecutive year in 2023



"Best Airport Staff in Central Asia and CIS" for the 2<sup>nd</sup> consecutive year in 2023





## OUR OPERATIONS OVERVIEW

AZAL stands as a leading air carrier and a prominent force in the Commonwealth of Independent States (CIS) aviation community, boasting a state-of-the-art aircraft fleet and excelling in passenger service quality, as evidenced by our high rankings in renowned international ratings. AZAL operates flights to various destinations across Asia, the CIS, Europe, and the United States.

In 2022, AZAL experienced a remarkable surge in activity, carrying over 2.2 million passengers—more than double the number from the previous year—and operating more than 18,000 flights. In 2023, this figure increased significantly to 26,266 flights, demonstrating AZAL's continuous improvement and commitment to excellence in aviation. This consistent growth underscores our dedication to expanding services and enhancing operational capabilities year after year.

In 2023, we achieved a new milestone by doubling our route network to 58 destinations, up from 31 in 2022. We remain committed to expanding our services and infrastructure to provide our passengers with access to even more global destinations. In 2023, The Company signed contracts for 12 more A320neo and A321neo models. In 2023, AZAL completed an order of eight Boeing 787-8 Dreamliners, expanding on a prior commitment made in July 2022 for four Dreamliners.

The Airbus A320neo, Airbus A321neo, and Boeing 787-8 Dreamliner share several common specifications, including improved fuel efficiency,

Operational	2021	2022	2023
Total number of all flights	9,139	18,363	26,266
Total km-s flown in 2022 (distance flown)	12,838,870	27,833,932	43,425,153
Available seat kilometers (ASK)	1,836	4,252	6,396
Passenger load factor	86%	79.02%	74%

Table 2. Operational indicators

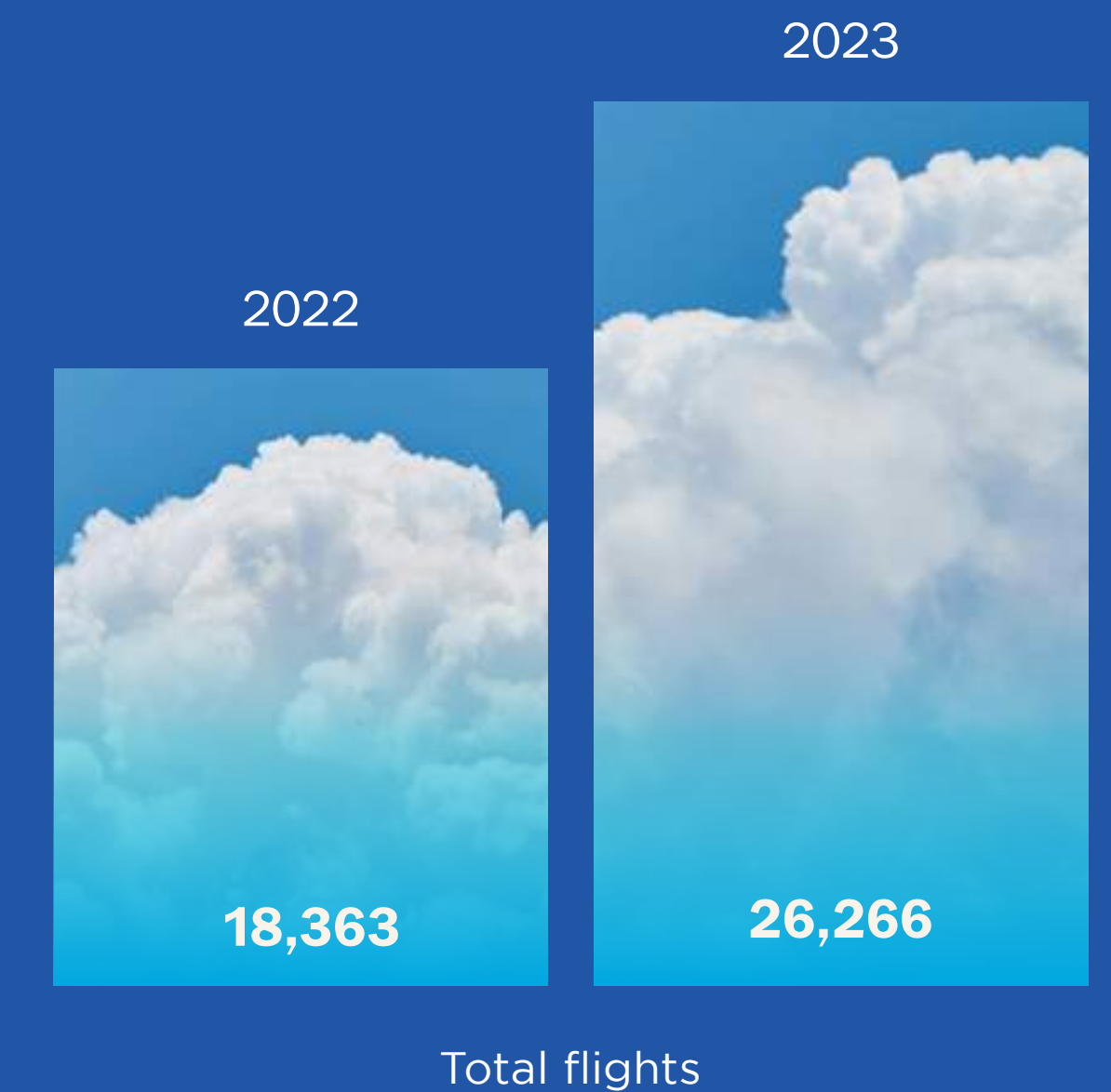
reduced emissions, and enhanced passenger comfort through better cabin designs and quieter operations. Also, each aircraft has its unique features. The A320neo is smaller, typically seating around 140-240 passengers, and is suited for medium-haul flights with its aerodynamic Sharklets for efficiency. In contrast, the A321neo offers a higher seating capacity of up to 240 passengers. The Boeing 787-8 Dreamliner stands out with its lightweight composite construction, enabling it to fly longer distances, making it ideal for long-haul routes, while also featuring advanced cabin innovations that enhance comfort by improving humidity control and lowering cabin pressure.

Our commitment to fleet expansion is driven by the growing number and frequency of our routes, as we prioritize reliability, safety, and passenger comfort. Notably, for the first time in our history, AZAL signed a wet lease agreement with GetJet Airlines for three Airbus A320ceo aircraft. This agreement includes not only the aircraft but also services such as flight crew, maintenance, insurance, quality assurance, and flight safety. This partnership with GetJet Airlines is a significant

strategic step in strengthening our position by increasing the market share. Given that AZAL manages one of the most influential hubs in the region, Heydar Aliyev International Airport, such partnerships significantly affect the Company's operations. By referring to the table above, we can observe that AZAL experienced a remarkable increase in key operational metrics. This upward trend can be attributed to several factors.



First, the strategic expansion of our route network and the introduction of new destinations have attracted more travelers. By investing in the modernization of our fleet and improving our efficiency, we have been able to offer more flights with greater capacity. Additionally, it is important to highlight that these achievements are particularly significant as they coincide with the recovery from the COVID-19 pandemic. The pandemic posed unprecedented challenges, but our resilience and proactive measures have enabled us not only to bounce back but also to achieve sustainable growth and excellence in the aviation industry.







## BUTA AIRWAYS PASSENGER AVIATION COMPANY

Throughout its operations, Buta Airways made a substantial impact on Azerbaijan’s aviation industry by offering affordable travel options and enhancing regional connectivity. Buta Airways, renowned for its budget-friendly approach, had expanded its flight operations to neighboring countries from both Baku and Ganja airports, enhancing international connectivity. Predominantly based at Heydar Aliyev International Airport, Buta Airways benefited from the expertise of AZAL personnel who identified the growing market for low-cost airlines.

In 2022, Buta Airways resumed flights to several destinations that had been impacted by the pandemic, including Mineralnye Vody, Ufa, Zhukovsky in Russia, and Batumi in Georgia. The airline operated a fleet of eight Brazilian Embraer E-190 aircraft, facilitating travel to more than 20 destinations and serving over 650,000 passengers annually. Established as a low-cost brand, Buta Airways consistently broadened its customer base and achieved impressive growth milestones during its operation period.

As a result of its efforts, Buta Airways received prestigious accolades, winning “Best Regional Airline in Central Asia and the CIS” and “Best Low-Cost Airline in Central Asia and the CIS” at the Skytrax 2022 World Airline Awards.



## NATIONAL AVIATION ACADEMY



Established in 1992 under the name “National Aviation Centre,” the National Aviation Academy (NAA) of AZAL currently operates as a higher education institution. It aims to produce highly skilled professionals who meet international standards for Azerbaijan’s strategically significant aerospace sector, including civil aviation and related fields. The Academy adheres to guidelines set forth by ICAO, SAC, and other international civil aviation organizations, and fulfills obligations stemming from the Working Agreement with the European Aviation Safety Agency (EASA).

With 6 faculties and 23 departments, the NAA spans 290,000 square meters and is equipped with state-of-the-art machinery, specialized auditoriums, laboratories, modern libraries, and an advanced tripod simulator center.

The premises also include a gym and a manufacturing area. With a workforce of 800 employees and conducting over 180,000 teaching hours annually, the NAA remains dedicated to training and nurturing the next generation of pilots. More comprehensive information about the NAA can be found in the AZAL Academy section.

In 2022, the National Aviation Academy participated in Technofest Azerbaijan 2022, an event focused on technology and innovation, showcasing the Academy’s commitment to fostering interest in science, technology, engineering, and mathematics (STEM) fields. Additionally, the Academy held an event to celebrate the professional holiday of civil aviation workers in Azerbaijan, highlighting its role in supporting and honoring the aviation industry workforce.





## AIRPORT OPERATIONS

In 2022, the completion of Zangilan International Airport marked the establishment of Azerbaijan’s eighth international airport. The list of airports in Azerbaijan with international status now includes:

- Heydar Aliyev International Airport
- Ganja International Airport
- Gabala International Airport
- Zagatala International Airport
- Lenkaran International Airport
- Nakhchivan International Airport
- Fuzuli International Airport
- Zangilan International Airport

Heydar Aliyev International Airport (GYD) is the largest airport in Azerbaijan and the Caucasus region, distinguished by its impressive passenger and freight traffic, take-off and landing operations, airport terminal area, and cargo complex capacity. Recognized for its top-notch services, the airport awarded Buta Airways the title of the country’s first low-cost air carrier in September 2022. With approximately 45,000 total aircraft movements each year, the airport efficiently manages two terminals, reinforcing its role as a significant international transportation and distribution hub. In 2022, the completion of Zangilan International Airport marked the eighth international airport in Azerbaijan. Sustainable practices are increasingly important in the aviation industry, and we will continue to monitor relevant developments at Azerbaijan’s airports. GYD concluded 2023 with notable achievements in innovation, infrastructure enhancements, and route network expansion. Heydar Aliyev International Airport won the Skytrax World Airport Awards 2023 in the categories of “Best Regional Airport in

Recognized for its top-notch services, the airport awarded Buta Airways the title of the country’s first low-cost air carrier in September 2022.

Central Asia/CIS” and, for the second consecutive year, “Best Airport Staff in Central Asia and CIS.” The ongoing growth of the airport network underscores Azerbaijan’s commitment to global connectivity. Heydar Aliyev International Airport remains a key transportation hub, striving for sustainable operations while maintaining its status as the largest and most significant airport in the region.







## AZERAERONAVIGATION AIR TRAFFIC DEPARTMENT

In 1996, Azeraeronavigation (AZANS) was established as the initial structural division of AZAL to gain legal independence. AZANS is responsible for air traffic control in the airspace of the Azerbaijan Republic and is dedicated to ensuring flight safety throughout the country's airspace by providing air traffic services and coordination. AZANS actively participates in regional and international cooperation in the field of air traffic control, playing a proactive role in fostering collaboration.

As a member of ICAO, AZANS operates in full alignment with the organization's structure and standards, as independently verified through external audits. To ensure the highest level of safety, AZANS implements the IATA Level 3 Flight Safety Management System across all operational activities. This formal approach is based on well-documented safety policies, principles, and procedures, serving as the foundation for risk assessment, safety assurance, control, and monitoring. The services are provided by highly skilled controllers, supported by advanced technical systems, ensuring a secure and efficient operational environment.

AZANS in partnership with Aireon implemented in Azerbaijan Space-based Air Traffic surveillance system to cover the complete Baku FIR in Azerbaijan, at all altitudes. Building on Azerbaijan's commitment to lead the development of space technologies in the region, AZANS has taken a major technological step forward by agreeing to

implement Aireon space-based ADS-B surveillance data in their airspace providing state-of-the-art capability to navigate aircraft efficiently, safely, and in the most environmentally friendly manner.

Aviation's environmental impact, measured through fuel use and CO<sub>2</sub> reduction analysis, is a concern addressed by AZANS. Monitoring of pollutant release into the environment is the way AZANS contributes to minimizing aviation's ecological footprint. AZANS' initiatives, such as the optimized network structure of Azerbaijan Airspace and the implementation of direct route assignment (DCT) procedures, significantly reduce aircraft fuel consumption and subsequent CO<sub>2</sub> emissions. The adoption of Continuous Descent (CDO) and Continuous Climb Operations (CCO) in Azerbaijan Airspace is another environmentally friendly solution that reduces CO<sub>2</sub> emissions and fuel consumption, accommodating Airspace User preferences for efficient climb/descent profiles. These projects align with ICAO's global aviation plan for 2030, emphasizing sustainable development goals.

In 2022, AZANS' nomination for the CANSO Global Safety Achievement Award signified their commitment to safe operations, including risk reduction and efficiency improvement. AZANS' role in ensuring efficient organization of air corridors is critical. Streamlining air traffic flow can lead to reduced fuel consumption and emissions. The safe handling of a growing number of transit flights, with an average growth rate of 134.1%, demonstrates AZANS' ability to manage airspace efficiently. This operational excellence contributes to overall sustainability in the long term, highlighting AZANS' dedication to both safety and environmental stewardship.

Aviation's environmental impact, measured through fuel use and CO<sub>2</sub> reduction analysis, is a concern addressed by AZANS.

In 2023 DHMI General Directorate of State Airports and Air Navigation Service Provider of Türkiye and "Azeraeronavigation" Air Traffic Department initiated creation of Regional Air Navigation Safety Coordination Platform for European and Asian ANSPs (SOCEA). The purpose of this Coordination Platform is the development and implementation of a regional strategy for ensuring flight safety and promoting and developing cooperation in the field of air navigation between ANSPs. SOCEA contributes to the effective implementation of ATM safety control systems in the region and the application of a risk-based approach to safety management at regional level, as well as a coordinated approach to cooperation between ANSPs in the region.







## AZALOIL FUEL AND LUBRICANT MATERIALS DEPARTMENT

Established in 1997, the AZALOIL Fuel and Lubricant Materials Department is a crucial division within AZAL, responsible for overseeing and managing all aspects related to fuel and lubricant materials for aviation operations. The department ensures a consistent and reliable supply of aviation fuel to meet the needs of the entire fleet, including monitoring fuel quality, storage, and

distribution to various airports and refueling facilities. It also plays a vital role in negotiating fuel supply contracts with suppliers to secure cost-effective and efficient procurement.

During the reporting period, the department focused on implementing effective fuel management practices, which directly contribute to sustainability in the aviation sector. AZALOIL is also working to adopt current standards that minimize the environmental impact of fuel handling and storage.



## AFFILIATES AND REPRESENTATIVE OFFICES

To enhance client service, facilitate coordination and communication, and protect their interests, AZAL has established an extensive global network of over 30 representative offices and agents. These offices are strategically located across Asia, Europe, the UK.

AZAL's global network of representative offices serves customers worldwide. Although these offices do not directly implement sustainability initiatives, the increasing emphasis on environmental responsibility in the aviation industry indicates that they may play a role in promoting sustainable practices to clients in the future.





An aerial photograph of a lush green forest with a winding river. The river is a light brown color and meanders through the dense green trees. The lighting is bright, creating a warm, golden glow over the scene. In the lower-left quadrant, there is a semi-transparent graphic overlay consisting of a blue rectangular area at the top and a green rectangular area at the bottom. The text 'SUSTAINABILITY AT AZAL' is written in white, bold, sans-serif capital letters across the green area.

# SUSTAINABILITY AT AZAL





## OUR SUSTAINABILITY APPROACH

During the reporting periods, AZAL has continued to advance its commitment to sustainability by integrating environmentally and socially responsible practices into its operations. While AZAL does not yet have a specific ESG strategy, the Company is in the process of developing a sustainability policy designed to enhance operational efficiency. This policy will be divided into several clauses, each focusing on key areas that align with international standards. It is expected to be fully implemented in 2024, following a comprehensive review. AZAL's ongoing adherence to international frameworks underscores its dedication to excellence and sustainable growth.

### ENVIRONMENTAL



At AZAL, we are dedicated to creating a sustainable future for aviation. We aim to implement cutting-edge, energy-saving technologies and practices across our facilities to further reduce our overall energy consumption. By adopting comprehensive waste reduction and recycling programs, we seek to decrease our environmental footprint while ensuring that our operations respect and protect local ecosystems and biodiversity. Our commitment also extends to meeting and exceeding the industry's best practices for noise and air quality.

### SOCIAL



AZAL is committed to generating a positive social impact, focusing on the welfare of our employees, travelers, and the wider community. We contribute to the economic development of the regions we serve by creating jobs, supporting local businesses, and investing in community infrastructure. We partner with educational institutions to offer training programs, scholarships, and internships that help develop the next generation of aviation professionals. By supporting initiatives that provide equal opportunities for all community members, we strive to reduce social inequalities.

### GOVERNANCE



We acknowledge that our environmental and social initiatives would not be possible without strong corporate governance. We believe that good governance is at the core of ethical business conduct. Therefore, we uphold high standards for our governance, which permeate all our business operations through a trickle-down effect. We align our operations with several international standards and frameworks, including IATA, ICAO, ISAGO, FAA, EASA, and ISO. Our aim is to operate in a manner that benefits our passengers, employees, communities, and the planet, ensuring a sustainable future for all.





## FLEET MODERNIZATION

AZAL has undertaken significant investments in fleet modernization, focusing on acquiring more fuel-efficient aircraft. In 2023 the Company diversified its aircraft by purchasing Airbus 320 neo, Airbus 321 neo, and Boeing 787-8 Dreamliner which utilize approximately 15-30% less fuel per seat compared to their older aircraft models, thus this initiative has resulted in notable decrease in carbon emissions, aligning with our goal of achieving carbon neutrality by 2050. The introduction of modern aircraft models, designed for reduced fuel consumption and emissions, underscores our commitment to sustainable aviation practices.



## OPERATIONAL EFFICIENCY

We have prioritized improvements in operational efficiency through several key strategies. These include optimizing flight routes and enhancing ground operations, which collectively contribute to increased fuel efficiency. Our fleet operates at peak efficiency thanks to advanced air traffic management systems and stringent maintenance protocols, further reinforcing our sustainability efforts.



## SUSTAINABLE AVIATION FUEL (SAF)

Recognizing the critical role that SAF plays in reducing the environmental impact of the aviation industry, AZAL is actively exploring various options to incorporate SAF into its operational framework. This includes conducting research on the feasibility of SAF adoption, as well as identifying potential support mechanisms, partnerships, and technologies that can facilitate its integration, to enhance the sustainability of flight operations and reduce overall carbon footprint. The current vision of the Company regarding SAF is to acquire a comprehensive overview of its feasibility.







# OUR CONTRIBUTION TO SDGs



## GOOD HEALTH AND WELL-BEING

We value our workers and strive to create an environment where they can work hard without sacrificing their well-being. We recognize that external influences from the business culture significantly impact an individual’s motivation. Therefore, we must establish a healthy work environment in a competitive culture to ensure employee satisfaction.

To promote safety and well-being in the workplace, we conduct regular Safety Training Programs covering safety protocols, emergency procedures, and proper equipment use. We also provide appropriate Personal Protective Equipment, manufactured to UK standards. We emphasize a culture of responsibility and care by prioritizing the health, safety, and general well-being of our employees. To strengthen the friendly and productive environment within the team, we conduct team-building events and activities via different communication channels. One of these events includes the first Townhall

conducted in October where new strategy of the company was presented to the audience. This culture extends beyond our internal operations to our relationships with partners, customers, and the community at large.

We offer regular medical exams and fund sports and fitness activities to support our employees’ health. Additionally, we provide sanatorium-resort vouchers to support flight crew health. In 2023, we launched the Voluntary Medical Insurance program for all staff members.

Regarding customers, their health and well-being are not compromised and in the event of an emergency, passengers are provided with medical assistance through one of our trusted healthcare partners. By employing sustainable employee management techniques, we reduce healthcare expenses and boost overall business morale. These efforts help us achieve both operational excellence and sustainable growth.

AZAL creates ergonomic friendly working environment for Air Traffic Controllers equipping special seating chairs and working positions.







## QUALITY EDUCATION

The National Aviation Academy plays a crucial role in introducing future employees to the aviation sector and offering continuous education through programs based on global associations and standards. It is now the only higher education institution in Azerbaijan offering programs in additional, higher, and vocational education related to civil aviation. Additionally, the International Air Transport Association (IATA) has recognized the Academy as a regional training institution since 2013. The Academy is a full member of the CIS, Latvia, and Lithuania Association of Civil Aviation Educational Institutions. The quality of instruction at the Academy is verified through independent audits conducted annually, triennially, and quinquennially. Among these, IATA accredits our training facilities every year. We maintain multiple academic and quality certifications while adhering to a strict quality assurance procedure.

The goal of the Aviation Academy is to continuously enhance our teaching methods in light of emerging trends. We have a training base equipped with the latest aircraft simulators and other cutting-edge technical training tools. In addition to training youth, we offer programs

to improve employees' general and theoretical knowledge. Mandatory training sessions are a crucial component of our career development program, ensuring that employees have access to the best learning opportunities. This includes extensive training and certification for pilots of Buta Airways through our innovative Full Flight Simulators (FFS) and Flight Simulators (FS). In 2022, Azerbaijan Airlines signed an agreement with SkyArt to develop advanced emergency trainers for flight and cabin crew training.

These trainers are designed to improve emergency preparedness and ensure compliance with international safety standards. In 2023, Azerbaijan Airlines launched a significant initiative to establish the first Approved Training Organization (ATO) in Azerbaijan. This project aims to provide pilot training that meets international, European, and national standards. Partnering with Ayjet, a respected Turkish flight school, this collaboration marks a significant step in enhancing the quality and scope of aviation training available in Azerbaijan.







5 GENDER EQUALITY



## GENDER EQUALITY

Equality of opportunity is the foundation of our business model, and as a firm built on the strength of the nation's top talent, we are committed to upholding it at all times. The company is dedicated to providing equal opportunities in the workplace by ensuring fair hiring practices, promoting diversity, and creating an inclusive environment. We provide training for hiring managers to recognize and mitigate bias in the recruitment process. In addition to our commitment to eliminating gender pay differences, we strive to ensure that both men and women at AZAL have equal opportunities to develop and flourish. Consequently, the ratio of the basic salary of men to women in positions is 1.1. Additionally, AZAL engages in close partnerships with educational institutions such as the National Aviation Academy to encourage young women to pursue careers in aviation.



8 DECENT WORK AND ECONOMIC GROWTH



## DECENT WORK AND ECONOMIC GROWTH

More than 6,800 people are directly employed by AZAL, with additional employment supported indirectly through our supply chain. Our goal is to establish a fair and inclusive work environment. We are committed to creating, implementing, and refining management plans, procedures, and systems to ensure a safe working environment for all our employees. Our extensive training and development initiatives ensure our employees have the skills necessary for professional and personal growth.

In addition, AZAL generated an impressive economic value of more than AZN 1 billion AZN during the reporting period, which is 43% more than in 2021. This significant growth underscores our commitment to fostering regional economic development and promoting fair-trade principles.

We are committed to supporting the local economy by actively engaging with local suppliers. In 2022, we collaborated with a total of 627 suppliers, 354 of which were local, highlighting our efforts to bolster regional businesses and contribute to sustainable economic growth. In 2023, we increased our number of suppliers to 1017, with 618 being local and 399 internationals, further emphasizing our commitment to supporting the local economy and expanding our supplier network.





## INDUSTRY, INNOVATION AND INFRASTRUCTURE

By addressing the demand for air travel and meeting the needs of providers, users, and consumers while resolving global environmental concerns and other issues with current air transport systems, AZAL is significantly contributing to high-quality aviation infrastructure. One indicator of AZAL's dedication to improved infrastructure is the nomination of Heydar Aliyev International Airport as the world's first airport to fully transition to cloud computing, enhancing resource management, flight information displays, and database maintenance.

Additionally, within the ICAO System-wide Information Management (SWIM) framework, AZAL has leveraged Azerbaijan's Aeronautical Information Management Systems (AIM). The implementation of a Virtual ATC Tower to remotely control Gabala Airport from Heydar Aliyev International Airport, along with the established control center systems for unmanned aerial vehicles (UAVs) and remotely piloted aircraft, are noteworthy steps AZAL has taken to boost its aviation infrastructure.

It should also be emphasized that in 2022, at the Farnborough International Airshow, AZAL signed a Memorandum of Understanding with Boeing Commercial Airplanes CEO Stan Deal to acquire four new Boeing 787-8 Dreamliners to attract more tourists to the country. The delivery of these new fleets is scheduled for between 2025 and 2030.

These initiatives are followed by another significant development. On October 18, 2022, AZAL introduced a global real-time aircraft flight surveillance system in Azerbaijan's airspace using the Aireon satellite-based system, which meets the highest ATC requirements. This initiative allows AZAL to fully utilize innovative technologies and be part of global advancements in the aerospace industry.

2023 marks even more infrastructure initiatives. In April, AZAL placed an order with Airbus for 12 A320neo Family aircraft, including A320neo and A321neo models. These new A320neo Family aircraft are part of the Company's strategy to modernize its fleet, enhance fuel efficiency, and boost operational efficiency and competitiveness.







## RESPONSIBLE CONSUMPTION AND PROTECTION

In our commitment to responsible resource preservation and management, we emphasize the sustainable use of water and energy. We are dedicated to finding innovative technologies and methods for the precise monitoring of water consumption. Currently, we conduct monthly assessments of water usage and repurpose discharge water for agricultural purposes. Additionally, we aim to reduce our dependence on natural gas. By focusing on fuel efficiency in both ground and flight operations, we strive to reduce greenhouse gas emissions and promote an eco-friendly environment. We carefully measure emissions from ground transportation and airport operations. Furthermore, AZANS assesses emissions for activities within Azerbaijani airspace, including the Flight Information Region (FIR), En-route (ENR), and Landing Take-Off (LTO) phases.

AZAL's waste management protocols involve categorizing and collecting waste at each airport location, followed by determining appropriate disposal methods. We work closely with governmental bodies to comply with environmental regulations, submitting regular reports to the Ministry of Ecology. Whenever possible, materials are recycled, with waste separation units used at our facilities. Our strategy emphasizes waste reduction, reuse, and recycling.

As our excellence positively impacts the society in which we operate, we actively seek ways to enhance our contribution to the country's business ecosystem. As a result, we prioritize sourcing goods and services from local suppliers. In 2023, 61% of our suppliers were local businesses.







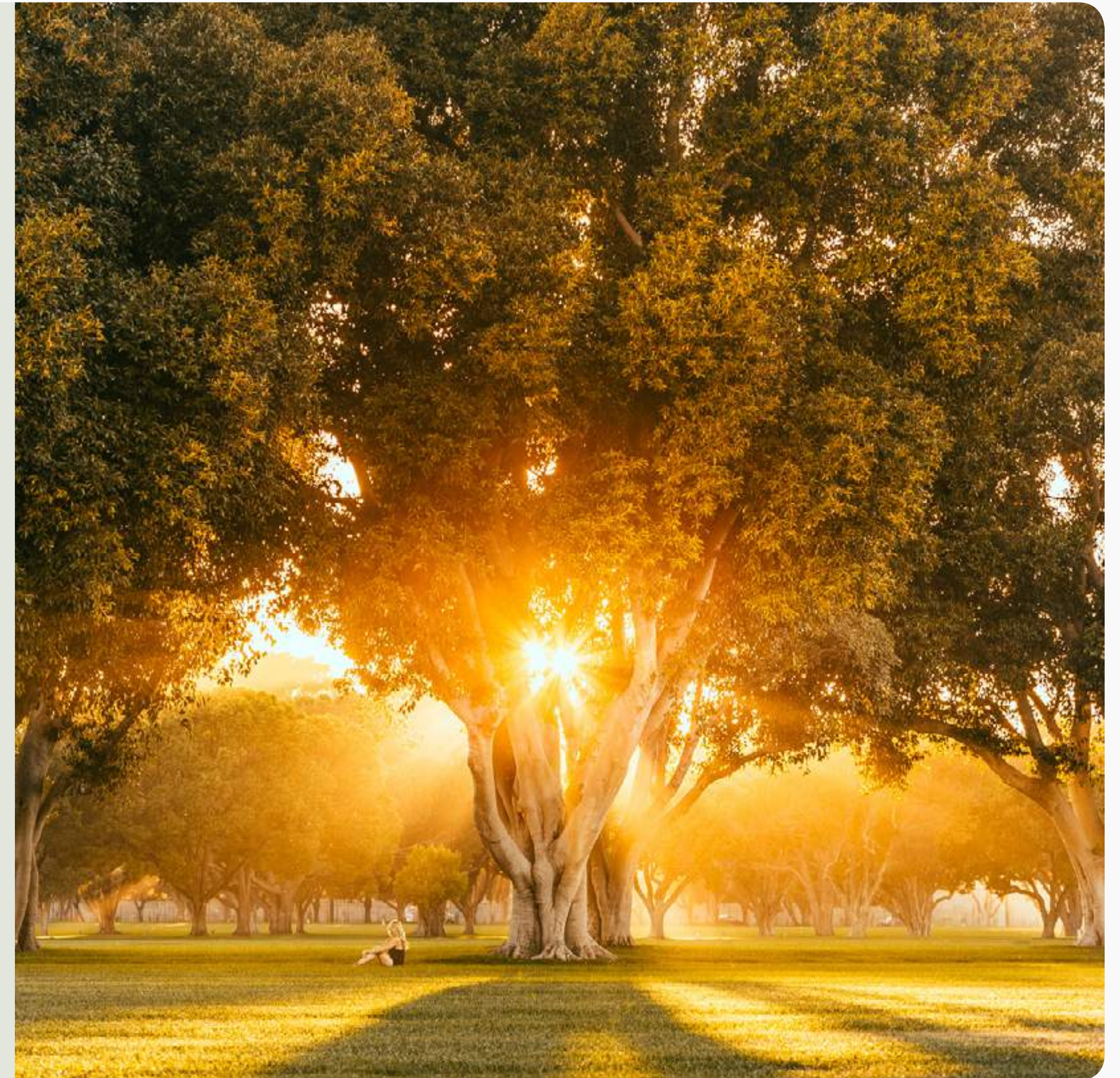
## CLIMATE ACTION

AZAL has embraced advanced technologies to minimize emissions and conserve energy. By employing the SkyBreathe carbon tracking solution, we monitor our sustainability goals related to fuel consumption, CO2 emissions, and air pollutants. This initiative improves operational efficiency and reduces our carbon footprint. As a participant in the CORSIA emissions offset program, AZAL underscores its commitment to addressing harmful emissions, making this program strategically vital for Azerbaijan's national air carrier.

Additionally, through our strategic partnership with the National Aviation Academy, we are committed to robust research and development initiatives while also investing in technological advancements across all aspects of our operations, from onboard amenities to airport services. Fleet modernization remains a top priority, with plans to expand our fleet of 26 aircraft in 2022, ensuring an average fleet age of 15 years. We prioritize air quality on every flight and place significant emphasis on the comfort and well-being of our passengers. By adopting cutting-edge technologies and upgrading our infrastructure, we demonstrate our steadfast commitment

to environmental sustainability under the Constantly Enhanced Operations and Infrastructure initiative.

Moreover, AZANS addresses aviation's environmental impact by monitoring fuel usage and conducting CO2 reduction analyses. Initiatives such as optimizing Azerbaijan's airspace and implementing direct route assignment (DCT) procedures help minimize aircraft fuel consumption and CO2 emissions. Continuous Descent Operations (CDO) and Continuous Climb Operations (CCO) further reduce emissions and fuel usage, aligning with ICAO's global aviation plan for 2030 and promoting sustainable development goals.







17 PARTNERSHIPS  
FOR THE GOALS



## PARTNERSHIPS FOR THE GOALS

AZAL plays a crucial role in fostering synergy between Azerbaijan and other nations. As an airline company, we value and rely on close partnerships and coordinated efforts in our operations. Our involvement in international government commissions has facilitated economic and partnership cooperation with more than 30 countries worldwide.

Examples of our successful partnerships during the reporting period include:

- AZAL launched new international air routes connecting China with Europe through Azerbaijani airspace.
- AZAL developed the Eurasian digital highway for the exchange of aeronautical data, with information storage centers in Budapest and Baku. We further enhanced collaboration with China by forming a successful partnership with China's Hainan Airlines. Through this collaboration, AZAL passengers can now reach 28 destinations across China via Hainan Airlines, with Beijing serving as a key connecting hub.
- AZAL and Turkey's General Directorate of State Airports (DHMI) signed an agreement to create a regional platform for coordinating air navigation safety among SOCEA service providers. This initiative aims to enhance the safety of flights between Europe and Asia.
- AZAL signed a cooperation agreement with GetJet Airlines to meet the growing demand for passenger transportation.
- The International Air Transport Association (IATA) and AZAL have started joint work on the preparation and implementation of Azerbaijan's National Airspace Strategy (NAS).
- AZAL, the Azerbaijan Tourism Board, and China Tourism Group signed a tripartite Memorandum of Understanding on strategic partnership in the field of tourism.
- A Memorandum of Cooperation was signed between AZAL and the YASHAT Foundation







# STAKEHOLDER ENGAGEMENT

At AZAL, we prioritize direct engagement with our stakeholders to deliver meaningful services, create value, and uphold our commitment to aligning business decisions with stakeholder expectations. Integral to our sustainability management, stakeholder communication ensures that we address the interests of both external partners and internal teams.

To facilitate comprehensive feedback from all stakeholder groups, we employ a variety of engagement methods, as illustrated in Table 6. This inclusive approach allows us to gather diverse perspectives and insights, fostering a dialogue that shapes our sustainable practices and operational strategies.



Stakeholder group				
 <p><b>EMPLOYEES</b></p>	 <p><b>CUSTOMERS</b></p>	 <p><b>GOVERNMENTAL BODIES</b></p>	 <p><b>SUPPLIERS, VENDORS AND CONTRACTORS</b></p>	
Engagement channels				
<ul style="list-style-type: none"> <li>• Trainings</li> <li>• Professional development programs</li> <li>• Q-Pulse</li> <li>• Team meetings</li> <li>• Feedback sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability Report</li> <li>• Engagement Survey</li> <li>• Cross-Functional Team buildings</li> <li>• High Potential Talent Programs</li> </ul>	<ul style="list-style-type: none"> <li>• Call centers</li> <li>• E-mail communication</li> <li>• Website</li> <li>• Open-days</li> <li>• External audit reports</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of recommendations and requirements</li> <li>• Timely audits</li> <li>• Training</li> <li>• Tax declarations</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• Contractor assessment</li> <li>• Daily, monthly, and post-job reports,</li> <li>• Meetings</li> <li>• On-site visits</li> <li>• Newspapers</li> <li>• E-portal</li> <li>• Sustainability Report</li> </ul>
Stakeholder group				
 <p><b>INTERNATIONAL STANDARDIZATION BODIES</b></p>	 <p><b>FINANCIAL INSTITUTIONS AND INVESTORS</b></p>	 <p><b>LOCAL COMMUNITIES AND NGOS</b></p>	 <p><b>YOUTH</b></p>	 <p><b>MEDIA</b></p>
Engagement channels				
<ul style="list-style-type: none"> <li>• Implementation of recommendations and requirements</li> <li>• Timely audits</li> <li>• Training programs</li> <li>• Advisory services</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• External audit reports</li> <li>• Sustainable development report</li> <li>• Tax declarations</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• Community development programs</li> <li>• Charity activities</li> <li>• Public event sponsorships</li> <li>• Social media</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• Internships</li> <li>• Joint initiatives with leading universities and organizations on training</li> <li>• Training and education programs</li> <li>• Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>• Press releases</li> <li>• Interviews</li> <li>• Official media platforms</li> <li>• Inflight magazines</li> <li>• Sustainability Report</li> </ul>

Table 3. AZAL's stakeholder groups and engagement amethods





## RESPONSIBLE SUPPLY CHAIN

At AZAL, our primary focus is on establishing a responsible and sustainable supply chain that aligns with our commitment to environmental stewardship and ethical principles. Our approach is designed to not only comply with regulatory requirements but also cultivate enduring partnerships with suppliers who share our values.

As of 2023, AZAL collaborates with a robust network of 1017 suppliers, including 618 local partners and 399 foreign suppliers. This diverse ecosystem supports our operational needs and contributes to local economic development and the integration of global best practices.

Our procurement processes strictly adhere to the rigorous guidelines and regulations established by aviation authorities and national procurement laws. Under the centralized leadership of our Contracts Function, which oversees procurement activities, we ensure transparency and efficiency across our operations. Tender announcements are methodically posted on the government’s electronic procurement portal (e-tender.gov.az), providing straightforward access to bidding opportunities.

According to Table 7, there is a tendency for the number of suppliers to increase, with a focus on prioritizing local suppliers, maintaining their share above 50%. The overall rise in the number of suppliers is attributed to the growing number of destinations and total flights, which necessitates additional support from the services provided by these suppliers.

Number of suppliers	2021	2022	2023
Total number of suppliers	N/A	627	1017
Number of local suppliers/contractors	N/A	273	618
Number of foreign suppliers/contractors	N/A	354	399
Share of local suppliers/contractors (%)	N/A	56%	61%

Table 4. Number and share of the suppliers

As a state-owned company, we recognize our responsibility towards the community in which we operate and are dedicated to contributing positively to both the social and economic aspects of the community. Therefore, we have always prioritized local suppliers. We carefully evaluate suppliers according to our internal regulations and maintain transparency.

AZAL is committed to building a sustainable and responsible supply chain, aligning with our dedication to environmental stewardship and ethical practices. We strive to foster strong partnerships with both local and international suppliers, supporting economic growth and best practices. Our procurement processes are guided by stringent regulations and transparency, with a focus on continuous improvement and future development in our operations and community contributions.





## OUR STRATEGIC PRIORITIES

At AZAL, our dedication to sustainability is central to our long-term strategic vision. Based on our fundamental principles of excellence, innovation, and responsibility, we have identified key areas of focus to promote long-lasting growth and enhance our impact on the aviation sector and the communities we serve. Our main strategic priorities are:

### .01 SUSTAINABLE GROWTH AND BUSINESS EXCELLENCE

At AZAL, we prioritize environmental sustainability, recognizing that the world's resources are limited. By actively investing in fuel-efficient aircraft, optimizing flight operations, and supporting the use of sustainable aviation fuels, we strive to minimize greenhouse gas emissions, including targeted efforts to reduce carbon dioxide (CO2) emissions. AZAL's commitment extends to advocating for sustainable practices in all aspects of our operations. Our objective is to lead the industry in environmental performance while ensuring the conservation of natural resources for future generations.

### .02 CUSTOMER SATISFACTION

Our strategy revolves around providing outstanding customer experiences. Our goal is to exceed passenger expectations by delivering exceptional service, implementing cutting-edge technology solutions, and continuously improving our operational efficiency.

### .03 BRAND AWARENESS

At AZAL, enhancing brand awareness is a key strategic priority. We recognize that a strong brand presence is essential for building trust and loyalty among our customers and stakeholders. To achieve this, we focus on comprehensive marketing efforts, consistent brand messaging, and exceptional service delivery.

### .04 EMPLOYEE WELL-BEING AND DEVELOPMENT

We acknowledge that our employees are our most valuable resource. We prioritize cultivating a safe, diverse, and inclusive workforce that promotes their health and well-being while offering ample opportunities for professional advancement and personal development.

### .05 CREATING LONG-TERM VALUE FOR STAKEHOLDERS

Our organization is committed to sustaining strong financial performance to ensure long-term viability and resilience. By practicing diligent financial management, making strategic investments, and adapting to market changes, we aim to create lasting value for our stakeholders and positively impact the communities we serve.

### .06 SOCIAL IMPACT

Our commitment lies in supporting the communities in which we operate. By participating in philanthropic initiatives, forming strategic partnerships, and engaging in volunteer work, we aim to contribute meaningfully. We actively engage with and support local communities through educational, health, and cultural initiatives that drive social and economic development.

By steadfastly pursuing these strategic priorities, AZAL not only maintains its leadership position but also continues to set new benchmarks for sustainable aviation, driving positive change and shaping a future where excellence and sustainability go hand in hand.





# GOVERNANCE





## OUR CORPORATE GOVERNANCE

In pursuit of a sustainable future, AZAL places a strong emphasis on robust leadership. As a Closed Joint Stock Company, AZAL, and its subsidiaries operate under a centralized governance framework. Our governance structure is anchored in principles of integrity, transparency, and reliability, guiding our efforts to achieve objectives with strict adherence to these core values.

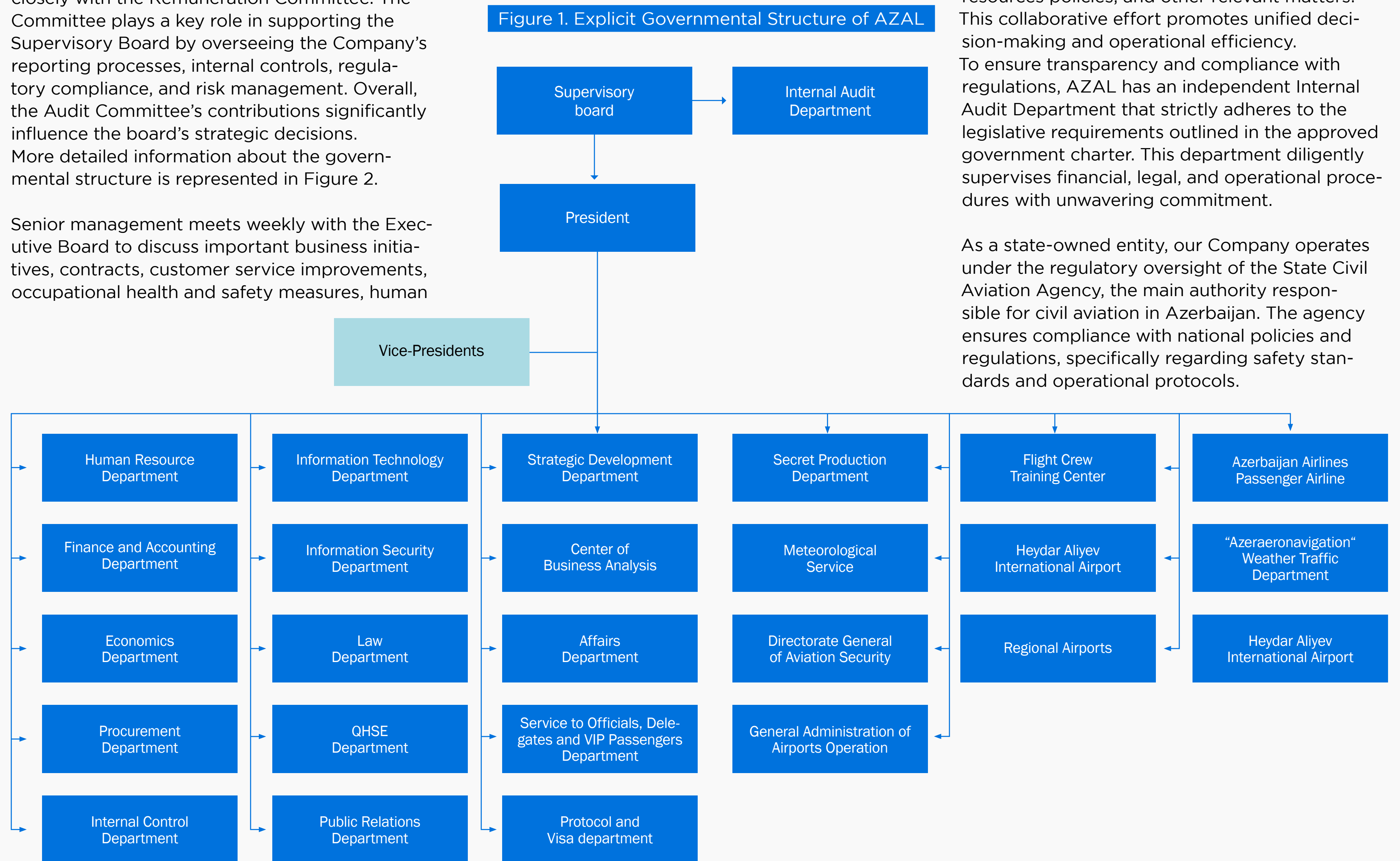
The Executive Board, led by the President and supported by Vice-Presidents, assumes responsibility for overseeing diverse operational domains within the Company. AZAL operates efficiently and effectively under the governance of its Executive Board, which, empowered by the Cabinet of Ministers, holds regular meetings in accordance with the charter's requirements. This governance model ensures thorough supervision in all aspects of our operations. Thus, AZAL has diverse departments responsible for the specification of the nature of the Company. There are crucial departments like Human Resources, Finance and Accounting, Procurement, etc. that are responsible for the smooth workflow of the Company. Departments responsible for technical parts of the operation like Aviation Security, and Azeraeronavigation are also key components of the governance structure. All the departments in AZAL report directly to the President of the Company.

Furthermore, AZAL has established an Audit Committee to ensure robust governance and provide critical oversight across key operational areas. Our Audit Committee reports directly to the Supervisory Board and collaborates

closely with the Remuneration Committee. The Committee plays a key role in supporting the Supervisory Board by overseeing the Company's reporting processes, internal controls, regulatory compliance, and risk management. Overall, the Audit Committee's contributions significantly influence the board's strategic decisions. More detailed information about the governmental structure is represented in Figure 2.

Senior management meets weekly with the Executive Board to discuss important business initiatives, contracts, customer service improvements, occupational health and safety measures, human

Figure 1. Explicit Governmental Structure of AZAL



resources policies, and other relevant matters. This collaborative effort promotes unified decision-making and operational efficiency. To ensure transparency and compliance with regulations, AZAL has an independent Internal Audit Department that strictly adheres to the legislative requirements outlined in the approved government charter. This department diligently supervises financial, legal, and operational procedures with unwavering commitment.

As a state-owned entity, our Company operates under the regulatory oversight of the State Civil Aviation Agency, the main authority responsible for civil aviation in Azerbaijan. The agency ensures compliance with national policies and regulations, specifically regarding safety standards and operational protocols.





## OUR ECONOMIC IMPACT

During the reporting period, AZAL maintained its significant economic impact, showcasing its ability to persevere and grow in a challenging global environment. Our operations not only strengthened the economic prosperity of Azerbaijan but also facilitated regional connectivity and development.

In 2022, there was a notable increase in most metrics, leading to a rise in revenue. This growth was primarily driven by an increase in the number of flights, destinations, and the frequency of flights to specific destinations. As a result, AZAL's revenue increased by 133.85%, reaching 1,149,954 thsd AZN.

The connection between revenue and the Company's operations is observed in the RPK (Revenue Passenger Kilometer) metric. RPK is a key performance indicator in the airline industry that directly correlates with an airline's revenue. By measuring the total distance traveled by paying passengers, RPK provides insight into the airline's operational efficiency and market demand. The direct correlation between RPK and revenue is demonstrated in Table 4. It is important to note that the increase in revenue is mainly driven by the rise in passengers, flights, and destinations. Additionally, it is closely related to the Company's ability to enhance operational efficiency by reducing unnecessary expenses and reallocating resources more effectively.

This approach is reflected in our fleet improvement strategy, which focuses on replacing older

Operational	2021	2022	2023
Revenue Passenger Kilometers (RPK)	1,464	3,360	4,738
Total number of passengers	1,124,632	2,243,569	2,905,457
Economic value generated	491,750	1,149,954	1,473,161

Table 5. Revenue Passenger Kilometers

aircraft that require more maintenance with newer models that have higher capacity and better fuel efficiency. These practices positively impact the Company's financial performance, and we are committed to continuing the implementation of these strategies.

## COMPLIANCE, INTEGRITY & ETHICS

The leadership at AZAL is dedicated to maintaining business integrity and adherence to compliance standards. Our operations align with local legal requirements and the highest global standards, ensuring they are planned, conducted, regulated, monitored, and controlled accordingly. Upholding these standards is crucial to realizing our vision of becoming a competitive and safe aviation company.

One of our aspirations is to maintain and enhance an inclusive culture that respects diversity and offers a workplace environment free from discrimination and harassment. Ethics is a key topic in our induction training for new

hires, encompassing issues such, as delivering top-notch services and promoting an equitable and diverse work environment. The Code of Behavior, Corporate Culture, and Corporate Manual are three documents that AZAL uses to support ethical principles and help protect the Company's integrity. These publications address acceptable conduct, workplace rules, attitudes toward work, and other pertinent subjects, ensuring that our employees follow these rules and operate in a welcoming and safe environment.

All employees of AZAL have the responsibility to abide by the Code of Behavior, Corporate Culture, and Corporate Manual that protect the Company's integrity.





To ensure the confidentiality and security of customer data, particularly during the booking process, AZAL implements security protocols that utilize advanced encryption, multi-factor authentication, and ongoing threat monitoring. Our website and mobile apps are hosted on Microsoft Azure Cloud Infrastructure, renowned for its world-class data protection capabilities. Azure's infrastructure provides robust protection against potential breaches. For more details on Azure's data privacy policies, please refer to the Azure Privacy Information.

In terms of the Passenger Service System (PSS), customer data is transmitted via web services to Amadeus, a leading system known for its high-security standards. The online applications within this system are PCI v4 compliant and support multi-factor authentication. For applications not accessible online, additional security measures include VPN tunnels and regulated access by a

Our operations align with local legal requirements and the highest global standards, ensuring they are planned, conducted, regulated, monitored, and controlled accordingly. Upholding these standards is crucial to realizing our vision of becoming a competitive and safe aviation company.

limited number of LSS administrators within the company. User access is also tiered based on specific functions performed.

Moreover, we have established several internal and external reporting channels due to our strong commitment to ethical standards. Internally, employees can electronically report issues to the relevant authorities using our Q-Pulse communication technology. We have also positioned suggestion boxes throughout our office for written concerns. Externally, we are dedicated to addressing client issues through various channels. We regularly host open days for meetings with top management, which stakeholders can sign up for, and we provide channels for clients to reach us through our social media profiles. Our call center operates 24/7 to ensure prompt resolution of client concerns. Customers can also submit complaints via email at [callcenter@azal.az](mailto:callcenter@azal.az) or through our website.

Our sustainability report underscores our dedication to transparent communication with stakeholders, reflecting our commitment to openness. Additionally, we adhere to guidelines set by esteemed aviation associations, which conduct regular audits to ensure our compliance and reinforce our transparency.







AZAL has a formal tax policy, which is currently being refined to better align with the Company’s business strategy and the evolving tax legislation. Our tax policy is closely integrated with our overall business strategy, ensuring that any tax changes with potential implications for our operations are appropriately addressed. We govern and control tax matters through a rigorous Tax Risk Review process, which forms the foundation of our strategic tax management. The Tax Manager is accountable for ensuring compliance with this framework.

Tax risks are identified, managed, and monitored through a thorough analysis of both current and future procedures. The Tax division estimates the level of risk and decides on the necessary actions to mitigate or manage these risks. Our engagement with tax authorities mainly involves remote discussions regarding the reports we submit periodically, and, when necessary, we communicate through formal letters to obtain essential information.

At AZAL, we closely evaluate changes and innovations in the State’s tax policy to determine their potential impact on our tax management. Based on this assessment, we incorporate relevant tax considerations into our strategy, ensuring that our approach remains proactive and aligned with the latest developments in tax legislation.






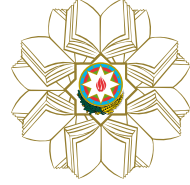





BUSINESS UNIT	AUDIT
Azerbaijan Airlines	 
AZANS	 
AZAL Academy	 
GYD Airport	
Group of structural divisions of AZAL	   

Table 6. Auditing organizations, by Business Unit





**CARE FOR  
OUR PEOPLE**





## EMPLOYEE DEVELOPMENT

AZAL demonstrates a comprehensive commitment to enhancing its workforce and employer branding through a series of strategic initiatives. These efforts not only strengthen the recruitment and onboarding processes but also align with broader goals of corporate responsibility and operational excellence.

In 2022, AZAL made a significant advancement by implementing a new Applicant Tracking System (ATS) to streamline the recruitment process. This system facilitates efficient candidate management and enhances the overall hiring experience. Additionally, the introduction of the first 'Open Career Day' event provided an innovative approach to recruitment by allowing potential candidates to engage directly with the company on-site, thereby advancing the selection and placement process.

AZAL's employer branding was notably enhanced through active participation in various career fairs and forums. This outreach not only improved AZAL's visibility as an employer but also attracted a diverse pool of talent. By refining its Employer Brand, AZAL effectively communicated its values and opportunities to potential candidates.

Special attention was given to the hiring process for key roles within the organization, such as Flight & Cabin Crew, Regional airport employees, and CAMO (Continuing Airworthiness Management Organization) Engineering personnel. This targeted approach ensures that critical positions are filled with individuals who meet the

highest standards of expertise and fit within AZAL's operational framework. For instance, specific recruitment strategies were employed for regional airport employees in Fuzuli and Zangilan, addressing unique local requirements and ensuring alignment with regional needs.

To enhance the transparency and accessibility of job opportunities, AZAL redesigned its Career page and updated its content. The new website layout and improved content offer a clearer view of available positions and the benefits of working at AZAL. Additionally, social media channels, including 'Life at AZAL,' were utilized to broadcast vacancies and provide insights into the company culture, further engaging potential candidates. An overview of the employee development practices at AZAL and their benefits is reflected in Figure 4.

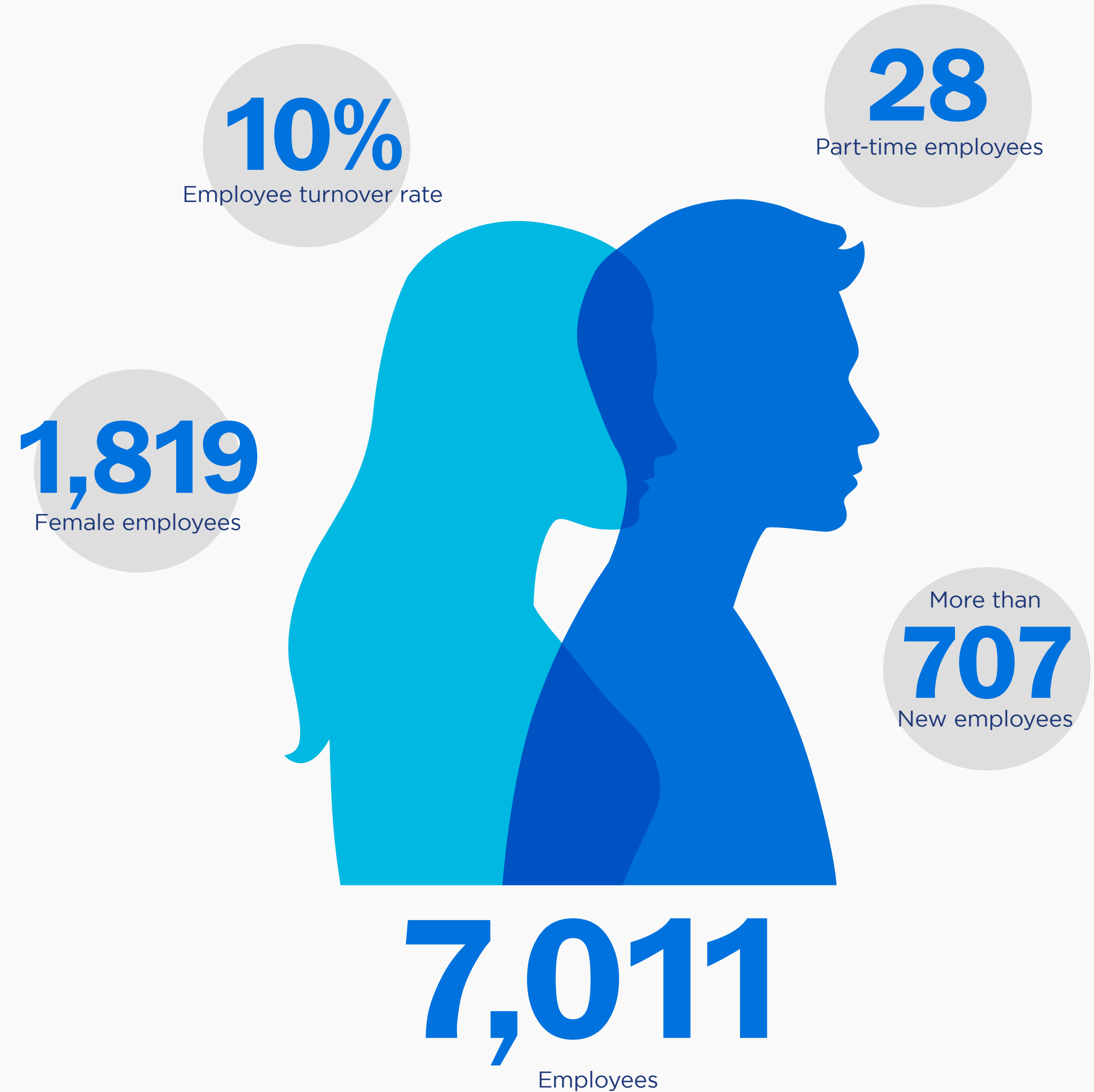


Figure 2. Employee Indicators for 2023





# OVERVIEW OF EMPLOYEE DEVELOPMENT

## IMPROVED RECRUITMENT EFFICIENCY

The implementation of the new ATS and the organization of Open Career Days streamline the recruitment process, reducing time-to-hire and improving the quality of candidate selection.

## ENHANCED EMPLOYER BRANDING

Active participation in career fairs and forums, along with a redesigned Career page, strengthens AZAL's brand image and attracts top talent.

## TARGETED TALENT ACQUISITION

Special recruitment strategies for key roles and regional staff ensure that critical positions are filled with highly qualified individuals who meet specific operational needs.

## INCREASED TRANSPARENCY

The updated Career page and enhanced social media presence increase the visibility of job opportunities and provide candidates with a clear understanding of AZAL's work environment and values.

## DIVERSE TALENT POOL

By leveraging various recruitment channels and strengthening employer branding, AZAL attracts a diverse range of candidates, contributing to a more inclusive and innovative workplace.







## AZAL ACADEMY

The National Aviation Academy, a subsidiary of AZAL, exemplifies our commitment to training highly qualified specialists in Azerbaijan's aviation industry.

Over the years, the Academy has emerged as a premier educational institution in the region, attracting both local and international experts for training. The Academy offers a range of programs in higher, vocational, and specialized professional education, primarily focused on civil aviation and other areas designated by AZAL.

To maintain our high standards of academic service, the Academy is selective about its faculty, requiring lecturers to undergo specialized training. This approach ensures that our students receive top-tier education. Within our Academy, we foster an environment that encourages innovation and critical thinking, motivating students to develop unique solutions to industry challenges.



### THE PRIMARY AREAS OF FOCUS FOR SCIENTIFIC RESEARCH CONDUCTED AT THE NAA

Operation of ground complexes, launch equipment, aircraft and their systems

Operation of air transport

Solid State Electronics, Radio Electron Components, Micro and Nanoelectronics

Remote Aerospace Research

Radio Engineering, Radio Navigation, Radar, Television Systems and Devices

System Analysis, Management And Information Processing (by fields)

Devices and methods to control the natural environment, substances, materials and products

Transportation Process Management

Navigation and Air Traffic Control

Field economy

Constitutional Law, Municipal Law

Civil Law: Business Law; Family Law; Private International Law

Figure 3. Focus areas for scientific research at the NAA





Moreover, we uphold a stringent quality assurance process, maintaining several academic quality certifications and accreditations. One of these is the IATA Institute Accreditation, which was renewed in October 2022. This accreditation signifies adherence to international training standards in the aviation sector.

Beyond its educational programs, the Academy serves as a professional training provider for AZAL’s flight crew and other airlines. Mandatory training sessions are integral to our career development system, ensuring employees have access to the highest quality learning opportunities. This includes comprehensive training and certification for pilots through our advanced Full Flight Simulators (FFS) and Flight Simulators (FS).

AZAL actively participates in international cooperation with civil aviation educational institutions worldwide as part of the National Aviation Academy’s structure. The Academy is a full member of the Association of Civil Aviation Educational Institutions of CIS, Latvia, and Lithuania. Scientific work is a core activity at the Academy, aimed at training specialists and scientific personnel in line with modern aerospace science and technology advancements. This holistic approach leverages the educational, research, and innovation potential of the Academy as a unified system.

The Academy engages in various state and international programs, grants, and competitions to further its research and innovation activities. Faculty members, scientific teams, and students are deeply involved in these efforts, contributing to the continuous improvement of education quality and scientific output. This includes practical research projects, the development of educational litera-

## TRAINING DIRECTIONS FOR AZAL ACADEMY STUDENTS

Training of pilots in flight operation of modern aircraft and helicopters

Air traffic controllers and air navigation engineers

Engineers for the design, production, testing, and operation of aerospace equipment, aircraft, and rocket engines, technical operation of aircraft and aircraft engines, avionics and control systems

Engineers for electronics, radio engineering, telecommunications, aerospace devices

Engineers for aerospace monitoring, hydrometeorology, ecology

Engineers for aerospace information technology, programming, automated flight control systems

Management of passenger and freight traffic, operation of airports, terminals, and logistics centers consisting of training specialists to ensure the transport system safety



ture, and active participation in national and international scientific communities.

## THE PRIMARY OBJECTIVES OF THE NAA’S SCIENTIFIC ACTIVITIES INCLUDE:

- Generating new knowledge and developing leading research groups in crucial science and technology fields.
- Integrating education with scientific advancements to train highly qualified specialists and pedagogical employees.

- Creating competitive high-tech products, new equipment, and materials.
- Promoting innovative activities and protecting intellectual property.
- Expanding international cooperation to integrate into the global science and education system.
- Enhancing research and development funding through extra-budgetary sources such as enterprise contracts, national and international grants, and special funds.

Through its comprehensive educational programs, rigorous quality standards, and active engagement in scientific research, the National Aviation Academy plays a pivotal role in AZAL’s sustainability strategy. By nurturing the next generation of aviation professionals and fostering a culture of innovation, the Academy ensures that we remain at the forefront of the aviation industry, contributing to the sustainable growth and development of both AZAL and the broader community.







# TRAININGS



In response to the aviation industry’s rapid evolution, driven by technological advancements and shifting political and economic landscapes, we are committed to maintaining cutting-edge skills and knowledge. Our dedication to safety and compliance motivates us to uphold the highest standards in personnel development.

In 2022, AZANS introduced a new automated air traffic control system at Zangilan International Airport, utilizing the state-of-the-art Phoenix system from DFS Aviation Services (DAS) in Germany. This advancement, successfully tested with representatives from AZANS and DAS, underscores our commitment to flight safety and infrastructure rehabilitation.

To enhance our team, we have initiated several key hiring and talent diversification efforts. These include a partnership with the National Avia-

tion Academy for the first “Summer Internship Program” and collaborations with ADA University on ‘Career Ambassadors’ and ‘ADA Employability Week’ projects. Additionally, we have launched our first Team Building event for management and airline employees.

To support ongoing employee development, we offer a range of educational tools, including mandatory training for flight crews and specialized programs for cabin crews. Our new Flight Training Center, featuring industry experts, and improvements in internal communication, such as a corporate dress code and updated HR announcements, further contribute to fostering a

robust corporate culture and ensuring that every department is equipped for success.

Our commitment to excellence is demonstrated through the implementation of advanced technologies, comprehensive training programs, and strategic partnerships with educational institutions. Initiatives such as the new Flight Training Center, internal communication channels, and Team Building events underscore our focus on fostering a strong corporate culture and supporting employee growth. These efforts ensure our workforce is equipped to meet the evolving demands of the industry and excel in a dynamic environment.







## SOCIAL BENEFITS

Investing in our employees' well-being is not just about offering benefits. It's about creating a work environment where they feel valued, supported, and empowered. When employees are healthy and satisfied with their work conditions, they are more motivated and productive.

This increased productivity directly translates into better operational efficiency, higher customer satisfaction, and ultimately, greater profitability. A motivated workforce is innovative and resilient, capable of driving the company forward even in challenging times.

Our focus on employee well-being is intricately linked to our long-term sustainability goals. By prioritizing the health, safety, and overall well-being of our workforce, we foster a culture of responsibility and care. This commitment is exemplified by the launch of our Voluntary Medical Insurance program for all team members in 2023, which enhances our ability to support employees comprehensively.

This culture extends beyond our internal operations to our interactions with customers, partners, and the broader community. Sustainable practices in employee management contribute to lowering healthcare costs and enhancing overall company morale. These factors collectively support our mission to achieve sustainable growth and operational excellence.



Employees in the Civil Aviation system with 15+ years of service receive a monthly bonus upon reaching the jubilee age



Employees may receive rewards during national holidays of Azerbaijan and Civil Aviation professional holidays



Employees holding multiple positions without compromising their primary duties can receive an additional 50% of their salary



Regular medical exams and funding for sports and fitness activities



Employees and their families get discounted airline tickets. Experienced pilots and their families receive special pricing tailored to their experience levels.



Sanatorium-resort vouchers for flight crew health



Offering short-term summer retreats in Azerbaijani recreational areas for employees and their families



Commute services to and from the workplace

Recognizing our responsibility towards communities, we actively promote social well-being through various corporate social responsibility (CSR) activities. This includes a Cooperation Agreement with Zafar Public Union for Support of Martyrs' Families, which provides air tickets to children and young people from these families to participate in international projects, along with organizing a series of educational events for them. Through a Memorandum of Cooperation with the YASHAT Foundation, we provide air tickets to facilitate the transportation of family members of martyrs and veterans for medical treatment and participation in educational initiatives.

Figure 5. Social benefits at AZAL





## DIVERSITY AND EQUAL OPPORTUNITY

As a company that thrives on the capabilities of top-tier talent nationwide, we persistently strive to uphold equal opportunities, a fundamental aspect of our business ethos. We are committed to cultivating an environment where all individuals have equal opportunities for advancement and success at AZAL.



At AZAL, we uphold a strict Non-Discrimination Policy that prohibits bias based on gender, age, disability, refugee status, race, ethnicity, or any other factors associated with marginalization. To maintain the highest level of service amid the growing number of flights and destinations, we are actively expanding and diversifying our team. By bringing in new employees from various backgrounds, we are enriching our workforce with a wide range of experiences and expertise. This

growth and diversification are highlighted in Tables 9 and 10, which show a significant increase in our number of employees.

AZAL is dedicated to fostering a healthy, inclusive, and discrimination-free environment that celebrates diversity and promotes mutual respect and development. We are committed to providing equal opportunities in the workplace through fair hiring practices, diversity promotion, and the creation of an inclusive atmosphere. To support this, we offer training for hiring managers to recognize and mitigate bias in the recruitment process.

Prioritizing the well-being and valuing the expertise of our employees, we offer alternative roles to flight and cabin crew members approaching retirement age or experiencing health concerns, allowing them to continue contributing to the company in ground-based positions. This approach attracts talented individuals from varied backgrounds and ensures that every employee can grow and thrive within the organization. Another crucial aspect of a healthy work environment is the mutual understanding and support among employees. In 2023, AZAL organized its first Team-Building event for management and airline staff. Employees from diverse backgrounds participated, allowing them to connect more deeply and enhance their teamwork and team-building skills. The implementation of diversity and equality initiatives extends beyond the Company itself and is also reflected in its CSR activities. One such activity is a 2023 agreement, through which the organization coordinates various events and projects for individuals on the autism spectrum, as well as provides air tickets to support these efforts.

Category	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
<b>Total number of employees, by gender and by category</b>	<b>5,997</b>	<b>2,204</b>	<b>5,145</b>	<b>1,745</b>	<b>5,191</b>	<b>1,820</b>
Executive	584	157	573	128	593	100
Specialist	2,172	919	1,973	834	2,046	889
Technician	409	540	747	266	729	216
Other	2,832	588	1,852	519	1,823	615

Table 7. Number of employees at AZAL, by gender and by category

Category	2021			2022			2023		
	<30	30-50	50<	<30	30-50	50<	<30	30-50	50<
Number of new employee hires, by age	119	149	45	302	173	14	401	315	31
Number of new employee turnover, by age	511	445	274	466	431	449	532	627	273

Table 8. New hires and turnover at AZAL, by age category





## SAFE AND SECURE WORKPLACE

It is important to note that creating equal opportunities is not possible without ensuring a safe environment for all employees. At AZAL, we have established effective Health, Safety, and Environment (HSE) practices to maintain a secure workplace.

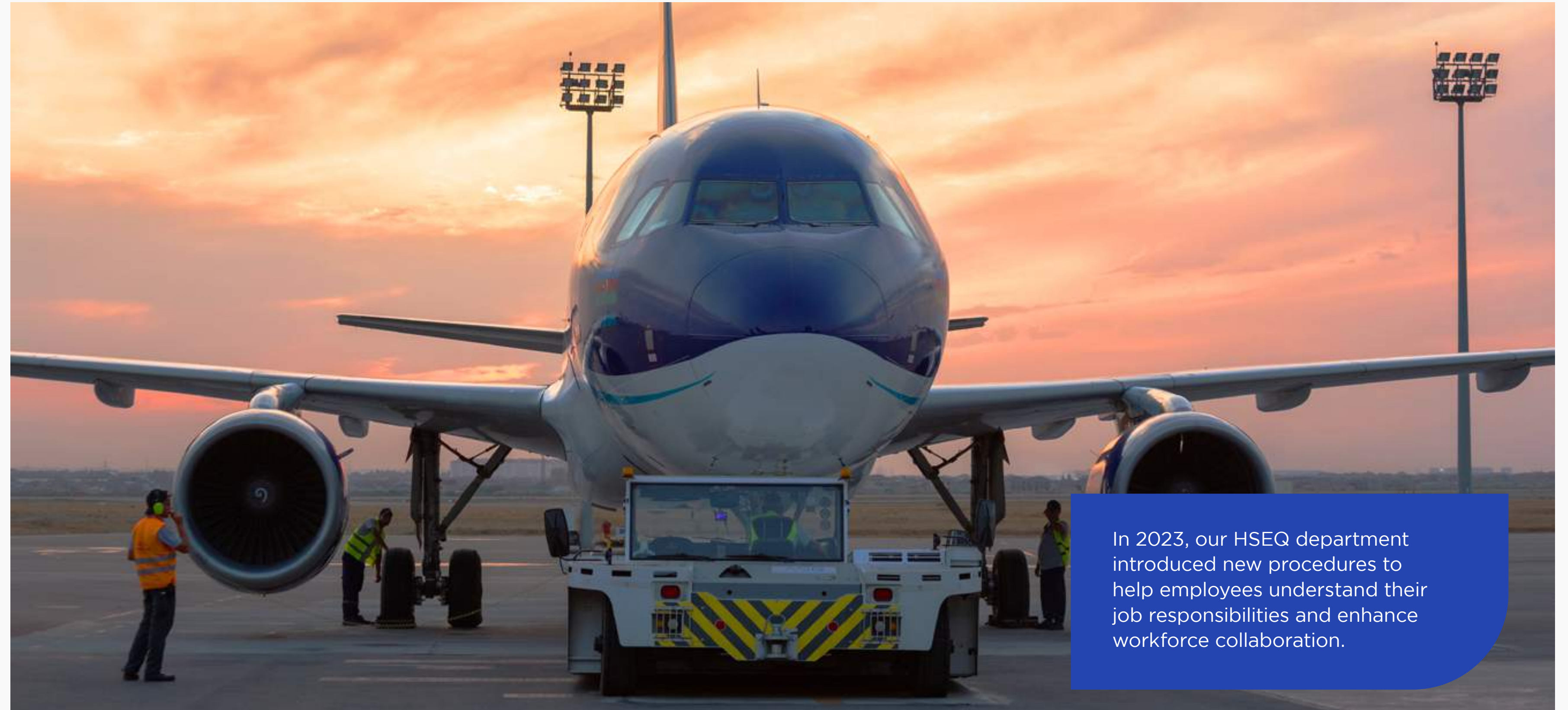
Our safety training programs include regular sessions on safety protocols, emergency procedures, and proper use of equipment. Moreover, we have developed comprehensive Health and Safety policies that comply with local and international regulations.

Personal Protective Equipment (PPE) is provided in high quality, fabricated according to UK standards, ensuring employees have access to appropriate gear such as coveralls, helmets, masks, goggles, and safety boots, with specific PPE for roles like welding. Regular health check-ups are organized at AZAL's polyclinic to monitor employees' health. We consistently identify potential hazards and assess risks in the workplace to implement necessary controls.

In 2023, our HSEQ department introduced new procedures to help employees understand their job responsibilities and enhance workforce collaboration. We conduct regular safety inspections and audits to ensure compliance with safety standards and regulations, with all findings reported to the relevant sections for follow-up until resolution. These efforts underline our commitment to fostering a safe and supportive environment, which is integral to promoting

equality and enabling every employee to reach their full potential.

Moving forward, AZAL is dedicated to creating a secure and inclusive environment where everyone has equal opportunities. By advancing our HSE initiatives and celebrating diversity, we aim to cultivate a robust and forward-thinking workforce equipped to tackle future challenges.



In 2023, our HSEQ department introduced new procedures to help employees understand their job responsibilities and enhance workforce collaboration.





**OUR  
CUSTOMERS**





At AZAL, we highly appreciate the contributions our customers make to our operations. Therefore, we are committed to providing exceptional service, ensuring safety, convenience, and satisfaction throughout their journey. Our comprehensive approach to customer experience covers various aspects:

We prioritize customer security by implementing stringent safety protocols and establishing the General Directorate of Aviation Security to adhere to national and international standards. This department handles aviation security, fire safety, emergency rescue, and more, ensuring protection across all our operations.

To support sustainable operations in the region, we are committed to maintaining Heydar Aliyev International Airport as a key hub between Europe and Asia by implementing energy-efficient technologies and providing a comfortable flight experience for all our customers.

Digitalization is a cornerstone of our service enhancement. Our online booking and e-ticketing systems offer extensive options for customizing reservations, managing bookings, and accessing comprehensive flight information. Our user-friendly mobile applications ensure accessibility and convenience for all passengers. Our AZAL-Miles loyalty program rewards frequent flyers with travel points, providing various benefits and easy tracking through our digital platforms. Additionally, our low-cost airline, Buta Airways, makes air travel affordable and accessible to a broader customer base, seamlessly integrating with our loyalty program.



## CUSTOMER SECURITY

Ensuring the safety and privacy of our customers is of utmost importance. We implement robust security measures to protect personal information and provide a secure travel experience.



## ONLINE SERVICES

Our user-friendly website and mobile app offer a wide range of online services, from booking flights to managing reservations. We strive to provide a seamless digital experience that caters to the needs of our tech-savvy customers.



## AIRPORT SUSTAINABILITY SERVICES

We are committed to operating our airports in an environmentally sustainable manner. By investing in green technologies and implementing eco-friendly practices, we aim to reduce our carbon footprint and contribute to a cleaner future.



## AZAL MILES & LOW-COST STRATEGY

Our Azal Miles loyalty program rewards frequent flyers with exclusive benefits and personalized offers, fostering long-term relationships. Meanwhile, our low-cost strategy ensures competitive fares without compromising quality, making air travel accessible and offering excellent value for money.

Figure 6. Approach to Customer Services





## CUSTOMER SECURITY

Aiming for the highest service levels, we consider customer security fundamental to all our operations, ensuring their protection throughout our activities. To enhance security measures, we have established safety protocols on the runway and created the General Directorate of Aviation Security.

This department adheres to national and international security standards to prevent unlawful interference, ensure customer safety, and maintain operational sustainability. It is responsible for complying with the State Aviation Security Program and the Aviation Security Assurance Regulations. The functions of the General Directorate of Aviation Security include:

- Aviation security services
- Security guard services
- Access and onsite control services
- Fire safety and emergency rescue services
- Civil defense
- Video surveillance in the area of civil aviation security

The establishment of the General Directorate of Aviation Security ensures that all AZAL operations are sustainable and compliant with safety requirements, continually monitored, and improved to keep potential hazards under control. We ensure the safety of our customers throughout our entire value chain, always striving to improve data security and prevent any leakage of personal information. Currently, we utilize various cybersecurity solutions to protect our systems and customer data. Our protection systems include:

### .1

#### Data Encryption

We encrypt data both in transit and at rest to ensure that information cannot be easily intercepted or accessed by unauthorized parties. This is crucial for maintaining the confidentiality and integrity of sensitive data, protecting it from potential breaches or cyberattacks.

### .2

#### Firewalls

Our use of firewalls is essential for blocking unauthorized access to our network. By monitoring incoming and outgoing traffic, firewalls act as a barrier against malicious threats, ensuring that only legitimate communications are allowed through.

### .3

#### Intrusion Detection and Prevention Systems (IDS/IPS)

We deploy IDS and IPS to continuously monitor and protect our network against malicious activities. These systems are vital for identifying and responding to potential threats in real time, thereby preventing data breaches and ensuring the integrity of our systems.

### .4

#### Role-Based Access Controls (RBAC)

Implementing RBAC ensures that only authorized personnel can access sensitive data. By restricting access based on roles, we minimize the risk of unauthorized access and potential data breaches, enhancing overall data security.

### .5

#### Multi-Factor Authentication (MFA)

MFA adds an additional layer of security by requiring multiple forms of verification before granting access. This significantly reduces the likelihood of unauthorized access, even if login credentials are compromised, thereby strengthening our security posture.

### .6

#### Regular Software and System Updates

Keeping our software and systems up to date with the latest security patches is essential for protecting against known vulnerabilities. Regular updates help prevent exploits and ensure that our defenses remain robust against emerging threats.

### .7

#### XDR Endpoint Protection Solutions

Our use of XDR endpoint protection solutions is critical for safeguarding our servers from data breaches. These solutions provide advanced threat detection and response capabilities, ensuring comprehensive protection for our endpoints.

### .8

#### Web Application Firewall (WAF) Systems

WAF systems protect our published applications from various web-based attacks. By filtering and monitoring HTTP traffic between a web application and the Internet, WAFs prevent attacks such as cross-site scripting (XSS) and SQL injection, thereby securing our web applications.

In addition to the initiatives mentioned, we are actively working on implementing Data Leakage Protection (DLP) and Database Access Management (DAM) solutions. We are also creating a special division dedicated to developing and enforcing security policies and procedures. These initiatives are crucial for safeguarding our data, enhancing compliance, and ensuring a comprehensive security framework.





# AIRPORT SUSTAINABILITY SERVICES

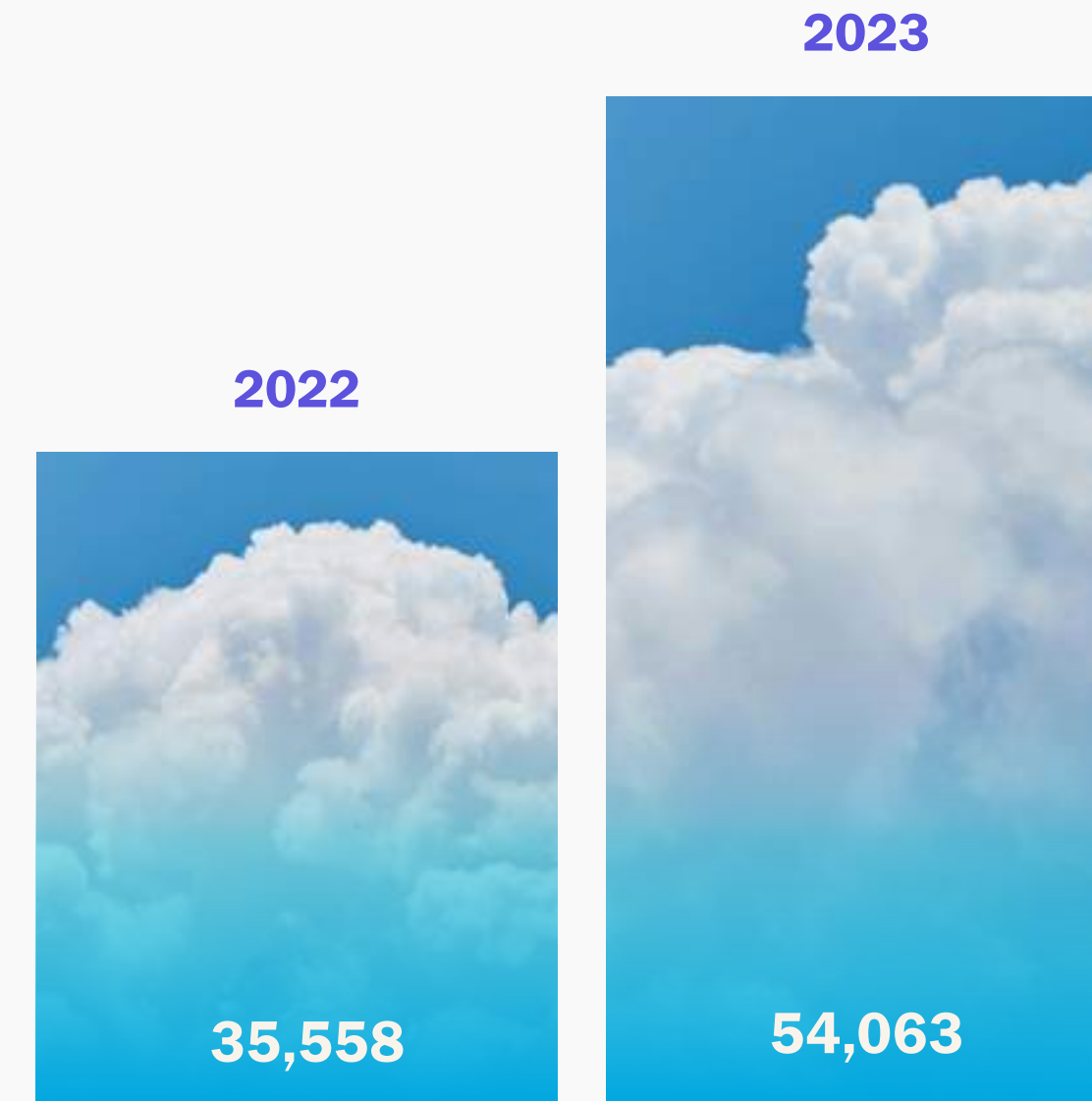
Our efforts to transform Heydar Aliyev International Airport into a more sustainable facility are motivated by the benefits it could bring not only to AZAL but also to the overall Azerbaijani airline industry and the national economy. Our goal is to elevate Azerbaijan Airlines to a global level by leveraging Azerbaijan's strategic location as a crossroads between Europe and Asia. The airport's modern infrastructure, including a spacious runway, ample capacity, and well-equipped terminals, supports this vision.

Close monitoring of geopolitical developments and the establishment of new routes will aid in this transformation. Air navigation, managed by AZANS, ensures effective air traffic control, and solidifies Azerbaijan's airspace credibility for safe and sustainable international flights. AZANS will also explore alternative airlines and routes to maximize efficiency and attract more carriers.

In our commitment to enhancing airport services and security, we have implemented several key initiatives aimed at ensuring a safe and sustainable environment for our passengers and employees. To bolster emergency preparedness, we have introduced new evacuation plans and upgraded technology for better detection of prohibited items. The implementation of a threat level assessment system allows for effective responses to potential security threats, supported by our 24/7 operational hotline, "8881," for receiving threat information.

Emphasizing our national identity, our menu features national dishes and drinks, and all meals are prepared according to ISO 22000

We have established a high-risk passenger database to enhance control and security measures, while regular training for airport employees in emergency management and security procedures ensures readiness and proficiency. Traffic management systems in front of passenger terminals have been improved to reduce risks and enhance security. We have created a specialized training center for X-ray equipment operators and placed informational materials throughout the airport to raise awareness and ensure compliance with safety rules among passengers and personnel. Enhanced cleaning and disinfection procedures in high-touch areas further contribute to a safe environment.



Total flight hours

To guarantee a comfortable and secure experience for our customers, we apply relevant principles and regulations in our onboard services. For example, to ensure safe catering, we adhere to Hazard Analysis Critical Control Point (HACCP) principles, Sanitary Code and Rules (SNIP), and Hygienic Requirements for Passenger and Crew Nutrition Safety.

Strict control over nutrition security, sanitary, and hygienic standards is maintained throughout food preparation, storage, packaging, and loading. Emphasizing our national identity, our menu features national dishes and drinks, and all meals are prepared according to ISO 22000: Food Safety Management standards using the freshest ingredients to minimize environmental impact.







Looking ahead, our ongoing projects for 2024-2025 include the GYD Master Planning Project, which will define improvement strategies for Heydar Aliyev International Airport until 2045.

To improve passenger experience, we are implementing self-check-in and bag drop services at both terminals, reducing waiting times and efficiently managing queues. We are also replacing tomographs at departure baggage screening areas to decrease screening time and enhance efficiency and reconfigure the Transfer Zone to streamline passenger handling processes. Furthermore, our sustainability efforts include installing solar panels in the airport area and implementing biometric solutions to improve passenger handling efficiency and customer satisfaction. Additionally, we are reconstructing the runway and constructing new AC parking stands to enhance the airside capacity of GYD airport, as well as increasing the number of security officers at terminals to manage the rising number of passengers and boost operational efficiency.

By leveraging our strategic location, modern infrastructure, and innovative services, we are committed to making all our airports more sustainable, ensuring that Azerbaijan continues to thrive as a key player in global aviation.



**HIGH QUALITY CATERING**



**IN FLIGHT ENTERTAINMENT**



**ENHANCED CABIN COMFORT**



Initiatives for Sustainable Development Heydar Aliyev International Airport actively implements sustainable initiatives to improve its services. The following services and amenities are provided.

- Implementation of energy-saving systems in terminals, including LED lighting and energy-efficient heating, ventilation, and air conditioning systems.
- Comprehensive waste recycling programs.
- Gradual transition to the use of electric vehicles among staff and for ground services, installation of charging stations on the airport premises.
- Expansion of green areas on the airport grounds to improve air quality.
- Travel Document Authorization System to reduce paper document usage and simplify processes for passengers and staff.

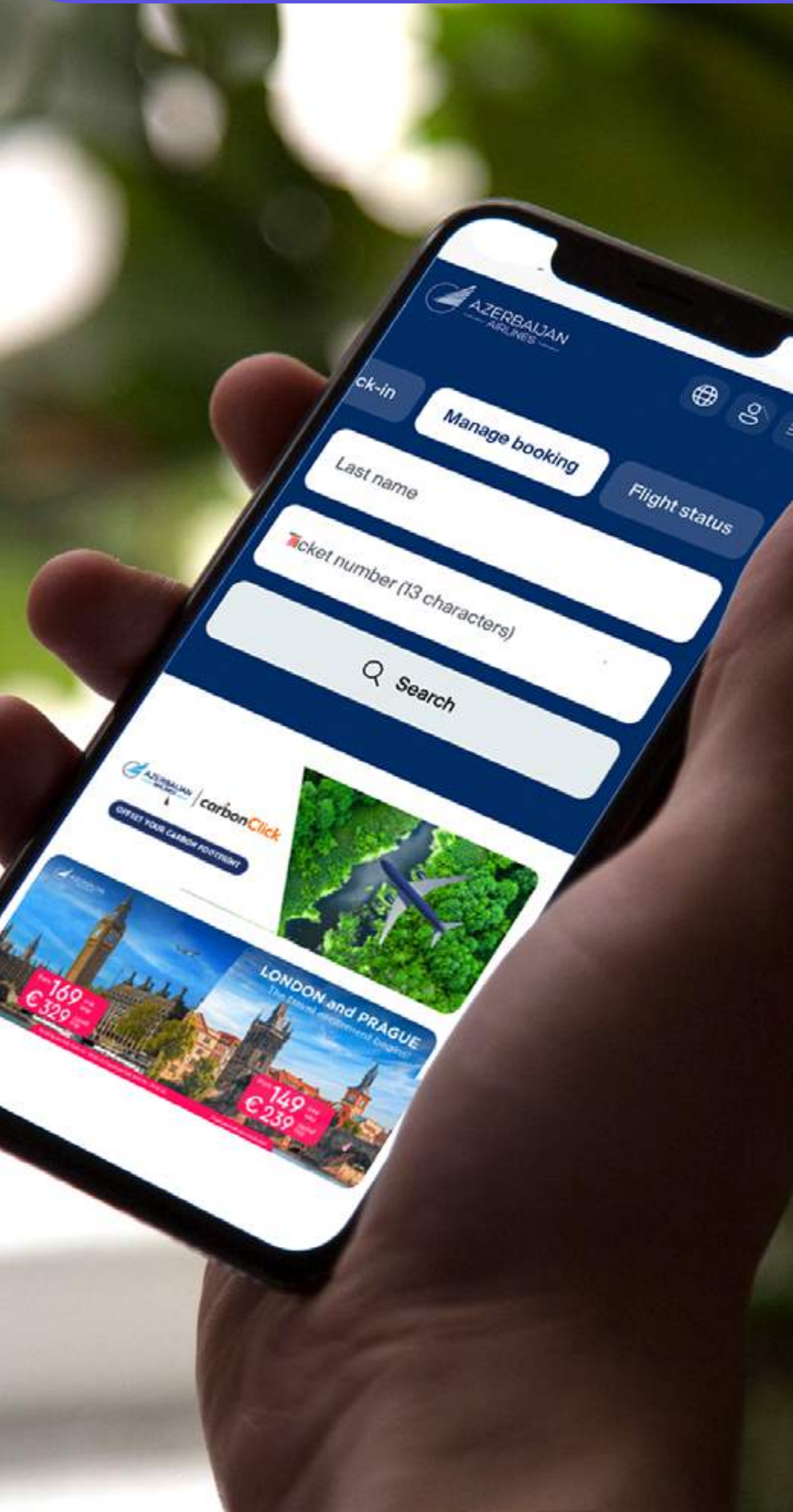


Mobility for People with Disabilities Heydar Aliyev International Airport is a fully barrier-free environment for moving around the terminal. The following services and amenities are provided.

- Accompaniment throughout the trip.
- Dedicated parking spaces in front of Terminal 1.
- Meet and assist services at transportation.
- Provision of wheelchairs and assistants for terminal and boarding gate mobility.
- Ambulatory lift for boarding aircraft.
- Expedited registration and pre-flight screening.
- Multi-functional restrooms.
- Elevators for use by people with disabilities

Figure 7. Sustainability at the airport





## DIGITALIZATION

Digitalization is crucial for maintaining a leading position in any industry, particularly in aviation. This was especially evident during and after the pandemic, when booking flights and accessing comprehensive flight information from home became essential. In response, we have prioritized digitalizing our services and made significant adjustments to facilitate this transition.

Our online booking services provide passengers with a comprehensive range of options to customize their bookings and receive essential travel updates. The e-ticketing system allows clients to purchase tickets via our website and mobile app, eliminating the need to visit sales offices.

We continually refine and expand our online platform to meet the needs of as many passengers as possible. The mobile application for Azerbaijan Airlines features an intuitive design, making it easy for anyone to book flights. The platform is accessible to users with special needs and provides alerts for schedule changes. Customers can track bookings, leave feedback, and receive services such as meal vouchers. Our customer-centric approach ensures we respond to feedback and continually improve our offerings.

Digitalizing services is not simply about keeping up with global trends. At AZAL, we understand the role of digitalization in enhancing the accessibility of our services. We remain committed to further digitalizing our existing services and introducing new ones to make aviation services more affordable and accessible to everyone.





# AZAL MILES

AZAL-Miles, launched in 2005, is Azerbaijan’s first frequent flyer program in the service sector, designed to reward our members with travel and status points. With AZAL-Miles, members can earn reward tickets on scheduled flights with Azerbaijan Airlines. Upon joining, all members are provided with the opportunity to track their membership activity through a dedicated online account created when they enroll in the program.

Our loyalty program features excellent online functionality, allowing members to easily monitor their activity through our user-friendly platform and mobile apps. Our innovative digital ticketing system ensures that our loyal customers feel appreciated and rewarded each time they travel. Beyond earning miles for flights, members also enjoy a range of benefits depending on their membership level: Classic, Gold, and Platinum statuses.



Figure 8. Azal Miles at a glance







## LOW-COST STRATEGY

The trend toward making travel more affordable and accessible to a broader segment of the population is evident in air travel. This shift is exemplified by Buta Airways, a low-cost brand that was dedicated to offer easy and accessible travel options.

Globally, there is a trend of consolidating low-cost carriers with their parent companies to improve operational efficiency, enhance global competitiveness, reduce costs, and foster opportunities for synergy and innovation. Following this trend, in October 2023, Buta Airways merged with AZAL to enhance the overall efficiency of the Company. This merger combines the strengths of both airlines, expanding travel opportunities for our passengers at affordable prices. It also ensures that our customers can plan their trips comfortably and enjoy an elevated level of service. As a result of the merger, all Buta Airways flights will be operated under the AZAL brand, maintaining current affordable prices while delivering an enhanced service experience.

As a result of the merger, all Buta Airways flights will be operated under the AZAL brand, maintaining current affordable prices while delivering an enhanced service experience.







# **ENVIRONMENTAL RESPONSIBILITY**





At AZAL, we understand that achieving sustainable development involves more than just reducing emissions; it also encompasses effective environmental management of resources and waste.

This approach is crucial because responsible environmental and resource management not only minimizes our ecological footprint but also ensures the long-term viability of our operations. By efficiently utilizing resources and implementing effective waste management strategies, we can enhance operational efficiency, reduce costs, comply with regulations, and safeguard the environment for future generations. This commitment reflects our dedication to sustainability and underscores our responsibility to balance business growth with environmental stewardship.

Addressing climate change is essential for the aviation industry. Actions taken to respond to climate change offer benefits both operationally and environmentally.

## RESPONDING TO CLIMATE CHANGE

The aviation industry contributes approximately 3% of global greenhouse gas emissions, making it one of the most challenging sectors to decarbonize. However, it is crucial for aviation companies to address climate change for several important reasons. Governments worldwide are implementing policies and regulations to reduce emissions across all industries, including aviation.

Acknowledging our environmental responsibility, we are dedicated to continuing investments in fuel efficiency and emissions-reducing technologies. These investments can provide a competitive advantage over less environmentally focused competitors, attracting both environmentally conscious customers and investors. Furthermore, the global aviation industry has collectively committed to achieving net-zero carbon emissions by 2050, a goal supported by governments. Meeting this ambitious target will require significant effort and innovation across the sector.

Addressing climate change is essential for the aviation industry. Actions taken to respond to climate change offer benefits both operationally and environmentally. For instance, increasing fuel efficiency reduces operational costs and emits fewer greenhouse gases. In the aviation industry, emissions are particularly concerning because the majority of emissions from aircraft occur at high altitudes, where they have a more potent warming effect than those at ground level due to the formation of contrails and other atmospheric interactions.

At AZAL, we are committed to upholding the highest standards of environmental responsibility. This commitment includes meticulously managing our greenhouse gas emissions and efficiently utilizing resources such as waste, water, and noise. Our goal is to minimize our ecological footprint and contribute to a more sustainable future.





## GHG EMISSIONS AND FUEL EFFICIENCY

We are dedicated to significantly reducing the carbon footprint generated by our operations, ensuring a safe planet for future generations. Our approach includes implementing rigorous monitoring of greenhouse gas emissions across all facets of our operations and undertaking proactive measures to combat climate change.

By collaborating with numerous national and international partners, we drive sustainability initiatives forward in the region. AZAL remains proactive in tracking advancements in the Global Offsetting and Reduction Scheme for International Aviation (CORSIA), which has been voluntarily adopted by 126 governments, including Azerbaijan, to achieve climate targets.

A distinguishing feature of 2022-2023 is that we successfully adapted our operations to the new routine following the pandemic, which affected all sectors globally, including aviation. On the other hand, an increase in the number of flights leads to a rise in total emissions. However, specific emissions data, which measures the number of emissions per kilometer, shows only a minor reduction. To operate sustainably while increasing efficiency, we focus on improving fuel efficiency. One of our key initiatives is the use of Airbus A320 Neo and Boeing 787-8 Dreamliner, which are designed to consume up to 20-30% percent less fuel due to advanced engine technology and extensive weight optimization throughout the aircraft. This weight optimization

involves using lighter materials and improved design techniques, which reduce overall aircraft weight and enhance fuel efficiency.

At AZAL, we are dedicated to enhancing our fuel efficiency by focusing on two main interconnected principles, which we aim to align with IATA standards: Technology & Innovation and Constantly Enhanced Operations & Infrastructure. We recognize that every kilogram of fuel saved reduces our GHG emissions and supports our economic sustainability.

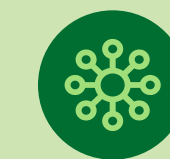
We are committed to investing in technology and innovation across all our operations, including on-board and airport services, and we support rigorous research and development through our strategic partnership with the National Aviation Academy.

In 2022 and 2023, AZAL took a strategic step to modernize its fleet by ordering new Airbus A320 neo, Airbus A321 neo, and Boeing 787-8 Dreamliner aircraft. The first three Airbus A320neo planes began operating flights in 2023. Known for their fuel efficiency and versatility, these aircraft also offer advanced features such as spacious cabins, larger overhead storage, and quieter operations.

Our commitment to fuel efficiency in both flight and ground operations positively impacts our goal of reducing GHG emissions and promoting a clean, safe environment. We calculate emissions at all our airports and ground transportation facilities. Additionally, AZANS monitors emissions in Azerbaijani airspace for FIR, ENR, and LTO operations.

	2021	2022	2023
CO <sub>2</sub> Emissions from all flights (tons)	128,669	324,878	465,336
Specific CO <sub>2</sub> Emission from all flights, tons CO <sub>2</sub> per km	0.01	0.012	0.011

Table 9. CO<sub>2</sub> total and specific emissions of flights



### CONSTANTLY ENHANCED OPERATIONS AND INFRASTRUCTURE

- Route Optimization
- Continuous Descent/Climb Operations (CDO/CCO) Azerbaijan
- New parking areas/ taxiways
- Single engine taxiing
- Reduced Vertical Separation Minima (RVSM)
- RNP/ Approach
- APU (Auxiliary Power Unit)



### TECHNOLOGY AND INNOVATION

- Fleet Modernization
- Working closely with Azerbaijan National Aviation Academy on R&D
- Extra Fuel Management

Figure 9. Our approach to fuel efficiency

	2021	2022	2023
Total fuel consumption, liter (except natural gas)	1,984,619	2,001,502	1,274,751

Table 10. Total fuel consumption, on land





# ENVIRONMENTAL MANAGEMENT SYSTEM

## Noise Management

We recognize the importance of prioritizing noise management strategies and complying with noise regulations for several critical reasons. Mitigating the community health impacts caused by excessive aircraft noise is paramount, as residents living near airports can suffer from issues like sleep disturbances if noise levels are not properly controlled. Effective noise mitigation is also essential for enabling the sustainable growth of airports and air traffic, as such growth is not feasible without considering the community affected by operations.

Therefore, we strive to minimize our noise emissions in accordance with the requirements of the FAA and Eurocontrol. Our airports adhere to the Environmental Noise Directive (END) and EU Regulations, each equipped with noise transmitters to monitor any threshold value excess. We obtain Noise Certificates for each type of engine our aircraft are equipped with, meeting national and IATA requirements. One of the most efficient tools to address noise pollution is the RNP Approach, implemented by AZANS, which produces CDO/CCO for arriving aircraft.

By implementing robust noise management practices and adhering to regulations, we aim to mitigate community impacts, enable growth, comply with standards, avoid operational constraints, and promote the development of quieter aircraft as mandated by bodies like the International Civil Aviation Organization (ICAO).



Figure 10. Our Waste Management Hierarchy

## Waste Management

Aiming to adhere to the principles of environmental sustainability, we are dedicated to preventing the generation of waste through various waste management initiatives designed to minimize the environmental impact of AZAL. Although our waste generation has increased over the past three years due to the expansion of our operations after the pandemic, we recognize the importance of reducing waste for a sustainable future. Despite the challenges, we remain committed to minimizing waste and adapting the best waste management practices to our operations. To achieve this goal, we use the waste management hierarchy, as illustrated in Figure 13, as our guideline.

Our waste management strategy prioritizes waste prevention and reduction, followed by reusing and recycling when prevention is not feasible. While developing innovative waste management solutions, we continue to maintain our current practices, such as digitalizing flight information to save paper and managing in-flight food waste according to HACCP principles.

We continuously monitor and report our waste generation, maintaining official statistical reports on waste and recyclable materials. These reports are submitted to the Ministry of Ecology and Natural Resources and subsequently to the State Statistical Committee of the Republic of Azerbaijan. Waste avoidance where possible and waste minimization where necessary is one of our top priorities in environmental sustainability.





At the same time, we ensure that all employees receive appropriate training to contribute meaningfully to our sustainability efforts. Our waste management practices involve identifying the type and source of waste, categorizing it, and collecting it accordingly at all our airports. We work closely with the government to comply with all environmental regulations, ensuring that waste management records are regularly reported and that collected waste is recycled whenever possible. All waste management procedures are conducted in accordance with governmental regulations.

AZAL actively supports environmental protection efforts in Azerbaijan through collaboration with the Ministry of Ecology and Natural Resources. This partnership encompasses various initiatives focused on promoting sustainability and raising environmental awareness, including tree planting campaigns, beach cleanups, and used battery collection programs. These efforts not only help preserve natural resources but also encourage community engagement and responsibility towards the environment, showcasing AZAL's commitment to sustainability and a healthier ecosystem for future generations. In addition to government collaboration, AZAL also works with the private sector on projects such as reprocessing paper waste to further contribute to environmental protection.



**Energy & Water Consumption**

Our commitment to environmental sustainability extends beyond merely monitoring and controlling the outputs of our operations. It also includes the sustainable use of resources in all our activities. We adhere to four principles to ensure responsible resource management.

We consider the sustainable consumption of water and energy to be critically important for resource preservation and responsible use. To minimize irrigation water use, we employ drip and sprinkler irrigation systems. Additionally, we are dedicated to continually exploring new tools and methods to ensure precise monitoring of our water usage.

In our efforts to enhance energy efficiency, we have implemented new LED lamps and air conditioners with minimal energy consumption. These initiatives reflect our ongoing commitment to responsible resource management and environmental sustainability.

**TOTAL WASTE GENERATED**

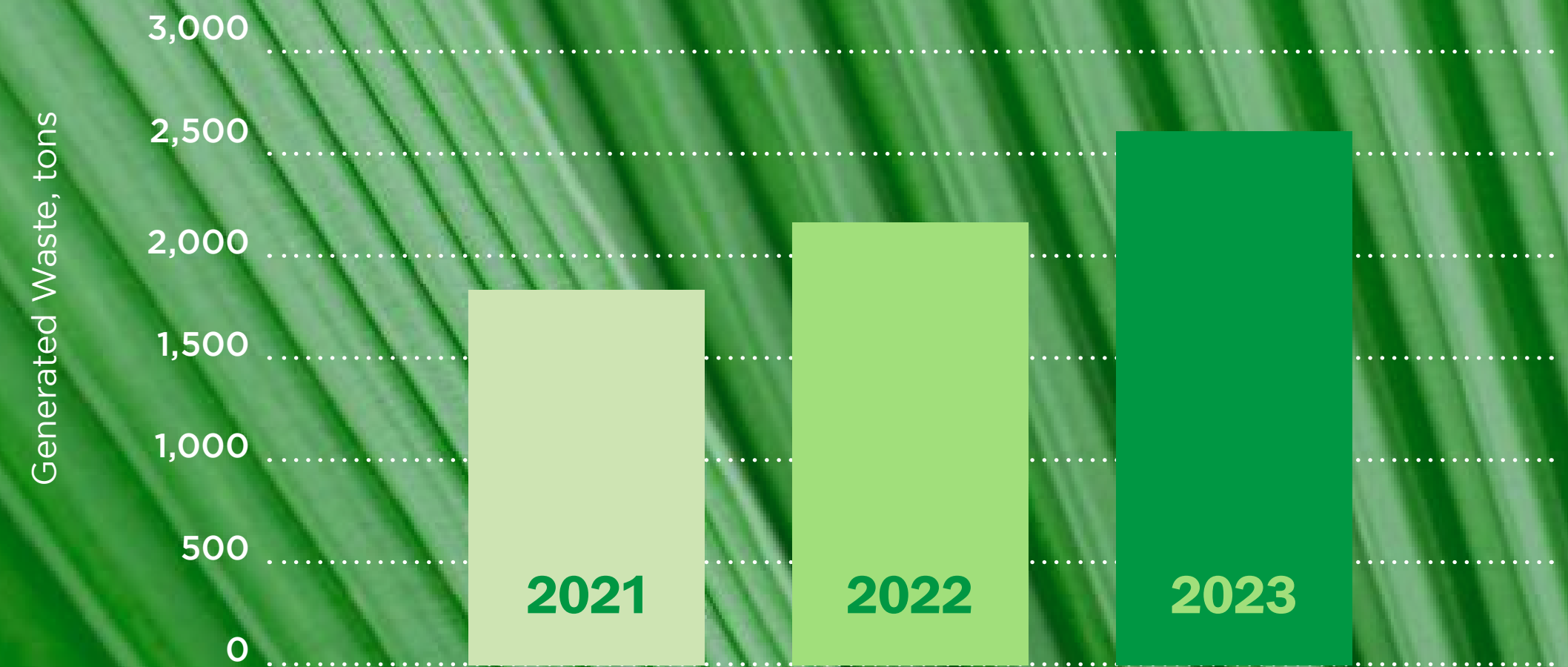


Figure 11. Generated Waste

	2021	2022	2023
Total waste generated, tons	1,855	2,094	2,590

Table 11. Generated Waste

	2021	2022	2023
Total water withdrawal, m <sup>3</sup>	615,190	619,399	762,147

Table 12. Water Withdrawal





## CONCLUSION

In closing this Sustainability Report for 2022-2023, AZAL reaffirms its commitment to transparency, accountability, and sustainable development. This report provides a thorough overview of our activities and progress throughout the reporting period, focusing on our accomplishments, challenges, and ongoing projects related to ESG aspects. AZAL has made substantial progress in advancing our sustainability agenda.

We are currently intensifying our efforts to reduce our environmental impact, improve operational efficiency, and foster a workplace culture that values diversity, equity, and inclusion. Our initiatives in community involvement and corporate governance demonstrate our commitment to ethical business practices and stakeholder engagement.

Looking to the future, AZAL remains dedicated to being a role model in the aviation sector, setting standards for sustainability, and inspiring others to join us in this endeavor. We are confident that our collective efforts will pave the way toward a more sustainable and resilient future.

We extend our appreciation to our stakeholders, partners, and employees for their steadfast support and dedication to our shared sustainability goals. Together, we will continue to innovate, adapt to changes, and strive for a more promising and environmentally friendly future.







## PERFORMANCE TABLES

Operational	2021	2022	2023
Total number of all flights	9,139	18,363	26,266
Total flight hours	17,536	35,558	54,063
Total km-s flown (distance flown)	12,838,870	27,833,932	42,425,153
Available seat kilometers (ASK)	1,836	4,252.00	6,396
Passenger load factor	86%	79%	74%
Total number of destinations	28	31	58
Total number of aircraft movements	80,880	169,181	236,668
Total number of airspace users, airlines	123	158	177
Number of arriving to the Azerbaijani airports airspace users (airlines)	53	56	69
Revenue per available seat kilometers (RASK)	0.11	0.15	0.14
Costs per available seat kilometers (CASK)	0.09	0.14	0.12
Revenue passenger kilometers (RPK)	1,464	3,360	4,738

Operational	2021	2022	2023
Total number of aircraft	26	26	29
Terminal Maneuvering Areas (TMA)	8	8	8
Total number of airports	8	8	8
Airport customers	2,290,530 (GYD)	4,384,500	5,765,000
Total number of representative offices	N/A	14	14
Total number of passengers	1,124,632	2,243,569	2,905,457
Number of departures	8,668	17,831	24,665
The average age of the fleet	15	13	12

Financial Indicators (AZN)	2021	2022	2023
Economic value generated, thousands AZN	491,750	1,149,954	1,473,161





Procurement Indicators	2021	2022	2023
Total number of suppliers	N/A	627	1017
Number of local suppliers/contractors	N/A	354	618
Number of foreign suppliers/contractors	N/A	273	399
Share of local suppliers/contractors (%)	78%	56%	61%

Turnover indicators	2021	2022	2023
Total number of employees	8201	6892	7011
Total number of employees, male	5997	5146	5192
Total number of employees, female	2204	1746	1819
Number of employee turnover	313	931	1405
Number of hired employees	1230	477	707
Employee turnover rate	12%	13%	10%

Employee indicators, by age	2021			2022			2023		
	<30	30-50	50<	<30	30-50	50<	<30	30-50	50<
Number of new employee hires	119	149	45	302	173	14	401	315	31
Number of employee turnover	511	445	274	466	431	449	532	627	273

Turnover indicators, by gender	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Number of employee turnover	855	375	937	370	940	465
Number of hired employees	254	59	346	591	455	252
Employee turnover rate, by gender	14%	16%	13%	13%	9%	12%

Category	2021			2022			2023		
	<30	30-50	50<	<30	30-50	50<	<30	30-50	50<
Number of people with disabilities, by age	0	21	21	3	36	128	14	3	8
Number of internally displaced people	116	134	64	17	78	17	17	78	17





Total number of employees, by gender	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total number of employees by employment contract	5997	2204	5145	1745	5191	1820
Part-time employees	27	14	24	9	21	7
Full-time employees	5,970	2,190	5121	1736	5170	1813
Total number of employees by employment type	5,997	2,204	5146	1746	5192	1819
Permanent employees	5,745	2,049	5079	1676	4745	1527
Temporary employees	252	155	67	70	447	292
Total number of employees by employment position	5997	2204	5145	1747	5191	1820
Executive	584	157	573	128	593	100
Specialist	2,172	919	1973	834	2046	889
Technician	409	540	747	266	729	216
Other	2,832	588	1852	519	1823	615

Compensation indicators, by gender	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Ratio of standard entry level wage compared to local minimum wage, by gender	1.36	1.36	1.2	1.2	1.2	1.2
Ratio of the basic salary of men to women	1.1		1.1		1.1	

Parental leave indicators, by gender	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total number of employees that were entitled to parental leave	0	252	0	295	0	353
Total number of employees that took parental leave	0	107	0	168	0	219
Total number of employees that returned to work in the reporting period after parental leave ended	0	35	0	78	0	83
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	20	0	48	0	50
Return to work rate of employees that took parental leave, by gender	0	32.7	0	46%	0	38%
Retention rate of employees that took parental leave, by gender	0	57	0	62%	0	60%





Employee indicators, by age and by vulnerable groups	2021			2022			2023		
	<30	30-50	50<	<30	30-50	50<	<30	30-50	50<
People with disabilities	0	21	21	3	36	128	4	3	8
Internally displaced people	116	134	64	17	78	17	17	78	17

Number of employees by vulnerable groups	2021	2022	2023
Total number of employees, by vulnerable groups	356	279	127
People with disabilities	42	167	15
Internally displaced people	314	112	112

General indicators	2021	2022	2023
Percentage of senior management hired from the local community	100%	100%	100%

Diversity of governance bodies and employees	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total number of individuals within the governance bodies, by gender	5	1	6	0	4	0

Customer Satisfaction	2022	2023
Number of customer complaints	2418	2654
Number & Percentage of customer complaints resolved (%)	87.42%	95%

## ENVIRONMENT

Emission indicators	2021	2022	2023
CO2 emissions from all flights (ton)	128,669.00	324878.1	465336
Specific direct CO2 emissions from all flights, per km	0.01	0.012	0.011

Fuel consumption indicators	2021	2022	2023
Total fuel consumption, liter (except natural gas)	1,984,619	2,001,502	1,274,751
Fuel consumption on land, liter (gasoline)	1,686,461	1,252,784	738,809
Fuel consumption on land, liter (diesel)	29,793.21	725,244	530,875
Fuel consumption on generators, liter (diesel)	268,365	23474.55	5067.6
Fuel consumption on boiler room, m <sup>3</sup> (natural gas)	5472991	5334818	5264458

Waste indicators	2021	2022	2023
Total waste generated, tons	1,855	2095	2590

Water indicators	2021	2022	2023
Total waste generated, tons	1,855	2095	2590





## GRI TABLE

	Disclosure	Status	Location / Comment
	<b>General disclosures</b>		
GRI 2: General Disclosures 2022	2-1 Organizational details	Disclosed	Scope and Methodology
	2-2 Entities included in the organization's sustainability reporting	Disclosed	Scope and Methodology
	2-3 Reporting period, frequency and contact point	Disclosed	Scope and Methodology
	2-4 Restatements of information	Disclosed	Throughout the Report
	2-5 External assurance	Disclosed	Independent Assurance Statement
	2-6 Activities, value chain and other business relationships	Disclosed	Governance
	2-7 Employees	Disclosed	Responsible Supply Chain
	2-8 Workers who are not employees	Partially disclosed	Care for our people

GRI 2: General Disclosures 2022	2-9 Governance structure and composition	Disclosed	Our corporate governance
	2-10 Nomination and selection of the highest governance body	Not Disclosed	
	2-11 Chair of the highest governance body	Disclosed	Our Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Partially disclosed	Our Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Partially disclosed	Our Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	Partially disclosed	Governance
	2-15 Conflicts of interest	Partially disclosed	Stakeholder Engagement
	2-16 Communication of critical concerns	Disclosed	Stakeholder Engagement
	2-17 Collective knowledge of the highest governance body	Partially Disclosed	Our Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	Not Disclosed	
	2-19 Remuneration policies	Not Disclosed	





GRI 2: General Disclosures 2022	2-20 Process to determine remuneration	Not Disclosed	
	2-21 Annual total compensation ratio	Not Disclosed	
	2-22 Statement on sustainable development strategy	Disclosed	Letter of the CEO
	2-23 Policy commitments	Disclosed	Throughout the Report
	2-24 Embedding policy commitments	Disclosed	Throughout the Report
	2-25 Processes to remediate negative impacts	Not Disclosed	
	2-26 Mechanisms for seeking advice and raising concerns	Not Disclosed	
	2-27 Compliance with laws and regulations	Disclosed	Throughout the Report
	2-28 Membership associations	Disclosed	Throughout the Report
	2-29 Approach to stakeholder engagement	Disclosed	Stakeholder Engagement
	2-30 Collective bargaining agreements	Not Disclosed	
	<b>Material topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Disclosed	Materiality Analysis
	3-2 List of material topics	Disclosed	Materiality Analysis

<b>Economic performance</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosed	Materiality Analysis
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Disclosed	Our Economic Impact
	201-2 Financial implications and other risks and opportunities due to climate change	Partially disclosed	Our Sustainability approach Our Contribution to SDG Environmental Responsibility
	201-3 Defined benefit plan obligations and other retirement plans	Not Disclosed	
	201-4 Financial assistance received from government	Not Disclosed	
<b>Market presence</b>			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Disclosed	Performance Tables
	202-2 Proportion of senior management hired from the local community	Disclosed	Performance Tables
<b>Indirect economic impacts</b>			
GRI 203: Indirect Economic Impacts 2016 CR	203-1 Infrastructure investments and services supported	Disclosed	Sustainability at AZAL
	203-2 Significant indirect economic impacts	Partially Disclosed	Sustainability at AZAL





Procurement practices			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Disclosed	Responsible Supply Chain Performance Tables
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Not Disclosed	
	205-2 Communication and training about anti-corruption policies and procedures	Not Disclosed	
	205-3 Confirmed incidents of corruption and actions taken	Disclosed	No such incidents have been recorded.
Anti-competitive behavior			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Disclosed	No such anti-competitive behavior related incidents occurred during reporting.
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	Disclosed	Compliance, Integrity & Ethics
	207-2 Tax governance, control, and risk management	Disclosed	Compliance, Integrity & Ethics
	207-3 Stakeholder engagement and management of concerns related to tax	Partially disclosed	Compliance, Integrity & Ethics
	207-4 Country-by-country reporting	Not Disclosed	

Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	N/A	
	301-2 Recycled input materials used	Not Disclosed	
	301-3 Reclaimed products and their packaging materials	Not Disclosed	
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Partially Disclosed	Performance tables
	302-2 Energy consumption outside of the organization	Not Disclosed	
	302-3 Energy intensity	Not Disclosed	
	302-4 Reduction of energy consumption	Partially disclosed	GHG Emissions & Fuel Efficiency
	302-5 Reductions in energy requirements of products and services	Not Disclosed	
Water and effluents			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Partially Disclosed	Energy & Water Consumption
	303-2 Management of water discharge-related impacts	Not Disclosed	
	303-3 Water withdrawal	Disclosed	Energy & Water Consumption





Water and effluents			
GRI 303: Water and Effluents 2018	303-4 Water discharge	Not Disclosed	
	303-5 Water consumption	Not Disclosed	
Biodiversity			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Disclosed	
	304-2 Significant impacts of activities, products and services on biodiversity	Disclosed	Environmental Responsibility
	304-3 Habitats protected or restored	Not Disclosed	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Disclosed	
Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Disclosed	Performance tables GHG Emissions & Fuel Efficiency
	305-2 Energy indirect (Scope 2) GHG emissions	Not Disclosed	

Emissions			
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Not Disclosed	
	305-4 GHG emissions intensity	Disclosed	Performance tables GHG Emissions & Fuel Efficiency
	305-5 Reduction of GHG emissions	Disclosed	GHG Emissions & Fuel Efficiency
	305-6 Emissions of ozone-depleting substances (ODS)	Not Disclosed	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Disclosed	
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Partially Disclosed	Waste Management
	306-2 Management of significant waste-related impacts	Disclosed	Waste Management
	306-3 Waste generated	Disclosed	Waste Management
	306-4 Waste diverted from disposal	Not Disclosed	
	306-5 Waste directed to disposal	Not Disclosed	





Supplier environmental assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not Disclosed	
	308-2 Negative environmental impacts in the supply chain and actions taken	Not Disclosed	
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Disclosed	Care for our People
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	Care for our People
	401-3 Parental leave	Disclosed	Care for our People
Labor/management relations			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not Disclosed	
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Disclosed	Safe & Secure Workplace
	403-2 Hazard identification, risk assessment, and incident investigation	Disclosed	Safe & Secure Workplace

Occupational health and safety				
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Disclosed	Safe & Secure Workplace	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Partially Disclosed	Safe & Secure Workplace	
	403-5 Worker training on occupational health and safety	Disclosed	Safe & Secure Workplace	
	403-6 Promotion of worker health	Disclosed	Social Benefits Safe & Secure Workplace	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosed	Safe & Secure Workplace	
	403-8 Workers covered by an occupational health and safety management system	Disclosed	Social Benefits Safe & Secure Workplace	
	403-9 Work-related injuries	Not Disclosed		
	403-10 Work-related ill health	Not Disclosed		
	Training and education			
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Not Disclosed	
404-2 Programs for upgrading employee skills and transition assistance programs		Disclosed	Care for our people	





Training and education			
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Not Disclosed	
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Disclosed	Diversity and equal opportunity
	405-2 Ratio of basic salary and remuneration of women to men	Disclosed	Performance Tables
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Disclosed	No such incidents occurred during the reporting period
Freedom of association and collective bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Disclosed	No such operations have been identified during the reporting period.
Child labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Disclosed	No such operations have been identified during the reporting period.

Forced or compulsory labor			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Disclosed	No such operations have been identified during the reporting period.
Security practices			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not Disclosed	
Rights of indigenous peoples			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Disclosed	No such incidents have been reported.
Local communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Disclosed	Throughout the report
	413-2 Operations with significant actual and potential negative impacts on local communities	Disclosed	No such operation has been identified.





Supplier social assessment			
GRI 414: Supplier Social Assessment 2016	404-3 Percentage of employees receiving regular performance and career development reviews	Not Disclosed	
	414-2 Negative social impacts in the supply chain and actions taken	Not Disclosed	
Public policy			
GRI 415: Public Policy 2016	415-1 Political contributions	Not Disclosed	
Customer health and safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not Disclosed	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	No such incidents have been reported during the reporting year.
Marketing and labeling			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not Disclosed	

GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Disclosed	No such incidents have been recorded during the reporting year.
	417-3 Incidents of non-compliance concerning marketing communications	Disclosed	No such incidents have been recorded during the reporting year.
Customer privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Disclosed	





## CONTACT INFO

Please reach out to the following person if you have any recommendations or questions about the report

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