



# Annual Sustainability Report **2023**







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**1**

**Message  
from the CEO**

# Message from the CEO:

"As Azerbaijan's leading telecommunications company, Azerconnect Group has a distinguished history of success. Over the years, we have regarded the cultivation of reliable partnerships as a cornerstone of our sustainable development journey. By integrating global best practices into our operations, we have achieved substantial success across various domains.

At Azerconnect Group, we prioritize the personal and professional growth of our employees. We regularly implement diverse projects, training programs, and events aimed at supporting this objective. Our hybrid work model, which offers flexibility and freedom, has enhanced our company's performance while helping our employees maintain a healthy work-life balance. The designation of Azerconnect Group as Azerbaijan's Top Employer in 2023 by the Top Employers Institute stands as a clear validation of our successful trajectory.

We are deeply committed to the United Nations' Sustainable Development Goals (SDGs) as we believe they are essential for ensuring long-term prosperity and sustainable development in our society. Therefore, the progress we have made in response to global challenges is not at the expense of the future, but rather in service of it, forming the foundation of our business practices. By aligning with the UN's SDGs, we undertake projects that deliver tangible and measurable results.

Our vision is to become a leading digital powerhouse in Azerbaijan and the broader region through the advancement of innovation and accessibility, leveraging our market position. We envision a future where every individual and business can harness digital technologies to reach their full potential and contribute to a knowledge-based economy."



***Emil Masimov,***  
*Chief Executive Officer of*  
*Azerconnect Group*

# 2

## Report overview

2.1 Report profile

2.2 Stakeholder Engagement

2.3 Materiality Analysis



# Report Overview

## Report profile

At Azerconnect Group, our commitment to sustainability is deeply embedded in our business philosophy and operational framework. This second Annual Sustainability Report aims to emphasize our notable achievements in integrating sustainability practices across our organization, highlighting our continued commitment to a sustainable future. The report has been diligently compiled to showcase our endeavors in promoting a conscientious and enduring business environment, targeting a wide range of stakeholders including our esteemed clientele, workforce, corporate affiliates, legislators, experts, non-governmental organizations, and the public.

Our report has been written in accordance with the UN Sustainable Development Goals (UN SDGs) and Global Reporting Initiative (GRI) standards. By implementing this method, we can ensure that our sustainability initiatives will yield tangible and measurable outcomes. This approach involves addressing issues that are important to our stakeholders, aligning with the impact of our Company's actions, and supporting our overall Company goals. Furthermore, this report is structured according to the principle of materiality, which helps to highlight the most important information for our stakeholders and the long-term viability of our business.

The reporting period covers the year of 2023 from January 1st to December 31st, and it provides insights into important sustainability activities that show our accomplishments and our dedication to sustainable practices in the long run. Providing a clear and thorough overview of our sustainability impact and progress, the quantitative data focuses on Azerconnect Group's performance for the year 2023.

We have engaged a third-party assurance firm to conduct a limited assurance of the sustainability indicators emphasized on page XX of this report to guarantee the accuracy, transparency, and reliability of our reporting. This critical evaluation further underscores our commitment to providing reliable and credible disclosure.

The report is publicly available on our website in both English and Azerbaijani languages to ensure convenient access and active involvement of our stakeholders. Azerconnect Group underlines its dedication to being at the forefront of sustainability, emphasizing its significance to our corporate principles and our objective of creating a beneficial influence on both our community and the environment.

## Stakeholder engagement

Azerconnect Group is dedicated to fostering robust, trust-based relationships with all our stakeholders, recognizing the critical interplay between our Environmental, Social, and Governance (ESG) performance and its influence on our corporate value. In this context, transparency and open, candid communication form the cornerstone of our stakeholder engagement strategy.

Our approach to stakeholder engagement is dynamic and responsive, underpinned by both formal and informal interactions that allow us to capture and integrate feedback into our strategic, goal-oriented planning processes. These engagements, especially on ESG matters, are pivotal in aligning our operations with stakeholder expectations and enhancing our sustainability practices. In 2023, Azerconnect Group intensified its efforts to engage with its stakeholders, leveraging a variety of communication channels tailored to the unique needs and expectations of each group. This comprehensive engagement strategy is depicted in Figure 1, which outlines our stakeholders, their expectations, and the multifaceted channels through which we communicate.

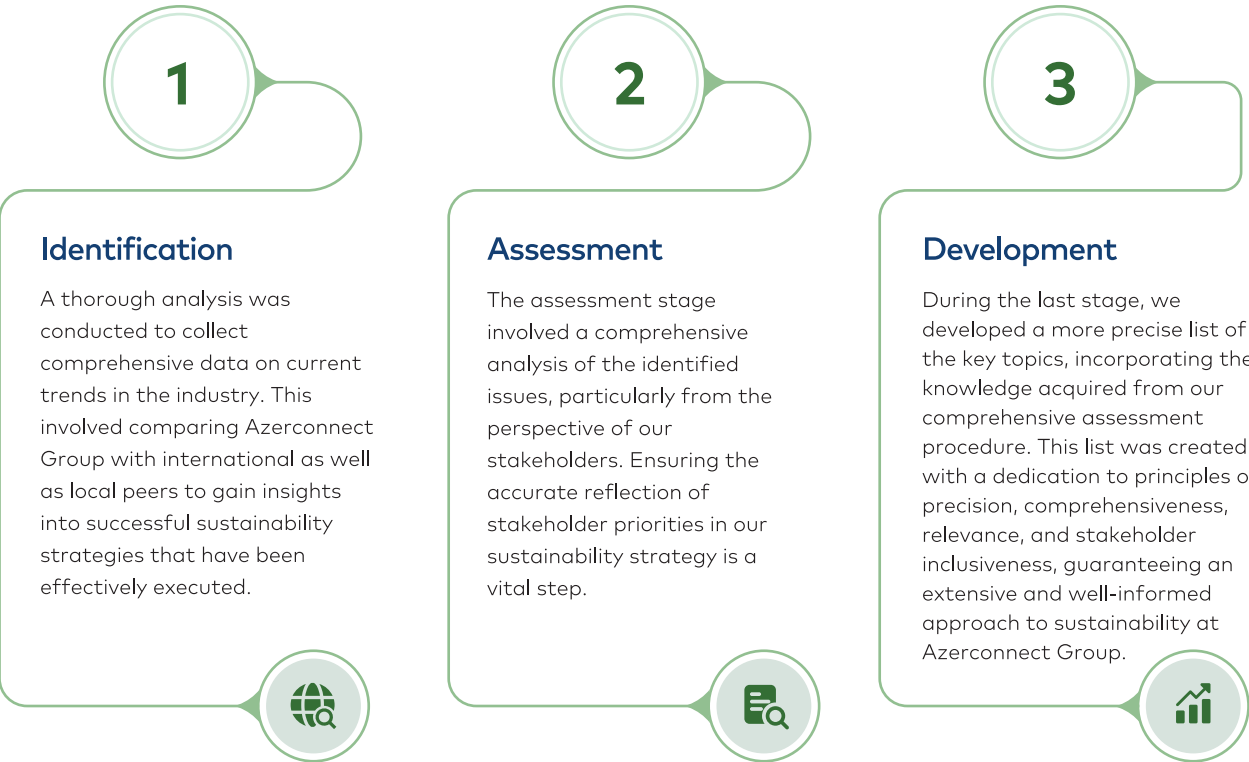
**Figure 1** Stakeholder engagement overview

| Stakeholder group                                                                                                                | Stakeholder expectation                                                                                                                                                                                                                                                                                                                                                                       | Communication channel                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <br>Customers                                   | Our engagement strategy with customers remains steadfast, aiming to understand and meet their evolving needs through various communication channels.                                                                                                                                                                                                                                          | Press releases, sustainability reports, direct feedback, website, social media, participation in international and local events |
| <br>Employees                                   | We highly prioritize the opinions and well-being of our employees. Consequently, we strive to offer them a strong sense of inclusion, equal opportunity, as well as possibilities for growth.                                                                                                                                                                                                 | Internal emails, performance reviews, regular coaching meetings, trainings                                                      |
| <br>Suppliers and Service providers             | We collaborate with suppliers who exceed our standards and align with our corporate values, ethics, and sustainability principles.                                                                                                                                                                                                                                                            | Due diligence annual disclosures, face-to-face meetings, supplier assessment                                                    |
| <br>Governance Bodies and Public Institutions | We cooperate with governmental authorities, agencies and institutions to ensure compliance with regulations and requirements that protect the social, economic, and environmental well-being of our society.                                                                                                                                                                                  | Press releases, reports, seminars, meetings                                                                                     |
| <br>International institutions and NGOs       | As we deeply value the global community and its diverse institutions, we are dedicated to maintaining ongoing engagement with international institutions and NGOs.                                                                                                                                                                                                                            | Sustainability reports, annual disclosures, media, conferences, collaborations, partnerships                                    |
| <br>Private Businesses and Public Corporates  | Engagement with private businesses and public corporates is paramount to maintaining transparency and trust in Azerconnect Group's financial and ESG performance. These interactions are designed to keep them informed about our strategic direction, operational performance, and sustainability initiatives, ensuring their continued support and alignment with our long-term objectives. | Sustainability reports, annual disclosures, meetings                                                                            |
| <br>Civil Society and Media                   | Building strong relationships with the media and society ensures that Azerconnect Group's narrative, achievements, and sustainability endeavors are accurately and effectively communicated to the wider public.                                                                                                                                                                              | Press releases, interviews, and media events                                                                                    |

# Materiality assessment

Throughout 2023, Azerconnect Group has been committed to maintaining open and ongoing communication with our stakeholders, including customers, employees, and other important parties. This dedication is based on a thorough analysis of our impact on society, the economy, and the environment, as well as an awareness of and response to new business opportunities. Integral to this strategy has been conducting a thorough materiality assessment to identify and rank the ESG concerns that are most important to our Company's operations and its many stakeholders.

**Figure 2** Methodology for the identification and assessment of material matters



Based on the methodology described above, the 2023 materiality assessment has revealed several crucial areas where stakeholder interests align with the Company's strategic imperatives. The following items are included:

## Data protection and cyber security

Acknowledging the utmost significance of protecting customer data and establishing strong defenses against cyber threats, this domain has become a crucial area of focus for both Azerconnect Group and our stakeholders. We demonstrate our dedication through the ongoing improvement of our cybersecurity measures and protocols to safeguard against emerging threats.

## Network quality and coverage

Quality is of utmost importance to us as they form the foundation of our service offering. Our commitment to expanding and enhancing our network infrastructure guarantees exceptional connectivity and dependability for our customers, catering to both present requirements and future expectations.



Customer relations

Establishing and preserving robust, trust-oriented relationships with our customers is essential to our business philosophy. Our dedication lies in improving customer involvement by providing tailored services, clear communication, and efficient support systems.

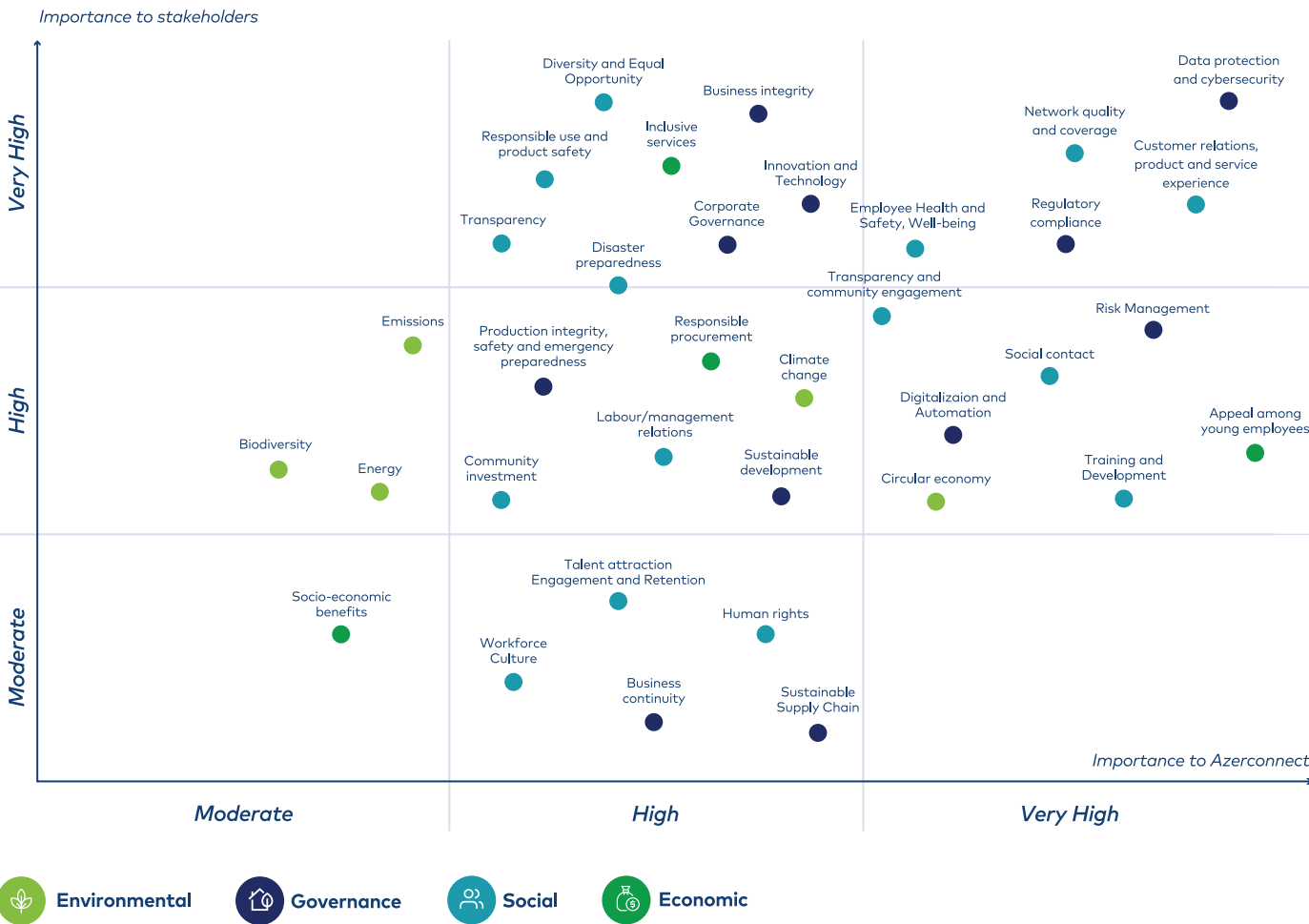


Regulatory compliance

Azerconnect Group focuses a high priority on regulatory compliance, which demonstrates our strong dedication to following legal requirements and regulatory obligations in all areas of our operations. By maintaining a strong commitment to integrity and reliability, we are able to ensure the quality of our services, as well as establish ourselves as a responsible corporate entity in the telecommunications industry.

To obtain an in-depth understanding of the material topics identified in our assessment and their importance to Azerconnect Group and our stakeholders, please refer to *Figure 3. Materiality matrix*. This visual representation provides a clear and readily understandable summary of our ESG priorities. It serves as a guiding framework for our strategic decision-making and operational concentration in 2023 and beyond.

Figure 3 Materiality matrix



# 3

## About Azerconnect Group

3.1 Who we are

3.2 Our mission, vision and core values

# About Azerconnect Group

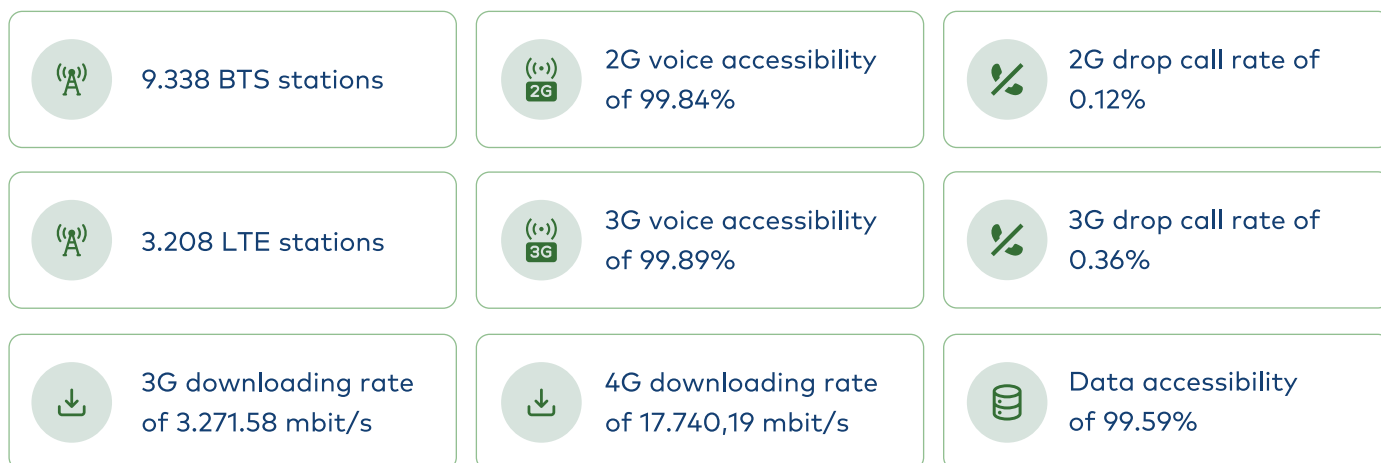
## Who we are

Azerconnect Group has been at the forefront of innovation and accessibility since its establishment in 2013, making it a standout Business to Business (B2B) telecom provider in Azerbaijan. The Company serves millions of customers in Azerbaijan and beyond with a wide range of services, including mobile connectivity, broadband internet, and advanced digital solutions. It all started with Azerconnect Group's mission to bridge the digital divide and build a society where ICTs drive inclusive prosperity, long-term sustainability, and economic growth. By fully embracing digitalization, digital transformation, and digital globalization, Azerconnect Group ensures that its strategic operations are in line with the fundamental **principles of Industry 4.0**, allowing it to remain at the forefront of technological advancements and global trends.

## A brief introduction





**Figure 4** The value that we create**Figure 5** Who chooses Azerconnect Group: Our customer profile

## Our mission, vision and core values



### Vision

Our mission is to connect people, businesses, and communities by providing high-quality, innovative telecommunications services that are accessible to all. We aim to empower our customers by delivering seamless connectivity and digital solutions that enhance productivity, foster growth, and make everyday life easier.



### Mission

To be the foremost enabler of digital transformation in Azerbaijan and the region, driving progress through connectivity, innovation, and accessibility. We envision a future where every individual and enterprise can leverage the power of digital technology to achieve their full potential, contributing to a thriving, knowledge-based economy.



### Values

**Innovation:** We are committed to continuous improvement and pioneering new solutions that address the challenges of tomorrow.

**Integrity:** Transparency, honesty, and ethical conduct are the cornerstones of our business practices.

**Customer Centricity:** Our customers are at the heart of everything we do. We strive to exceed their expectations with exceptional service and personalized experiences.

**Sustainability:** We are dedicated to operating in an environmentally responsible manner, ensuring our business growth does not come at the expense of future generations.

**Collaboration:** We believe in the power of teamwork and partnership, both within our organization and with external stakeholders, to achieve shared goals and mutual success.

# 4

## **Business conduct & Economic Impact**

- 4.1 Conducting business ethically and responsibly
- 4.2 Company management
- 4.3 Risk management
- 4.4 Anti-corruption measures
- 4.5 Sustainability in action
- 4.6 Economic performance
- 4.7 Supply chain responsibility

# Business conduct & economic impact

## Conducting business ethically and responsibly

Azerconnect Group prioritizes conducting business ethically and responsibly as the foundation of its operations. Being a top digital company, we recognize the significance of incorporating strong corporate governance across our business operations. We uphold a strong set of core principles that direct us towards ethical and goal-oriented conduct.

As Azerconnect Group is committed to maintaining the highest standards in the telecommunications industry, we adhere to the rules and guidelines of the International Telecommunication Union (ITU). This commitment ensures our services and operations meet global benchmarks for quality, security, and sustainability. Aligning with ITU standards demonstrates our dedication to excellence and positions Azerconnect Group as a leader in delivering innovative and reliable telecommunication solutions.

Our ethical principles are outlined in our extensive **Code of Conduct**, which acts as a universal guideline for the Company. This document outlines our core values and provides clear guidance on how to apply them in the workplace. It is crucial that this regulation is universally implemented, covering all employees, vendors, and partners affiliated with Azerconnect Group. We emphasize ethical business practices through our **Code of Ethics**, which demonstrates our dedication to upholding transparency and integrity. Similarly, the **Supplier Code of Conduct** guarantees transparency and honesty in the procurement process by evaluating suppliers' business procedures.

All **100%** of our employees have been apprised of the Company's anti-corruption policies.

No instances of corruption were verified throughout the reported period.

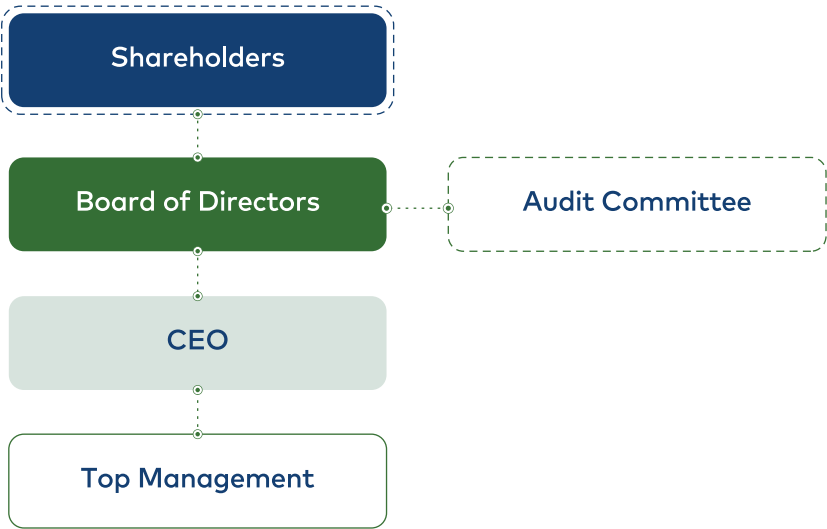
We prioritize the protection of human rights, as demonstrated by our "Human Rights Policy". This policy is designed to prevent any violations and ensure that all our business processes are aligned with the highest ethical and legal standards.

We are dedicated to ensuring that all employees are treated equitably and with dignity, fostering a workplace atmosphere that is constructive and welcoming to all.

# Company management

**Figure 6** Azerconnect Group's organizational structure

Azerconnect Group emphasizes the importance of strong corporate governance as the foundation of our sustainability and ethical business practices. The Company has strengthened its governance structures and processes in the last year to align with current regulatory standards and uphold transparency, accountability, and stakeholder engagement principles essential for long-term success and sustainability.



**Figure 7** Management structure of Azerconnect Group

|                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>General meeting of Shareholders | The General Meeting of Azerconnect Group serves as its highest governing body. The General Meeting is held annually, within a period of six months following the end of the fiscal year. The General Meeting of Shareholders must approve decisions that entail a substantial alteration in the business's identity or character, as well as corporate matter.                                                                                                                                                                                                                                                              |
| <br>Board of Directors              | The Board of Directors of Azerconnect Group is responsible for developing strategies that align with the company's vision and consider potential risks and opportunities to ensure sustainable success. Directors are elected by the General Meeting of Shareholders for their background and professional experience in the industry to ensure a competent and skilled board. To enhance governance, the BOD has formed key committees—Risk, Audit, HR, Commercial, and Investment—aiming for transparency, accountability, and lasting viability.                                                                         |
| <br>Top management                  | Azerconnect Group is overseen by the Top Management team, which is managed by the Chief Executive Officer (CEO). The team consists of the Deputy Chief Executive Officer, Chief Human Resources Officer, Chief Financial Officer, Chief Technology and Information Officer, Chief Legal and Regulatory Officer, Chief Marketing Officer, Chief Sales Officer, and Procurement Director, each overseeing specific aspects of the company's operations. Detailed information about each representative of the top management team and their professional backgrounds can be found on Azerconnect Group's website - Management |
| <br>Committees                      | Azerconnect Group's governance is supported by specialized committees, each focusing on a key area such as financial oversight, risk management, and sustainability. These committees provide targeted support to the Board of Directors and Top Management. They ensure Azerconnect Group adheres to best practices, manages risks effectively, and integrates sustainable practices into its operations, crucial for the company's strategic success and accountability.                                                                                                                                                  |

| Operational Committees          | Responsibilities                                                                                                                                                                                                        |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mobile Committee</b>         | Mobile Committee: Ensures the seamless integration and optimization of mobile technologies and strategies to enhance organizational mobility, accessibility, and efficiency.                                            |
| <b>Fixed Committee</b>          | Ensures the efficient management and maintenance of fixed assets, including infrastructure and equipment, to support the Azerconnect Group's operational stability and long-term sustainability.                        |
| <b>Near Core Committee</b>      | Ensures the alignment of core objectives with adjacent functions, facilitating seamless coordination and maximizing operational efficiency within the organization.                                                     |
| Organizational Committees       | Responsibilities                                                                                                                                                                                                        |
| <b>Tender Committee</b>         | Ensures the Company's employees adhere to the <i>Code of Conduct and Code of Ethics</i> , and conducts investigations in cases of non-compliance with the rules                                                         |
| <b>Disciplinary Committee</b>   | Ensures the Company's adherence to procurement policies and ethical standards during the tendering process, and conducts evaluations of proposals to ensure compliance with organizational and regulatory requirements. |
| <b>Save to Invest Committee</b> | Ensures the approval of initiatives leading to significant savings, safeguarding financial resources for strategic investments within the organization.                                                                 |

## Risk management

In 2021, Azerconnect LLC initiated the process of establishing a comprehensive Enterprise Risk Management (ERM) framework. This strategic move, supported by NEQSOL Holding, signifies our dedication to integrating state-of-the-art risk management practices throughout our operations. Our commitment is manifested through a suite of foundational documents:

- ✓ Risk Management Policy;
- ✓ Risk Management Guidelines and Techniques;
- ✓ Investment Risk Assessment Guidelines

The cornerstone of our approach, the **"Risk Management Policy"**, crafts a meticulous framework for the identification, assessment, prioritization, and management of risks. It enables the managerial levels of Azerconnect Group to make decisions with an accurate understanding of how they will affect our most important goals and objectives. The policy is created to manage a wide range of risks within specific tolerance limits, and it promotes a culture of responsibility and systematic evaluation of decision-making.

Central to our policy is a robust ERM monitoring and review mechanism. This encompasses a thorough program of management evaluations, along with assurance procedures. These coordinated endeavors are crucial in promoting efficient identification, assessment, and implementation of appropriate measures to

reduce, manage, and prevent risks. This forward-looking approach not only strengthens our operational integrity but also aligns with our overarching commitment to sustainability. By proactively managing risks, we safeguard the continuity and success of our business operations, thereby contributing to the sustainable development of the communities we serve and the environment we operate in.

## Anti-corruption measures

Corruption presents a substantial threat to sustainable development and ethical business conduct. Azerconnect Group acknowledges the significance of combating corruption and has established rigorous anti-corruption measures to protect its operations and ensure the long-term viability of its business and the communities it represents.

Azerconnect Group has a strict zero-tolerance policy for corruption, supported by our thorough **"Anti-Bribery Policy"**. This policy sets guidelines for proper behavior to avoid bribery and details our main anti-corruption strategies to encourage transparent business practices.

All new employees are required to undergo orientation training to ensure these principles are firmly established from the beginning. This training is an essential part of our onboarding process, providing employees with an in-depth understanding of our mission, vision, and core values. Our policies and processes, such as the **"Anti-Bribery Management System (ABMS) Policy", Code of Conduct, "Conflict of Interest (COI) Policy", and "Employee Due Diligence Policy"**, are carefully crafted to oversee and manage anti-corruption efforts. The measures adhere strictly to local laws and international standards, including **ISO 37001: Anti-bribery Management System**.

**Figure 8** Key elements of our anti-corruption measures include:



Azerconnect Group's commitment to ethical business conduct and anti-corruption is not only about adhering to laws and regulations, but also about fostering a culture of integrity and responsibility that ensures the sustainability of our business and the well-being of the communities we serve. Through these efforts, we aim to set a standard for ethical business practices in the telecommunications industry and contribute to the broader goal of sustainable development.

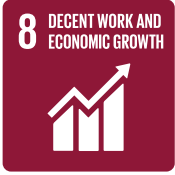
## Sustainability in action

During the reporting year, Azerconnect Group made substantial progress in shifting towards a more sustainable and environmentally friendly operational framework. We expanded our focus on leveraging technological advancements and digital solutions to tackle societal issues, promote sustainable development, and create significant value for our stakeholders.

In 2023, we established our **"Sustainability Policy"**, marking a significant stride towards embedding stronger governance and responsible corporate management practices across our entire value chain. This initiative helps us track and reduce our business's environmental and social impacts. The policy reflects our commitment to economic prosperity, social and environmental responsibility, while establishing a benchmark in the telecommunications industry.

Moreover, Azerconnect Group made considerable strides in aligning our operations with the **UN SDGs**, as detailed in Figure 9. *"SDG targets"*. Our collaboration with higher education institutions and significant investment in human resources have elevated educational quality and expanded knowledge, laying a solid foundation for sustainable development. Through initiatives aimed at empowering women and girls in the ICT sector, we have championed gender equality and inclusion, reinforcing our dedication to creating a diverse and equitable workplace. Furthermore, by fostering talent development and ensuring equal opportunities, we have nurtured an environment that supports inclusive economic growth. Azerconnect Group's adoption of global best practices in IT, digitalization, and Industry 4.0 has propelled inclusive industrialization and innovation, underscoring our pledge to technological excellence and sustainable progress.

**Figure 9** SDG targets

| Supported SDG                                                                       | Goals                                                                                                                                                                                                 | Description                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | The quality of education is raised by our dedication to expanding knowledge and education, working with higher educational institutions, and investing in human resources.                            | <ul style="list-style-type: none"> <li>Azerconnect Group hosted a two-day seminar on "Modern Telecom Challenges" for journalists in Shamakhi.</li> <li>Azerconnect Group backed the "Cyber Summer School - 2023" (CSS), an international summer program by the Association of Cybersecurity Organizations of Azerbaijan.</li> </ul>                                                              |
|  | Azerconnect Group encourages girls and women in Azerbaijan to engage in the ICT sector. The organization promotes gender equality and women's empowerment in the workplace and the technology sector. | <ul style="list-style-type: none"> <li>Azerconnect Group earned the Silver Award for Diversity and Inclusion for its "Inspire.Lead. Create": Women Leadership Program.</li> </ul>                                                                                                                                                                                                                |
|  | Azerconnect Group fosters inclusive economic growth through talent development, equal opportunities, and a positive work environment, emphasizing employee involvement and motivation.                | <ul style="list-style-type: none"> <li>Azerconnect Group was awarded a certificate of Top Employer 2023 in Azerbaijan by the Top Employer Institute.</li> <li>Achievement in Managing a Remote Workforce: Stevie® Silver Award Recipient for "FLEXcellence: Hybrid Working Program.</li> <li>Azerconnect Group financed the telecommunications infrastructure in the Karabakh region.</li> </ul> |



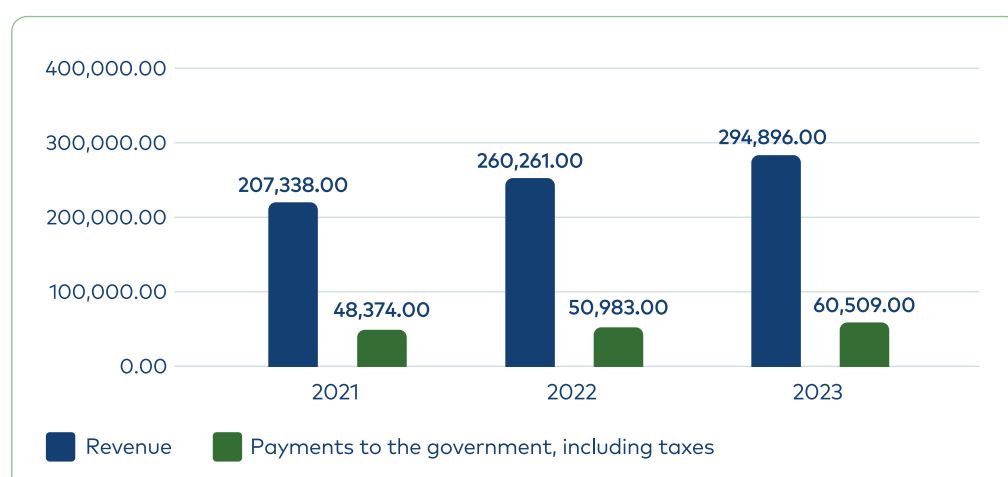
| Supported SDG                                                                     | Goals                                                                                                                                                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Azerconnect Group supports inclusive industrialization, robust infrastructure, and innovation by implementing worldwide best practices in IT, digitalization, Industry 4.0, and trends.        | <ul style="list-style-type: none"> <li>Azerconnect Group hosted a two-day seminar on "Modern Telecom Challenges" for journalists in Shamakhi.</li> <li>Azerconnect Group supported the "Cyber Summer School - 2023" (CSS), an international summer program by the Association of Cybersecurity Organizations of Azerbaijan.</li> <li>The first-ever "Critical Infrastructure Defense Challenge 2023" (CIDC-2023) cyber festival was supported by Azerconnect.</li> <li>Azerconnect Group financed the telecommunications infrastructure in the Karabakh region.</li> </ul> |
|  | Azerconnect Group recognizes the value of partnerships in accomplishing sustainable development goals and works in collaboration with stakeholders, academic institutions, and NEQSOL Holding. | <ul style="list-style-type: none"> <li>Azerconnect Group backed the "Cyber Summer School - 2023" (CSS), an international summer program by the Association of Cybersecurity Organizations of Azerbaijan.</li> <li>Azerconnect Group backed the "Cyber Summer School - 2023" (CSS), an international summer program by the Association of Cybersecurity Organizations of Azerbaijan.</li> </ul>                                                                                                                                                                             |

## Economic performance

Our strategic initiatives and dedication to sustainable growth were evident in Azerconnect Group's strong economic performance in fiscal year 2023. Our **revenue reached 294 mln AZN**, showcasing a positive trend in our business operations and highlighting our competitive advantage in the ICT sector. This year, we concentrated on improving our operational efficiency and increasing our market visibility, leading to our economic achievement.

Azerconnect Group is committed to delivering economic value through responsible business practices, ongoing investment in technology and human capital, and a strong dedication to the communities we serve. In 2023, our economic performance demonstrates our ability to overcome challenges and capitalize on growth opportunities, in line with our goal of contributing to Azerbaijan's digital future and economic strength.

**Figure 10** Economic performance in numbers



## Supply chain responsibility

In 2023, Azerconnect Group has further refined its supply chain management strategy to underscore our commitment to sustainability, inclusivity, and efficiency. Recognizing the integral role of a diverse and collaborative supply chain, we have continued to build on the foundation laid in previous years, emphasizing ethical procurement and the integration of sustainability principles across all supplier interactions.

This year, we have placed a higher priority on ESG criteria when selecting and evaluating suppliers. We have collaborated closely with our suppliers to ensure compliance with our high requirements regarding environmental protection, human rights, labor rights, and safe working conditions through robust policies, audit programs, and particular instruction.

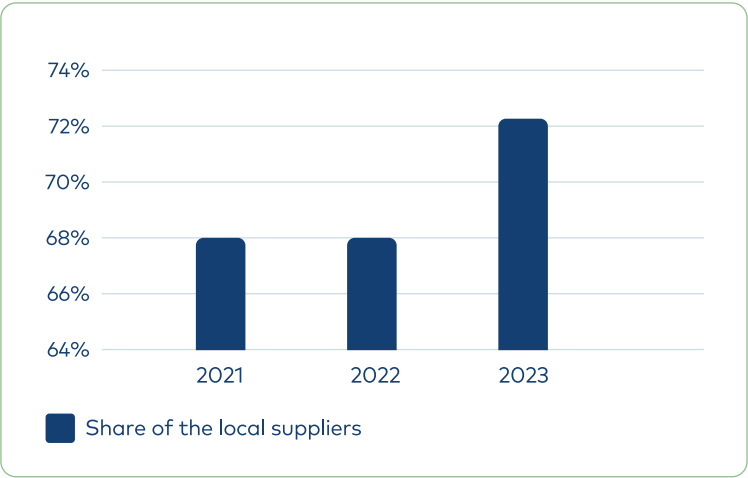
Furthermore, the development of our eProcurement system, utilizing **Oracle Cloud Technology**, has significantly improved the performance of our supply chain. This system has allowed us to enhance operational efficiency, accomplish substantial cost reductions, and uphold transparency throughout our procurement procedures. Our dedication to involving a wide range of suppliers via digital platforms has been reinforced, guaranteeing that we connect with the most ethical and sustainable partners in the industry.

Our approach focuses on promoting economic prosperity and social equality by encouraging local suppliers in the communities where we operate. This approach is in line with our overall sustainability goals, promoting a beneficial influence that goes beyond our direct operations.

Figure 11 Total number of suppliers



Figure 12 Share of the local suppliers



The **Supplier Code of Conduct (SCOC)** continues to be a fundamental aspect of our approach to engaging with suppliers. To that end, we have taken measures to guarantee that all of our business associates adhere to the UN Charter's guiding principles and respect for human rights on a global scale. Our dedication to ethics, competence, and shared values in social responsibility and environmental stewardship has significantly enhanced the resilience and integrity of our supply chain.

Figure 13 Key focus areas of the supplier Code of Conduct

|                           |                                                                                              |
|---------------------------|----------------------------------------------------------------------------------------------|
| Environmental Stewardship | ✓ <b>Compliance with Regulations:</b> Suppliers must follow all relevant environmental laws. |
|                           | ✓ <b>Sustainability Efforts:</b> Implement processes to reduce waste and emissions.          |
|                           | ✓ <b>Improvement Initiatives:</b> Continually enhance environmental performance.             |

|                            |                                                                                                                                                                           |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ethical Business Practices | ✓ <b>Anti-Corruption:</b> Zero tolerance for bribery and unethical behavior.                                                                                              |
|                            | ✓ <b>Transparency:</b> Maintain honesty in all business dealings.                                                                                                         |
|                            | ✓ <b>Intellectual Property:</b> Protect sensitive information and property.                                                                                               |
| Labor Rights and Rights    | ✓ <b>Labor Rights and Fair Treatment:</b> Ensure respect for all employees, strictly prohibit child and forced labor, and support fair wages and safe working conditions. |
|                            | ✓ <b>Human Rights Adherence:</b> Commit to international human rights standards and prevent discrimination in all forms.                                                  |
|                            | ✓ <b>Health and Safety Priority:</b> Prioritize employee health and safety by implementing effective health and safety measures and practices.                            |
| Supply Chain Integrity     | ✓ <b>Principle Extension:</b> Expect sub-suppliers to follow these standards.                                                                                             |
|                            | ✓ <b>Compliance Audits:</b> Regularly review supplier adherence to SCOC.                                                                                                  |

As we look forward, Azerconnect Group is committed to advancing towards a more sustainable, inclusive, and efficient supply chain in the future. We strive to set an example of success in the ICT sector and actively support sustainable development initiatives through all our supply chain management practices.

Figure 14 Key focus areas of the supplier Code of Conduct



# 5

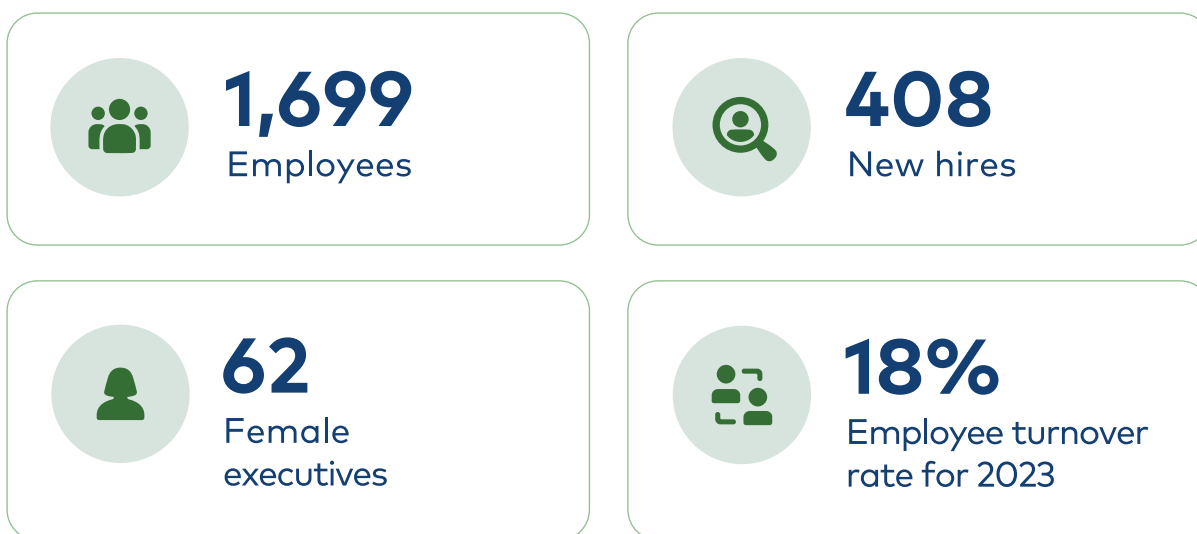
## **People First: Our commitment to employees**

- 5.1 Our guiding principles and priorities
- 5.2 Enhancing employee motivation and engagement
- 5.3 Proactive safety management
- 5.4 Training and equipment

# People First: Our commitment to employees

## Our guiding principles and priorities

Azerconnect Group's steadfast dedication to its employees has been a fundamental element of our success in 2023. This year, our strategic goals and acknowledgments have been focused on promoting a culture of equality, opportunity, and ongoing growth, in line with our **"People First"** philosophy.



In our steadfast commitment to local development, Azerconnect Group prioritizes the recruitment of local talent, with a substantial portion (75%) of our senior management hailing from the local community. This strategic approach not only contributes to the growth of the region but also cultivates a leadership team deeply attuned to the cultural nuances and values of Azerbaijan. By doing so, we foster a workplace environment that mirrors the diversity and dynamism of the community we proudly serve.



Our emphasis on gender equality aligns seamlessly with our award-winning initiatives. The "INSPIRE. LEAD. CREATE: Azerconnect Group Woman Empowerment Program," recognized with a Silver award in the "Diversity, Equity, and Inclusion" category, underscores our commitment to narrowing gender gaps. This program, along with our other initiatives, contributes to creating a workplace that not only celebrates diversity but also ensures fair and equal compensation for all employees.

Azerconnect Group's excellence in workforce management, diversity, and inclusion, highlighted by accolades such as the Bronze award for the **"Feel the Customer: Azerconnect Group Well Being Program for Call Center/Front Office Teams"**, solidifies our standing as a Top Employer in Azerbaijan. In alignment with these principles, our "Diversity and Inclusion Policy" explicitly states our zero-tolerance approach towards discrimination, harassment, or bullying on our premises, outlining the proactive steps we take to eliminate these issues.

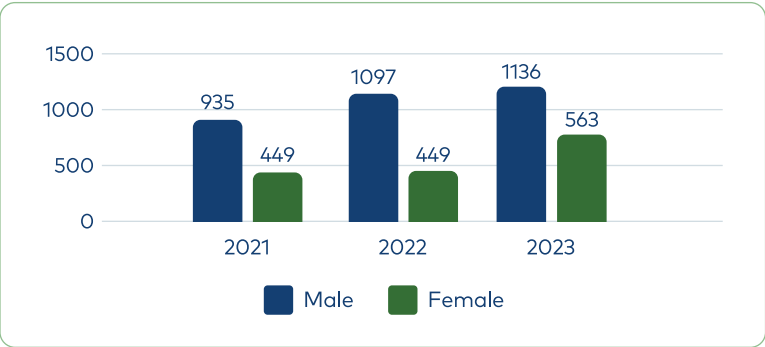


Demonstrating our commitment to employee well-being, Azerconnect Group actively participates in industry dialogues. In October 2023, Azerconnect Group contributed to the German-Azerbaijani Chamber of Commerce (AHK Azerbaijan) HR and VET Working Group meeting, emphasizing our innovative HR strategies and insights into employee well-being initiatives. This engagement reinforces our dedication to fostering a positive and thriving work environment and contributing to broader discussions on best practices.

## Enhancing employee motivation and engagement

Understanding that the foundation of a productive workplace is **mutual feedback**, Azerconnect Group has developed a comprehensive survey system to encourage active participation and communication between employees and management. This system, designed to foster an environment of transparency and honesty, involves an anonymous survey process that concludes with the publication of results in an internal report. This process not only ensures that employee voices are heard but also facilitates the development of action plans based on survey feedback, reinforcing our commitment to continuous improvement. Regular management meetings are convened to discuss the outcomes and ensure that the proposed changes align with our overarching strategy for employee development. This approach is complemented by a robust framework for employee development, encompassing trainings, e-learnings, and other educational initiatives designed to empower our employees with the skills and knowledge necessary for both personal and professional growth.

**Figure 15** Total number of employees, by gender



Our dedication to creating a positive workplace has been further recognized with the prestigious “Top Employer 2023” certificate from the Top Employer Institute. Azerconnect Group stands out for excellence in key areas such as business strategy, talent attraction, and diversity, reinforcing our commitment to fostering a workplace environment where everyone can thrive.

Furthermore, as a testament to our appreciation for our employees, especially those who played a significant role in the 44-Day Patriotic War, we commemorated them on Victory Day. Acknowledging their bravery and contribution to the restoration of our territorial integrity, we take pride in the heroes whose names are etched in our history.



## Proactive safety management

In 2023, Azerconnect Group has shown its strong dedication to health and safety by implementing a comprehensive Preventive Safety Management strategy. Our strategy is based on our commitment to upholding the highest Occupational Health & Safety (OHS) standards, demonstrated by our compliance with and completion of assessments for the ISO 45001 standards. Our efforts are aimed at ensuring a safe, healthy, and environmentally responsible working environment for all employees, while also contributing positively to the communities we serve.

Figure 16 Key highlights



Our approach is centered on strict adherence to legislative and normative changes to ensure that our practices not only meet but surpass current regulations. We have implemented a dynamic program to review our compliance every 6 months, enabling us to adjust and enhance our processes consistently. In 2023, we initiated a major program aimed at reducing significant risks, with a particular focus on working at heights and handling hazardous wastes. This initiative involves creating and implementing risk reduction programs designed to address the specific challenges of our operations.

## Key developments in health and safety

- ✓ **Legislative Compliance and Continuous Improvement:** We conduct bi-annual reassessments to ensure compliance with legislative and regulatory changes, ensuring all health and safety measures are current and comprehensive.
- ✓ **Risk Reduction Program:** The Risk Reduction Program, launched in 2023, aims to significantly reduce workplace risks, particularly in high-risk areas like working at heights and handling hazardous materials.
- ✓ **Safety Training and Equipment:** Our workforce received specialized training for heights and emergency evacuations. We also bought evacuation devices and first aid kits to prepare for emergencies.
- ✓ **Environmental and Safety Measures:** We demonstrate our environmental responsibility by renewing ecological documents and inventorying hazardous emissions and wastes. Our proactive approach to employee safety and environmental protection has led to safety belts for staff and electromagnetic wave measurements at transmission stations.
- ✓ **Enhanced Training Programs:** We implemented a Management System training program that includes first aid and specialized electrical work and safety training for engineers. Our strategy is to equip every team member with the knowledge and skills to keep the workplace safe.
- ✓ **Employee Evacuation Drills:** Regular training sessions were conducted to familiarize employees with the evacuation plan and improve collective preparedness in emergencies.

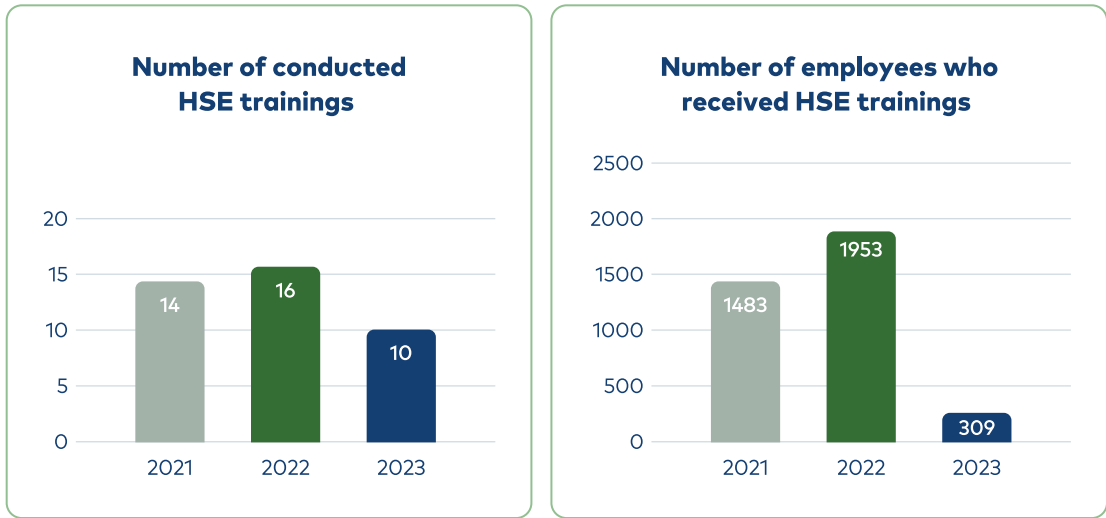


## Training and equipment

Azerconnect Group organized specialized training sessions for personnel, emphasizing the crucial role of training in safety management, particularly for employees engaged in high-risk activities. We invest significantly in safety equipment like evacuation devices and first aid kits to enhance our preparedness and response capabilities, complementing our training sessions.

We are dedicated to ensuring the immediate safety of our employees by improving our readiness and response capabilities through extensive instruction and substantial investments in safety equipment.

**Figure 17** The number of HSE trainings and the number of employees who received HSE trainings <sup>1</sup>



Looking ahead, Azerconnect Group is committed to continuous improvement in our health and safety practices. We are researching cutting-edge technologies and methodologies to improve the safety of our workplace and the health of our employees. We aim to uphold our position as a leader in proactive safety management in the ICT sector and establish new standards for health and safety. Azerconnect Group's proactive safety management efforts in 2023 demonstrate a comprehensive and forward-thinking approach to ensuring the health and safety of their employees. By adhering strictly to compliance standards, implementing thorough risk management strategies, and providing comprehensive training, we consistently show our dedication to achieving excellence in all areas of health and safety management.

<sup>1</sup>During the reporting period, there has been a significant decline in training indicators. This is because Azerconnect Group conducts certification training programs with a two-year duration. Since the majority of the training sessions were conducted in 2022, in 2023, the focus shifted to training sessions for new employees and those who missed them in 2022. As a result, the overall training indicators for 2023 decreased compared to 2022.



# 6

## **Social impact: Our community initiatives**

6.1 Strengthening community connections

6.2 Our partnership activities

## Social impact: Our community initiatives

Azerconnect Group acknowledges the significant impact businesses have on determining and enhancing the well-being of the communities in which they operate. Our adherence to sustainability extends beyond providing innovative telecommunication solutions to promoting beneficial social impact through community initiatives. The Company significantly contributed to organizing a seminar on **National Press Day** to educate media representatives about the current challenges in the telecommunications industry. This event provided a platform for sharing insights and promoting a well-informed media landscape, which is essential for the advancement of a knowledge-based economy.

## Our partnership activities

Our approach to partnership is multifaceted, as evidenced by our extensive range of activities. Azerconnect Group proudly supported the **"Cyber Summer School - 2023"**, an initiative aimed at cultivating a community of cybersecurity experts from diverse backgrounds. This not only facilitated professional development for the participants but also reinforced our commitment to international collaboration and knowledge exchange.



In response to the catastrophic earthquake in Turkey, Azerconnect Group demonstrated solidarity and compassion through a significant donation, thereby contributing to the relief and recovery efforts. This action reflects our unwavering support for our neighbors and the global community in times of crisis.

Furthering our investment in the nation's cybersecurity, Azerconnect Group was delighted to support the **"Critical Infrastructure Defence Challenge 2023"** (CIDC-2023). The event marked a milestone in our efforts to advance digital security and underscored the importance of public-private partnerships in safeguarding national infrastructure.

At ADA University's 11th Career Fair, Azerconnect Group stood out as a beacon for aspiring professionals, offering insights into the dynamic world of ICT and showcasing our recognition as a Top Employer. Our engagement with the students and graduates of ADA University underlined our commitment to nurturing top talent and fostering a workforce equipped to meet the demands of a rapidly evolving industry.



Additionally, Azerconnect Group's partnership with the **Education Development Fund** signifies our dedication to educational advancement. By supporting various initiatives aimed at the educational and personal development of students, Azerconnect Group is at the forefront of driving educational excellence and innovation.

Lastly, our involvement in the promotion and development of triathlon sports, in collaboration with the Triathlon Federation, and our contributions to cybersecurity initiatives, further cement our role as a key player in promoting health, wellness, and security within our community.

Through these initiatives, Azerconnect Group underscores its dedication to driving social progress, building resilient communities, and shaping a sustainable future for all. Our actions reflect our core belief that corporate success is intrinsically linked to the well-being of the society we serve.



In November, Azerconnect Group supported the monthly meeting of the Sustainable Development and Corporate Impact (SD&CI) Committee of the American Chamber of Commerce in Azerbaijan (AmCham). The event focused on presenting the position paper titled 'Gender Mainstreaming at Workplace'. During the event Azerconnect Group's three-stage project titled "INSPIRE. LEAD. CREATE," implemented within the framework of the "WE are ALL ONE", aimed at expanding women's rights and opportunities was presented. It was stated that the project's primary objectives are to empower women and enhance their leadership skills.

# 7

## **Our pledge to the planet: Environmental stewardship**

7.1 Climate change initiatives

7.2 Energy management

7.3 Ecosystem preservation



# Our pledge to the planet: Environmental stewardship

## Climate change initiatives

In 2023, Azerconnect Group has furthered its dedication to environmental management by closely aligning its initiatives with global sustainability objectives. This year, we have strengthened our dedication by implementing specific climate change projects, thorough energy management plans, and substantial efforts towards ecosystem conservation. We aim to align with international standards and agreements while extending the boundaries of technological innovation for sustainable development in a strategic and holistic manner.

Azerconnect Group has initiated several key projects to tackle climate change and improve our environmental resilience. Ongoing efforts are being made to align specific environmental targets with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement, demonstrating a commitment to global climate action. Recognizing the critical role of the ICT sector in mitigating climate change, we have expanded our investment in renewable energy sources and sustainable technologies. This includes:



### Renewable Energy Investments

Azerconnect Group continues dedicated to promoting sustainability by making strategic investments in renewable energy. We demonstrate our commitment by installing solar panels at 104 sites in the Karabagh region. This initiative greatly reduces our dependence on traditional energy sources, in line with our pledge to contribute to a more environmentally friendly and sustainable energy future.



### Sustainable Transportation

Azerconnect Group has initiated a comprehensive sustainable transportation program to reduce its carbon footprint. We are devoted to environmentally responsible practices through the adoption of hybrid vehicles and the continued exploration of gasoline-powered automobiles. This intentional change in the fleet's management aligns with the main objective of reducing the environmental footprint of our Company's transportation activities.



### Sustainable Materials in BTS Stations

Recognizing the environmental impact of our infrastructure, we've committed to utilizing sustainable materials in the construction and upkeep of our BTS. This move towards greener construction practices underscores our commitment to minimizing the ecological footprint of our network infrastructure. By carefully selecting materials that are both durable and environmentally friendly, we aim to ensure that our BTS stations contribute to our sustainability objectives without compromising on quality or performance.



Moreover, Azerconnect Group has taken significant strides in reducing our environmental footprint through innovative solutions and operational improvements. By reducing the size of our SIM cards, we've halved the material used for both the cards and their packaging, demonstrating our commitment to minimizing waste and conserving resources.

Transitioning all customer contracts to a digital format marks a substantial reduction in our paper usage, streamlining our processes while supporting our environmental objectives. These initiatives collectively reflect Azerconnect Group's dedication to sustainability, showcasing our efforts to integrate eco-friendly practices into our business model.

## Energy management

In 2023, Azerconnect Group remains dedicated to efficient energy management as a key aspect of our environmental strategy. We combine traditional sources of electricity with innovative approaches to meet our operational energy requirements. These are the primary activities that measure our advancement in sustainable energy practices:

Azerconnect Group proudly announces the successful completion of audits in accordance with the BS ISO 14001 and ISO 45001 standards. These assessments demonstrate our strong commitment to energy efficiency and effective environmental management. Moreover, we are dedicated to incorporating sustainability principles into the structure and operation of our facilities. Azerconnect Group focuses on environmentally friendly infrastructure solutions by incorporating built-in fans, windows for natural ventilation, and extensive use of energy-efficient LED lighting. These initiatives help reduce energy consumption in our facilities, demonstrating our commitment to environmentally responsible practices.

**Table 1** Azerconnect Group's energy consumption

|                                                                            | 2021       | 2022       | 2023       |
|----------------------------------------------------------------------------|------------|------------|------------|
| <b>Electricity consumption in the office (kWh)</b>                         | 233,851    | 374,616    | 372,672    |
| <b>Electricity used for technical equipment (i.e. LTE, BTS etc.) (kWh)</b> | 67,232,089 | 67,564,842 | 67,874,829 |
| <b>Diesel (thsd lt)</b>                                                    | 806.35     | 1,310.78   | 2,964      |
| <b>Petroleum (thsd lt)</b>                                                 | 573.33     | 644.81     | 842        |

**Table 2** Azerconnect Group's GHG emissions

|                                                  | 2021      | 2022      | 2023   |
|--------------------------------------------------|-----------|-----------|--------|
| <b>Scope 1 GHG emissions (tCO<sub>2</sub> e)</b> | 3,481.04  | 14,798.32 | 11,693 |
| <b>Scope 2 GHG emissions (tCO<sub>2</sub> e)</b> | 14,325.04 | 14,425.59 | 34,124 |

## Ecosystem preservation

Azerconnect Group's initiatives focus on conserving ecosystems and reducing its impact on natural habitats. Aware of the growing concern regarding e-waste and the ecological footprint of the ICT sector, Azerconnect Group has implemented several measures aimed at resource efficiency and waste reduction. Our initiatives include:

- ✓ **Resource efficiency:** Through the digitization of internal operations and the introduction of recycling programs, we aim to significantly reduce our waste output.
- ✓ **Waste management:** Outsourcing waste disposal to licensed partners, we ensure responsible handling of waste, although recycling on premises has not been initiated.
- ✓ **Water conservation:** Our operations are designed to avoid the release of toxic substances into water, utilizing only sewage drains for wastewater disposal, reflecting our careful management of water resources.

Table 3 Azerconnect Group’s water consumption

|                             | 2021  | 2022  | 2023  |
|-----------------------------|-------|-------|-------|
| Total water consumption, m³ | 134.8 | 124.4 | 1,233 |

Table 4 Total weight of waste generated

|                                        | 2022 | 2023 |
|----------------------------------------|------|------|
| Total weight of waste generated, tones | 2.33 | 4.35 |

Azerconnect Group follows a systematic procedure for gathering and disclosing environmental data to meet environmental regulations. This involves managing ecological passports, inventories of hazardous substances, and hazardous waste passports. The documents enable thorough monitoring of our environmental footprint, encompassing energy usage, greenhouse gas emissions, and waste management, and are reported in accordance with established requirements. Our future plans include the exploration of new renewable energy projects, the advancement of energy efficiency measures, and the continuous improvement of our waste management practices.

# 8

## Conclusions

# Conclusions

In 2023, Azerconnect Group has diligently progressed its sustainability goals through the strategic incorporation of sustainability principles and active involvement in our primary operations. Our focused actions in safety, operational management, employee well-being improvement, and ethical supply chain regulations have been crucial. These initiatives are crucial for our strategic alignment with the United Nations Sustainable Development Goals (SDGs), demonstrating our dedication to societal and environmental stewardship.

Our accomplishments this year further establish our position as the leader in promoting sustainable development in Azerbaijan's telecommunications industry. Our sustainability performance metrics demonstrate our commitment to accountability and continuous improvement in our practices through rigor and transparency. This approach is fundamental to our strategic vision, driving us to utilize technological innovation for sustainable results.

Azerconnect Group is dedicated to enhancing its sustainability efforts by emphasizing innovation and strategic partnerships to increase its influence as we move forward. Our path forward will be determined by our dedication to adaptability, resilience, and inclusivity, ensuring that our sustainability efforts lead to a more extensive impact.

9

## **Non-financial performance tables**

# Non-financial performance tables

## Economic performance

|                                         | 2021    | 2022    | 2023    |
|-----------------------------------------|---------|---------|---------|
| Revenue (thsd AZN)                      | 207,338 | 260,459 | 294,896 |
| Payments to the state budget (thsd AZN) | 48,374  | 50,983  | 60,509  |

## Human Capital

|                            | 2021  | 2022  | 2023  |
|----------------------------|-------|-------|-------|
| Total number of employees  | 1,384 | 1,596 | 1,699 |
| Number of male employees   | 935   | 1,097 | 1,136 |
| Number of female employees | 449   | 499   | 563   |

|                                    | 2021  |        | 2022  |        | 2023 |        |
|------------------------------------|-------|--------|-------|--------|------|--------|
|                                    | Male  | Female | Male  | Female | Male | Female |
| Total number of new employee hires | 285   | 97     | 331   | 112    | 266  | 142    |
| Total number of employee turnover  | 128   | 73     | 169   | 62     | 227  | 78     |
| Rate of employee turnover          | 14.5% |        | 14.5% |        | 18%  |        |

|                                    | 2021     |       |         | 2022     |       |         | 2023     |       |         |
|------------------------------------|----------|-------|---------|----------|-------|---------|----------|-------|---------|
|                                    | Under 30 | 30-50 | Over 50 | Under 30 | 30-50 | Over 50 | Under 30 | 30-50 | Over 50 |
| Total number of new employee hires | 189      | 174   | 19      | 279      | 156   | 8       | 255      | 151   | 2       |
| Total number of employee turnover  | 92       | 98    | 11      | 127      | 100   | 4       | 162      | 135   | 8       |



| Number of employees, by position/gender | 2021 | 2022 | 2023 |
|-----------------------------------------|------|------|------|
| <b>Executive</b>                        | 226  | 236  | 209  |
| Male                                    | 164  | 176  | 147  |
| Female                                  | 62   | 60   | 62   |
| <b>Specialist</b>                       | 735  | 878  | 982  |
| Male                                    | 463  | 558  | 633  |
| Female                                  | 272  | 320  | 349  |
| <b>Other</b>                            | 423  | 482  | 508  |
| Male                                    | 308  | 363  | 356  |
| Female                                  | 115  | 119  | 152  |

|                                                                                              | 2021 |        | 2022  |        | 2023  |        |
|----------------------------------------------------------------------------------------------|------|--------|-------|--------|-------|--------|
|                                                                                              | Male | Female | Male  | Female | Male  | Female |
| <b>Total number of employees that were entitled to parental leave, by gender</b>             | 935  | 449    | 1,097 | 499    | 1,136 | 563    |
| <b>Total number of employees that took parental leave, by gender</b>                         | 0    | 25     | 0     | 28     | 0     | 20     |
| <b>Total number of employees that returned to work after parental leave ended, by gender</b> | 0    | 20     | 0     | 29     | 0     | 22     |

|                                           | 2021   |        | 2022   |        | 2023   |        |
|-------------------------------------------|--------|--------|--------|--------|--------|--------|
|                                           | Male   | Female | Male   | Female | Male   | Female |
| <b>Percentage of employees, including</b> | 67.56% | 32.44% | 68.73% | 31.27% | 66,86% | 33,14% |
| <b>Disabled</b>                           | 1.81%  | 0.51%  | 1.50%  | 0.45%  | 1,76%  | 0,47%  |
| <b>Internally displaced</b>               | 2.17%  | 0.79%  | 2.32%  | 0.69%  | 2,05%  | 0,95%  |

| Training hours, 2023                  | Male          | Female        |
|---------------------------------------|---------------|---------------|
| <b>Total number of training hours</b> | <b>64,288</b> | <b>28,192</b> |
| Executive                             | 4,724         | 2,146         |
| Specialist                            | 59,564        | 26,046        |

| Platform name     | Eligibility                                                                   | Total users | Activation rate |
|-------------------|-------------------------------------------------------------------------------|-------------|-----------------|
| Neqsol Academy    | All office staff                                                              | 2072        | 93%             |
| LinkedIn Learning | Junior and above staff with upper intermediate English                        | 400         | 90%             |
| Udemy Business    | Information Technologies; Network Technologies; Data&Digitalization divisions | 100         | 100%            |
| O'Reilly          | Information Technologies; Network Technologies; Data&Digitalization divisions | 200         | 95%             |
| <b>Coursera</b>   | Digital UX/UI Unit                                                            | 6           | 100%            |

## Health and Safety

|                                                      | 2021  | 2022  | 2023 |
|------------------------------------------------------|-------|-------|------|
| <b>Number of conducted HSE trainings</b>             | 14    | 16    | 10   |
| <b>Number of employees who received HSE training</b> | 1,483 | 1,953 | 309  |

|                                                           | 2023      |
|-----------------------------------------------------------|-----------|
| Total investments into improving working conditions, AZN  | 1,884.181 |
| Total investments into personal protective equipment, AZN | 450       |

## Operational metrics

|                                                  | Unit of measure | 2021     | 2022     | 2023    |
|--------------------------------------------------|-----------------|----------|----------|---------|
| <b>Number of Base Transceiver stations (BTS)</b> | Number          | 8,753    | 8,995    | 9,338   |
| <b>Number of LTE stations</b>                    | Number          | 2,849    | 2,979    | 3,208   |
| <b>Average 3G downloading rate</b>               | Mbit/s          | 2,830,02 | 3,041,67 | 3271.58 |

|                             | Unit of measure | 2021      | 2022      | 2023      |
|-----------------------------|-----------------|-----------|-----------|-----------|
| Average 4G downloading rate | Mbit/s          | 15,676.31 | 16,766.83 | 17,740.19 |
| 2G voice accessibility      | %               | 99.82     | 99.85     | 99.84     |
| 3G voice accessibility      | %               | 99.86     | 99.87     | 99.89     |
| 2G drop call rate           | %               | 0.38      | 0.36      | 0.36      |
| 3G drop call rate           | %               | 0.13      | 0.13      | 0.12      |
| Data accessibility          | %               | 99.58     | 99.57     | 99.59     |

## Supply Chain

|                                                                              | 2021    | 2022    | 2023        |
|------------------------------------------------------------------------------|---------|---------|-------------|
| Total number of suppliers                                                    | 303     | 376     | 411         |
| Total number of local suppliers                                              | 250     | 311     | 337         |
| Total number of foreign suppliers                                            | 53      | 66      | 74          |
| Total procurement budget (thsd AZN)                                          | 157,415 | 281,395 | 273,276,922 |
| Procurement budget that is spent on local suppliers/contractors (thsd AZN)   | 107,212 | 190,193 | 200,409,209 |
| Procurement budget that is spent on foreign suppliers/contractors (thsd AZN) | 50,204  | 91,202  | 72,867,713  |

## Environment

|                                                                     | 2021       | 2022       | 2023       |
|---------------------------------------------------------------------|------------|------------|------------|
| Electricity consumption in the office (kWh)                         | 233,851    | 374,616    | 372,672    |
| Electricity used for technical equipment (i.e. LTE, BTS etc.) (kWh) | 67,232,089 | 67,564,842 | 67,874,829 |
| Diesel (ton)                                                        | 806.35     | 1,310.78   | 2,964      |
| Petroleum (ton)                                                     | 573.33     | 644.81     | 842        |

|                               | 2021  | 2022  | 2023  |
|-------------------------------|-------|-------|-------|
| Total water consumption, (m3) | 134.8 | 124.4 | 1,233 |

|                                | 2021   | 2022   | 2023   |
|--------------------------------|--------|--------|--------|
| Scope 1 GHG emissions (tCO2 e) | 3,481  | 14,798 | 11,693 |
| Scope 2 GHG emissions (tCO2 e) | 14,325 | 14,426 | 34,124 |

|                                        | 2022 | 2023 |
|----------------------------------------|------|------|
| Total weight of waste generated, tones | 2.33 | 4.35 |

**10**

**GRI disclosures  
table**

# GRI disclosures table

| General disclosures             | Disclosure                                                                       | Status    | Location                                  |
|---------------------------------|----------------------------------------------------------------------------------|-----------|-------------------------------------------|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details                                                       | Disclosed | About Azerconnect Group                   |
|                                 | 2-2 Entities included in the organization's sustainability reporting             | Disclosed | Report overview                           |
|                                 | 2-3 Reporting period, frequency and contact point                                | Disclosed | Report overview                           |
|                                 | 2-4 Restatements of information                                                  | Disclosed | Report overview                           |
|                                 | 2-5 External assurance                                                           | Disclosed | Report overview                           |
|                                 | 2-6 Activities, value chain and other business relationships                     | Disclosed | Our vision, mission and core values       |
|                                 | 2-7 Employees                                                                    | Disclosed | People First: Our commitment to employees |
|                                 | 2-8 Workers who are not employees                                                | Disclosed | People First: Our commitment to employees |
|                                 | 2-9 Governance structure and composition                                         | Disclosed | Company management                        |
|                                 | 2-10 Nomination and selection of the highest governance body                     | Disclosed | Company management                        |
|                                 | 2-11 Chair of the highest governance body                                        | Disclosed | Company management                        |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | Disclosed | Company management                        |
|                                 | 2-13 Delegation of responsibility for managing impacts                           | Disclosed | Company management                        |
|                                 | 2-14 Role of the highest governance body in sustainability reporting             | Disclosed | Company management                        |

| General disclosures             | Disclosure                                                        | Status        | Location                                      |
|---------------------------------|-------------------------------------------------------------------|---------------|-----------------------------------------------|
| GRI 2: General Disclosures 2021 | 2-15 Conflicts of interest                                        | Disclosed     | Company management                            |
|                                 | 2-16 Communication of critical concerns                           | Disclosed     | Conducting business ethically and responsibly |
|                                 | 2-17 Collective knowledge of the highest governance body          | Disclosed     | Company management                            |
|                                 | 2-18 Evaluation of the performance of the highest governance body | Disclosed     | Company management                            |
|                                 | 2-19 Remuneration policies                                        | Disclosed     | Our guiding principles and priorities         |
|                                 | 2-20 Process to determine remuneration                            | Disclosed     | Our guiding principles and priorities         |
|                                 | 2-21 Annual total compensation ratio                              | Disclosed     | People First: Our commitment to employees     |
|                                 | 2-22 Statement on sustainable development strategy                | Disclosed     | Sustainability in action                      |
|                                 | 2-23 Policy commitments                                           | Disclosed     | Conducting business ethically and responsibly |
|                                 | 2-24 Embedding policy commitments                                 | Disclosed     | Conducting business ethically and responsibly |
|                                 | 2-25 Processes to remediate negative impacts                      | Disclosed     | Sustainability performance                    |
|                                 | 2-26 Mechanisms for seeking advice and raising concerns           | Disclosed     | Conducting business ethically and responsibly |
|                                 | 2-28 Membership associations                                      | Disclosed     | Report overview                               |
|                                 | 2-29 Approach to stakeholder engagement                           | Disclosed     | Stakeholder engagement                        |
|                                 | 2-30 Collective bargaining agreements                             | Not disclosed |                                               |



| Material topics             | Disclosure                               | Status    | Location               |
|-----------------------------|------------------------------------------|-----------|------------------------|
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | Disclosed | Materiality assessment |
|                             | 3-2 List of material topics              | Disclosed | Materiality assessment |
|                             | 3-3 Management of material topics        | Disclosed | Materiality assessment |

| Economic performance               | Disclosure                                                                           | Status        | Location                           |
|------------------------------------|--------------------------------------------------------------------------------------|---------------|------------------------------------|
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed                                | Disclosed     | Business conduct & economic impact |
|                                    | 201-2 Financial implications and other risks and opportunities due to climate change | Not disclosed |                                    |
|                                    | 201-3 Defined benefit plan obligations and other retirement plans                    | Not disclosed |                                    |
|                                    | 201-4 Financial assistance received from government                                  | Not disclosed |                                    |

| Market presence               | Disclosure                                                                         | Status    | Location                                  |
|-------------------------------|------------------------------------------------------------------------------------|-----------|-------------------------------------------|
| GRI 202: Market Presence 2016 | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Disclosed | People First: Our commitment to employees |
|                               | 202-2 Proportion of senior management hired from the local community               | Disclosed | People First: Our commitment to employees |

| Indirect economic impacts               | Disclosure                                              | Status    | Location                                      |
|-----------------------------------------|---------------------------------------------------------|-----------|-----------------------------------------------|
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | Disclosed | Conducting business ethically and responsibly |
|                                         | 203-2 Significant indirect economic impacts             | Disclosed | Conducting business ethically and responsibly |

| Procurement practices                  | Disclosure                                      | Status    | Location                    |
|----------------------------------------|-------------------------------------------------|-----------|-----------------------------|
| GRI 204:<br>Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | Disclosed | Supply chain responsibility |

| Anti-corruption                  | Disclosure                                                                     | Status    | Location                    |
|----------------------------------|--------------------------------------------------------------------------------|-----------|-----------------------------|
| GRI 205:<br>Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption                      | Disclosed | Proactive safety management |
|                                  | 205-2 Communication and training about anti-corruption policies and procedures | Disclosed | Anti-corruption measures    |
|                                  | 205-3 Confirmed incidents of corruption and actions taken                      | Disclosed | Anti-corruption measures    |

| Anti-competitive behavior                  | Disclosure                                                                            | Status    | Location                                                                              |
|--------------------------------------------|---------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------|
| GRI 206:<br>Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Disclosed | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices |

| Tax               | Disclosure                                                             | Status         | Location                                      |
|-------------------|------------------------------------------------------------------------|----------------|-----------------------------------------------|
| GRI 207: Tax 2019 | 207-1 Approach to tax                                                  | Disclosed      | Conducting business ethically and responsibly |
|                   | 207-2 Tax governance, control, and risk management                     | Disclosed      | Risk management                               |
|                   | 207-3 Stakeholder engagement and management of concerns related to tax | Not disclosed  |                                               |
|                   | 207-4 Country-by-country reporting                                     | Not applicable |                                               |

| Materials                  | Disclosure                                             | Status        | Location |
|----------------------------|--------------------------------------------------------|---------------|----------|
| GRI 301:<br>Materials 2016 | 301-1 Materials used by weight or volume               | Not disclosed |          |
|                            | 301-2 Recycled input materials used                    | Not disclosed |          |
|                            | 301-3 Reclaimed products and their packaging materials | Not disclosed |          |

| Energy                  | Disclosure                                                       | Status        | Location                                               |
|-------------------------|------------------------------------------------------------------|---------------|--------------------------------------------------------|
| GRI 302:<br>Energy 2016 | 302-1 Energy consumption within the organization                 | Disclosed     | Our pledge to the planet:<br>Environmental stewardship |
|                         | 302-2 Energy consumption outside of the organization             | Not disclosed |                                                        |
|                         | 302-3 Energy intensity                                           | Disclosed     | Our pledge to the planet:<br>Environmental stewardship |
|                         | 302-4 Reduction of energy consumption                            | Disclosed     | Our pledge to the planet:<br>Environmental stewardship |
|                         | 302-5 Reductions in energy requirements of products and services | Not disclosed |                                                        |

| Water and effluents               | Disclosure                                          | Status        | Location               |
|-----------------------------------|-----------------------------------------------------|---------------|------------------------|
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource  | Disclosed     | Ecosystem preservation |
|                                   | 303-2 Management of water discharge-related impacts | Disclosed     | Ecosystem preservation |
|                                   | 303-3 Water withdrawal                              | Not disclosed |                        |
|                                   | 303-4 Water discharge                               | Not disclosed |                        |
|                                   | 303-5 Water consumption                             | Not disclosed | Ecosystem preservation |

| Biodiversity                  | Disclosure                                                                                                                                      | Status        | Location |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------|
| GRI 304:<br>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                                                                  | Not disclosed |          |
|                               | 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               | Disclosure                                                                            | Status         | Location                                            |
|-------------------------|---------------------------------------------------------------------------------------|----------------|-----------------------------------------------------|
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions                                                  | Disclosed      | Our pledge to the planet: Environmental stewardship |
|                         | 305-2 Energy indirect (Scope 2) GHG emissions                                         | Disclosed      | Our pledge to the planet: Environmental stewardship |
|                         | 305-3 Other indirect (Scope 3) GHG emissions                                          | Not disclosed  |                                                     |
|                         | 305-4 GHG emissions intensity                                                         | Disclosed      | Our pledge to the planet: Environmental stewardship |
|                         | 305-5 Reduction of GHG emissions                                                      | Disclosed      | Our pledge to the planet: Environmental stewardship |
|                         | 305-6 Emissions of ozone-depleting substances (ODS)                                   | Not applicable |                                                     |
|                         | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Not applicable |                                                     |

| Waste               | Disclosure                                                   | Status    | Location               |
|---------------------|--------------------------------------------------------------|-----------|------------------------|
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | Disclosed | Ecosystem preservation |
|                     | 306-2 Management of significant waste-related impacts        | Disclosed | Ecosystem preservation |
|                     | 306-3 Waste generated                                        | Disclosed | Ecosystem preservation |
|                     | 306-4 Waste diverted from disposal                           | Disclosed | Ecosystem preservation |
|                     | 306-5 Waste directed to disposal                             | Disclosed | Ecosystem preservation |

| Supplier environmental assessment               | Disclosure                                                                 | Status    | Location                    |
|-------------------------------------------------|----------------------------------------------------------------------------|-----------|-----------------------------|
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria        | Disclosed | Supply chain responsibility |
|                                                 | 308-2 Negative environmental impacts in the supply chain and actions taken | Disclosed | Supply chain responsibility |

| Employment               | Disclosure                                                                                               | Status    | Location                                  |
|--------------------------|----------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------|
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover                                                           | Disclosed | People First: Our commitment to employees |
|                          | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Disclosed |                                           |
|                          | 401-3 Parental leave                                                                                     | Disclosed | Non-financial performance tables          |

| Labor/management relations                  | Disclosure                                                 | Status        | Location |
|---------------------------------------------|------------------------------------------------------------|---------------|----------|
| GRI 402:<br>Labor/Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | Not disclosed |          |

| Occupational health and safety                  | Disclosure                                                                                                          | Status    | Location                    |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-----------|-----------------------------|
| GRI 403:<br>Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system                                                              | Disclosed | Proactive safety management |
|                                                 | 403-2 Hazard identification, risk assessment, and incident investigation                                            | Disclosed | Proactive safety management |
|                                                 | 403-3 Occupational health services                                                                                  | Disclosed | Proactive safety management |
|                                                 | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | Disclosed | Proactive safety management |
|                                                 | 403-5 Worker training on occupational health and safety                                                             | Disclosed | Proactive safety management |
|                                                 | 403-6 Promotion of worker health                                                                                    | Disclosed | Proactive safety management |
|                                                 | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Disclosed | Proactive safety management |
|                                                 | 403-8 Workers covered by an occupational health and safety management system                                        | Disclosed | Proactive safety management |
|                                                 | 403-9 Work-related injuries                                                                                         | Disclosed | Proactive safety management |
|                                                 | 403-10 Work-related ill health                                                                                      | Disclosed | Proactive safety management |

| Training and education               | Disclosure                                                                                 | Status    | Location                              |
|--------------------------------------|--------------------------------------------------------------------------------------------|-----------|---------------------------------------|
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee                                      | Disclosed | Our guiding principles and priorities |
|                                      | 404-2 Programs for upgrading employee skills and transition assistance programs            | Disclosed | Our guiding principles and priorities |
|                                      | 404-3 Percentage of employees receiving regular performance and career development reviews | Disclosed | Our guiding principles and priorities |

| Diversity and equal opportunity               | Disclosure                                                   | Status    | Location                              |
|-----------------------------------------------|--------------------------------------------------------------|-----------|---------------------------------------|
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees           | Disclosed | Our guiding principles and priorities |
|                                               | 405-2 Ratio of basic salary and remuneration of women to men | Disclosed | Our guiding principles and priorities |

| Non-discrimination               | Disclosure                                                     | Status    | Location                              |
|----------------------------------|----------------------------------------------------------------|-----------|---------------------------------------|
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Disclosed | Our guiding principles and priorities |

| Freedom of association and collective bargaining               | Disclosure                                                                                                           | Status    | Location                                                             |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-----------|----------------------------------------------------------------------|
| 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               | Disclosure                                                                      | Status    | Location                                                |
|---------------------------|---------------------------------------------------------------------------------|-----------|---------------------------------------------------------|
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Disclosed | No such incidents occurred during the reporting period. |



| Forced or compulsory labor               | Disclosure                                                                                     | Status    | Location                                                |
|------------------------------------------|------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------|
| 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 incidents occurred during the reporting period. |

| Security practices               | Disclosure                                                              | Status    | Location                                      |
|----------------------------------|-------------------------------------------------------------------------|-----------|-----------------------------------------------|
| GRI 410: Security Practices 2016 | 410-1 Security employees trained in human rights policies or procedures | Disclosed | Conducting business ethically and responsibly |

| Rights of indigenous peoples               | Disclosure                                                           | Status         | Location |
|--------------------------------------------|----------------------------------------------------------------------|----------------|----------|
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | Not applicable |          |

| Local communities               | Disclosure                                                                                     | Status    | Location                                 |
|---------------------------------|------------------------------------------------------------------------------------------------|-----------|------------------------------------------|
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | Disclosed | Social impact: Our community initiatives |
|                                 | 413-2 Operations with significant actual and potential negative impacts on local communities   | Disclosed | Social impact: Our community initiatives |

| Supplier social assessment               | Disclosure                                                          | Status    | Location                    |
|------------------------------------------|---------------------------------------------------------------------|-----------|-----------------------------|
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria        | Disclosed | Supply chain responsibility |
|                                          | 414-2 Negative social impacts in the supply chain and actions taken | Disclosed | Supply chain responsibility |

| Public policy               | Disclosure                    | Status        | Location |
|-----------------------------|-------------------------------|---------------|----------|
| GRI 415: Public Policy 2016 | 415-1 Political contributions | Not disclosed |          |

| Customer health and safety               | Disclosure                                                                                          | Status        | Location                                                        |
|------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------|
| 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               | Disclosure                                                                                | Status        | Location                                                        |
|--------------------------------------|-------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------|
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling                       | Not disclosed |                                                                 |
|                                      | 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               | Disclosure                                                                                         | Status    | Location                                                                                                                                       |
|--------------------------------|----------------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Disclosed | During the reporting period, no substantiated complaints regarding breaches of customer privacy or losses of customer data have been recorded. |

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## Independent assurance statement



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## INDEPENDENT ASSURANCE REPORT

**Independent practitioner's limited assurance report by Deloitte & Touche LLAC ("Deloitte") to the Board of Directors of Azerconnect Group ("the Company") on the 2023 Annual Sustainability Report ("the Report") for the period from 1 January 2023 to 31 December 2023:**

### Scope of assurance

We have been engaged by the Company to perform an assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) ("the Standard") to provide independent limited assurance on accuracy of selected data presented in the Report prepared in accordance with the requirements of Global Reporting Initiative ("GRI") Sustainability Reporting Standards for the period from 1 January 2023 to 31 December 2023.

### Assurance procedures and roles

We carried out limited assurance on the accuracy of the following data related to 2023 years and included in the Report:

- (1) Selected key performance indicators specified below in the section "Selected non-financial performance data for limited assurance", and
- (2) The Company's self-declaration in preparing the Report in accordance with the requirements of GRI Sustainability Reporting Standards as stated on "About the Report" subsection of the Report.

### Our key assurance procedures

To achieve limited assurance, the Standard requires that we review the processes, systems, and competencies used to compile the areas on which we provide our assurance. Considering the risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.

To form our conclusion, we undertook the following procedures:

- Analyzed on a sample basis the key systems, processes, policies, and controls relating to the collation, aggregation, validation, and reporting processes of the selected sustainability performance indicators;
- Conducted interviews with employees of the Company responsible for sustainability performance, policies, and corresponding reporting;
- Conducted selective substantive testing to confirm the accuracy of received data to the selected key performance indicators;
- Made inquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment, risk management, materiality assessment, and stakeholder engagement processes relevant to the identification, management, and reporting of sustainability issues; and
- Performed selective review of disclosures in the Report on compliance with GRI Sustainability Reporting Standards.

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

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

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### Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error, or non-compliance may occur and not be detected. Additionally, non-financial information such as that included in reporting documents is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating, and sampling or estimating such information.

Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, for this Report, or for the conclusion we have formed.

Our engagement provides limited assurance as defined in the Standard. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and, consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Roles and responsibilities

The Directors of the Company are responsible for the preparation, accuracy, and completeness of the sustainability information and statements contained within the Report. They are responsible for determining the Company's sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to independently express a conclusion on the selected data based on our procedures. We conducted our engagement in accordance with the ISAE 3000 (Revised) Assurance Engagements other than Audit or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board.

### Independence and quality control

We have complied with the independence and other ethical requirements established by the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behavior.

Deloitte applies the International Standard on Quality Control Management 1 (ISQM 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### Selected non-financial performance data for limited assurance

We have been engaged by the Company to perform limited assurance procedures on the accuracy of the following key performance data of the 2023 reporting year included in the Report:

|              |                                                                      |
|--------------|----------------------------------------------------------------------|
| Supply chain | • Total number of local suppliers                                    |
|              | • Share of procurement budget spent on local suppliers/contractors   |
|              | • Total number of foreign suppliers                                  |
|              | • Share of procurement budget spent on foreign suppliers/contractors |
| Employees    | • Total number of employees                                          |
|              | • Number of employees by gender, male                                |
|              | • Number of employees by gender, female                              |
|              | • Number of hired employees                                          |
|              | • Number of employee turnover                                        |
|              | • Employee turnover rate                                             |

**Limited assurance conclusion**

Based on the scope of our work and the assurance procedures performed, we conclude that nothing has come to our attention that causes us to believe that the aforementioned selected non-financial performance data, which we were engaged to provide limited assurance on, as specified in the "Roles and responsibilities" section above, are materially misstated.

Deloitte & Touche LLC

28 November 2024







Annual Sustainability Report 2023