

# Sustainability Report

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# Welcome to our 2<sup>nd</sup> Sustainability Report





# 1. Welcome to our 2<sup>nd</sup> Sustainability Report

This report isn't just about data - it's about Azercell's impact, challenges, and the steps we're taking toward a more sustainable future. Here's what you'll discover:

- **Our ESG Vision & Strategy** - How we integrate sustainability into our business
- **Key Achievements** - The milestones that shaped our year
- **What Matters Most** - Insights from our double materiality assessment
- **Transparency & Accountability** - Our progress, challenges, and commitments across all ESG areas
- **Looking Ahead** - The future of sustainability in our company

Before we begin this report, we are honored to open with a Q&A session with our CEO, Zarina Zeynalova, who sets the strategic tone and direction for our sustainability journey.





# Q&A with the CEO

**Zarina Zeynalova,**  
CEO of “Azercell Telecom” LLC

As we present our second Annual Sustainability Report, we took the opportunity to sit down with our CEO, Zarina Zeynalova, for an in-depth conversation about Azercell’s sustainability journey – its progress to date, the challenges along the way, and the ambitions that lie ahead.

With a strong global leadership background across various industries, Zarina Zeynalova brings a forward-thinking perspective to Azercell. She has consistently driven a vision where business success goes hand in hand with environmental responsibility, social impact, and strong governance. Known for fostering innovation and long-term value, she continues to play a key role in embedding sustainability at the heart of Azercell’s strategy.

*“Sustainability is not just a fashionable concept but a real strategic choice...”*

**Q: What achievements from 2024 are you most proud of? Could you highlight some specific ESG accomplishments Azercell reached during the year?**

2024 was a transformative year for Azercell. One of the milestones I’m proud of is the launch of our ESG Strategy 2025+, which sets clear targets and a structured path forward across all ESG dimensions. We also significantly scaled up our renewable energy efforts, expanding from just two solar-powered sites in 2022 to 37 in 2024, demonstrating our dedication to green infrastructure. I’m also proud that Azercell was selected as the Official Telecom Partner for COP29. Through this role, we are supporting Azerbaijan’s climate agenda by ensuring secure digital infrastructure for global dialogue, raising environmental awareness through digital platforms, and enabling inclusive access to one of the world’s most significant climate events. And just as important were the community-focused programs we rolled out, especially those supporting women, youth, and digital inclusion.





**Q: Were there any unexpected challenges you faced this year, and how did you overcome them?**

One of the most pressing was adapting to rising expectations around ESG reporting and transparency. It’s an area evolving rapidly, and we had to build new internal capacities fast. And, as with any strategic shift, aligning teams behind a new ESG roadmap took time and effort. But these challenges pushed us to collaborate more closely, invest in training, and seek expert partnerships. In the end, they strengthened our foundation.

**Q: Looking ahead, what new sustainability initiatives is Azercell excited to focus on in 2025?**

In 2025, we move into the implementation phase of our ESG Strategy. That means putting our plans into action and delivering real impact. With well-defined goals now in place, our focus is on implementation, turning plans into tangible results across our environmental, social, and governance priorities. One of our key initiatives is launching capacity-building programs to deepen ESG understanding within the company. We want every employee to feel informed, empowered, and involved in driving positive changes.



**Q: What ESG topics do you personally feel passionate about, and why?**

Right now, environmental responsibility is top of mind. As a digital operator with a large infrastructure footprint, reducing our energy use and emissions is a clear priority. That’s why we’ve made renewable energy and energy efficiency core to our strategy.

At the same time, I care deeply about digital inclusion. Access to technology should be a right, not a privilege. We continue to support programs that empower women, youth, and underserved communities, because true progress must be inclusive.

**Q: Finally, how do you see Azercell’s role in driving sustainability within the telecommunications sector in Azerbaijan?**

Azercell has both the scale and the responsibility to lead. Our goal is to set the standard by integrating ESG across our operations, investing in cleaner technologies, and promoting digital inclusion as a pillar of responsible growth.

We also see value in collaboration. By sharing best practices and working with industry partners, we aim to help raise ESG expectations across the telecom sector. For us, sustainability isn’t just about compliance, it’s about shaping a future where digital advancement and social and environmental responsibility move forward together.

# Azercell at a Glance

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## 2. Azercell at a Glance

What does it mean to lead in telecom today? For us, it's not just about speed or coverage - it's about trust, inclusion, and impact. At Azercell, we see technology as a bridge:

*connecting people not only to networks, but to opportunities, to knowledge, and to each other.*

**Our purpose:** To ease connectivity and empower the lives of all people across Azerbaijan.

At Azercell, we cultivate exceptional teams, expertise, and processes, driving leadership commitment to ensure the effective execution of our ESG strategy and create meaningful impact for our community.

**Our core values** shape how we work, lead, and grow - together with our customers, partners, and communities.

They are more than principles - they're a shared commitment that guides every decision we make:

- **We work best together** – Collaboration drives our progress
- **We stand up for our customers** – Simplicity, reliability, and care are at the heart of everything we deliver
- **We look to the future** – We embrace change and seek bold, innovative solutions
- **We build trust** – We lead with integrity, own our actions, and uphold the highest ethical standards





# 2024: Our key milestones

|  |  |  |   |
|--|--|--|---|
| More than <b>5 million</b> active customers  | <b>98%</b> Population coverage   | <b>95%</b> customer satisfaction index in call center performance                              | <b>34%</b> women in management positions  |
| Roaming partnerships with <b>400+ international operators</b> , enabling global connectivity for our users | Expanded to <b>37 solar-powered</b> hybrid network stations, with 35 located in the <b>Karabakh</b> region | <b>+800 direct employees</b> supported by a broader ecosystem of <b>12,000+</b> people         | <b>640+</b> employee training programs delivered, including HSE, digital literacy, and leadership |
| Generated over <b>350,000 kWh</b> of solar energy, with <b>95%</b> produced in the Karabakh region         | <b>~49%</b> of procurement budget spent on local suppliers, reaffirming our national economic support      | <b>Zero workplace injuries or fatalities</b> recorded under our ISO 45001-certified HSE system |   |

But what if we paused the numbers for a moment? Let’s look at what made 2024 meaningful - not just measurable.

# Social Empowerment & Community Support

### Expanded Women’s Helpline

The 116111 Women Helpline, initiated in 2022, handled 586 calls between June and November 2024, offering legal, psychological, and social support

### Inclusive Youth Support

Joined the “Support for the Socio-Economic Activity of Young People with Disabilities” program and the “Student Acceleration Program” to boost youth entrepreneurship

### Media-Tech Training

Organized professional development for journalists on emerging media technologies

### Cybersecurity Training for Elderly Citizens

Conducted cybersecurity training sessions tailored for elderly citizens

# Climate & Sustainability Leadership

### Hosted Sustainability Panel

Led a panel discussion on “The Role of Corporations in Driving Sustainability”

### Supported Global Forum

Contributed to the 15th Sustainable Innovation Forum 2024 as a key participant

### COP29 Official Partner

Served as the Official Telecom Partner at COP29, spotlighting our climate leadership







# Innovation & Digital Impact

**Launched the AI-powered “AI Chat Bot”,** transforming customer experience through instant, automated support

**Pioneered tokenized balance top-up payments,** becoming the **first mobile operator in Azerbaijan** to offer this secure innovation

# Governance & ESG

**Maintained and renewed essential international certifications,** including ISO 37001:2016 and ISO 10002:2018, enhancing our systems for anti-bribery compliance and customer service excellence

**Developed an upgraded ESG Strategy** and set Azercell’s first **ESG targets for 2025–2030,** reinforcing our long-term sustainability vision

# Sustainability at Azercell

03



# 3. Sustainability at Azercell

2024 marked a strategic turning point in Azercell’s sustainability efforts. It was the year we moved from building the foundation to activating change - through clearer goals, deeper integration, and stronger accountability across all ESG areas. We sharpened our focus, strengthened our voice, and elevated our responsibility - not just to connect people, but to do it with purpose, with care, and with a long-term vision.

## What Matters Most: Our Materiality Matrix

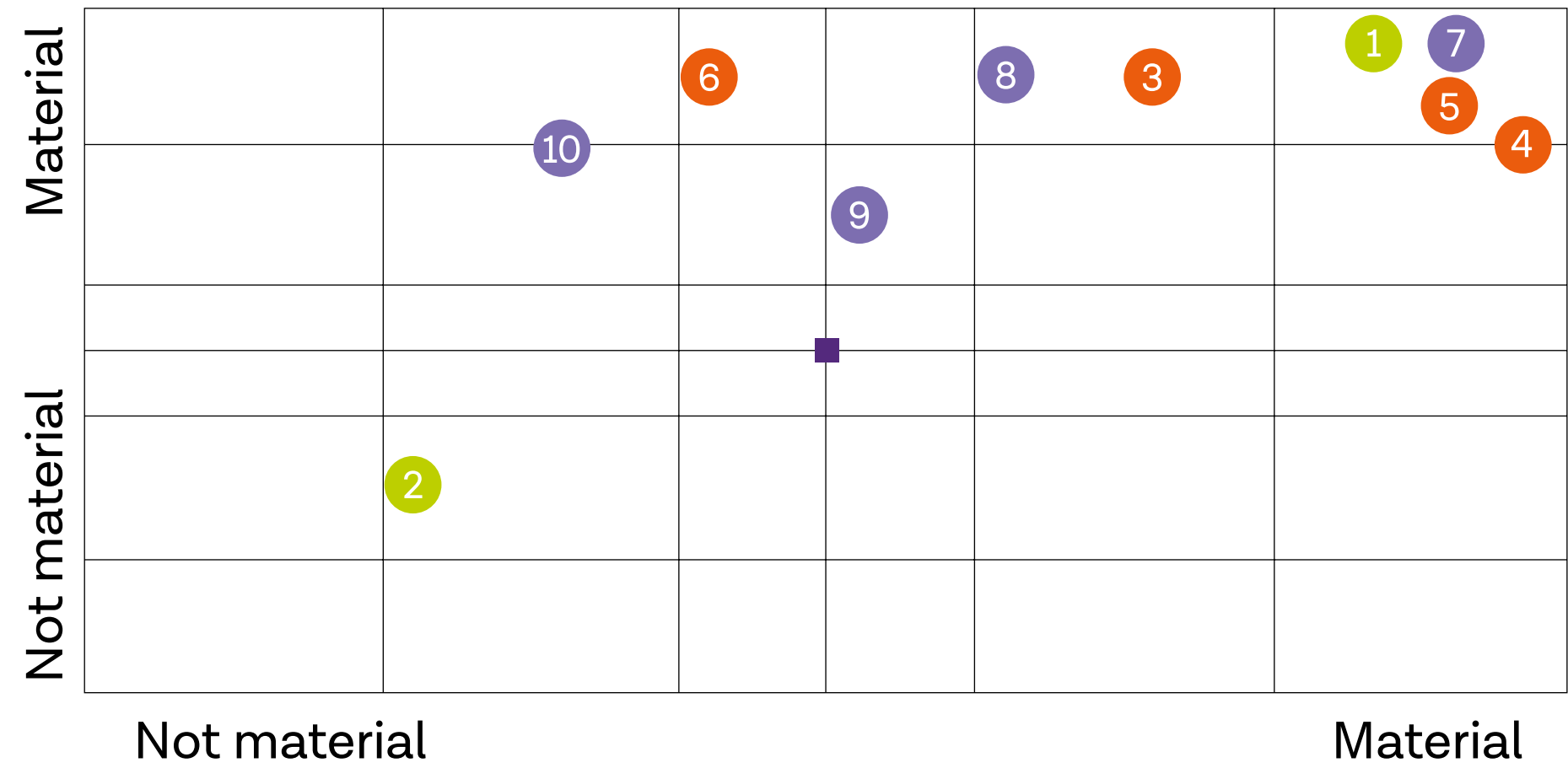
Understanding what truly matters is essential. In 2024, Azercell conducted a double materiality assessment, mapping the issues most relevant to our business and stakeholders. These include: High-impact topics: Climate action and emissions, Customer experience and satisfaction, Inclusive connectivity and Ethics and integrity. Emerging focus areas (under close monitoring): Employee Well-being and Safety, Cybersecurity and data protection, Sustainable Supply Chain Management.

## Double materiality

Understanding what matters most to us and our stakeholders is key to being a truly sustainable and responsible organization. The matrix below highlights Azercell’s assessment\* of its most significant material issues, mapped to reflect both our internal operations and the broader impact we have on businesses and the wider economy.

Our material topics helped pinpoint the areas where our actions can drive the greatest value - both for society and our business. Guided by these priorities, we moved from assessment to action with a focused and forward-looking ESG roadmap.

Double materiality matrix



- ENVIROMENT**
  - 1 Energy Efficiency and Renewable Energy
  - 2 E-waste and Circular Economy
- GOVERNANCE**
  - 7 Ethics and Integrity
  - 8 Cybersecurity and Risk Management
  - 9 Sustainable Supply Chain Management
  - 10 Anti-corruption and Transparency
- SOCIAL**
  - 3 Employee Well-being and Safety
  - 4 Customer-Centric Service Excellence
  - 5 Network Expansion and Connectivity
  - 6 Community Engagement and Social Impact

*\*This materiality assessment will be regularly reassessed throughout the ESG Strategy period. It shows a clear balance of environmental, social, and governance priorities, highlighting their importance both within our organization and externally. It is important to note that every issue shown on this chart is considered material, regardless of whether it is ranked as high, medium, or near the lower end of the scale.*

# From Commitment to Strategy

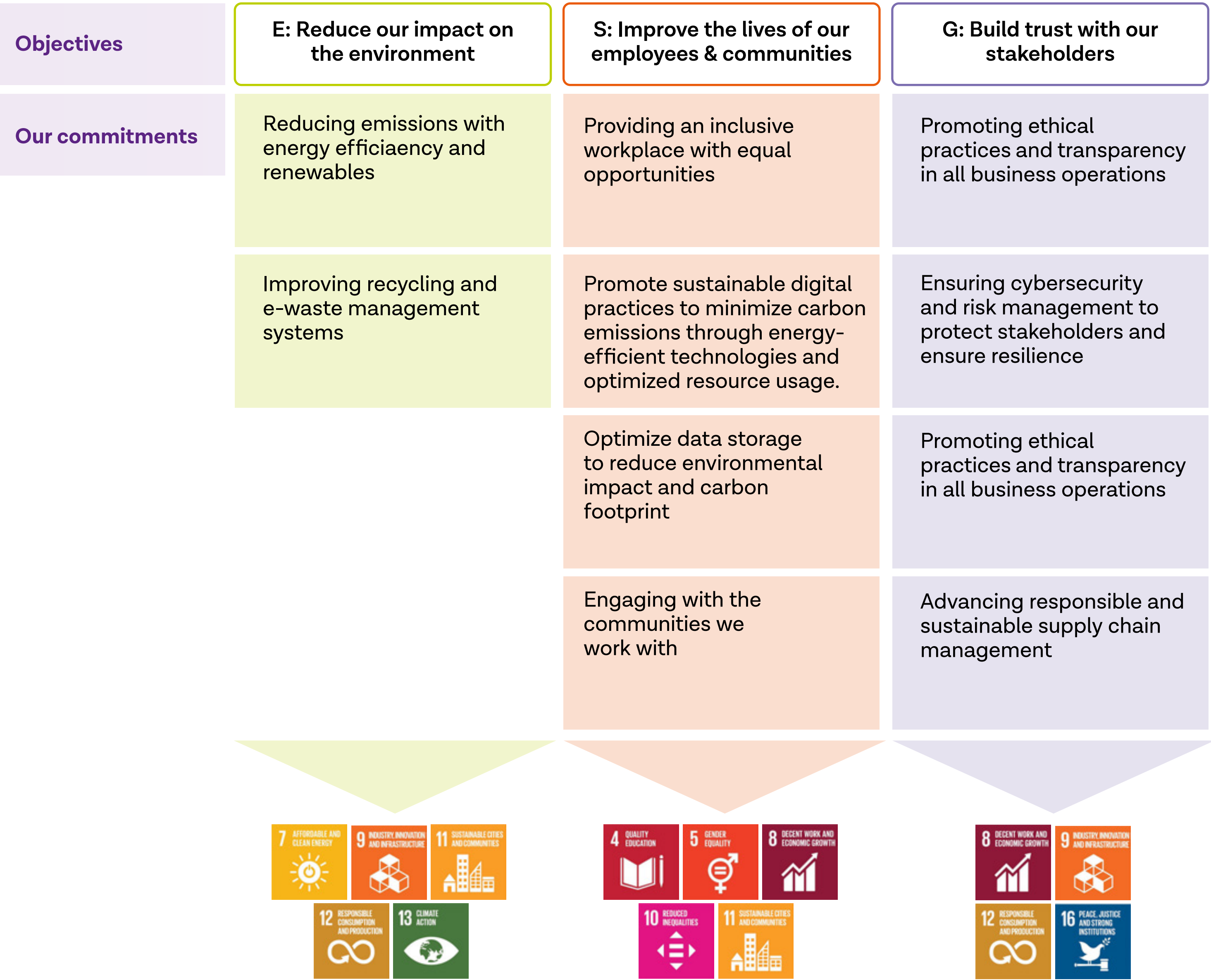
Grounded in our material topics, we finalized and adopted the ESG Strategy 2025+ in 2024, an actionable roadmap with time-bound goals across all ESG dimensions.

Developed through a double materiality assessment, the strategy aligns our internal priorities with the evolving expectations of external stakeholders.

The ESG Strategy is built around three pillars that reflect our core priorities: Key Pillars of the Strategy:

- **Environment:** Reduce our environmental footprint.
- **Social:** Enhance the lives of our employees and communities.
- **Governance:** Build and sustain trust through transparency and responsibility.

As outlined below, each pillar is anchored by specific commitments, which in turn are translated into measurable short-, medium-, and long-term targets to guide our actions from 2025 to 2030.





# ESG Targets

Environment: Reduce our impact on the environment

## ENVIROMENT

- 1 Energy Efficiency and Renewable Energy
- 2 E-waste and Circular Economy

| Commitment   | Material<br>I topic | Description  | Short-term<br>Target (2025)  | Medium-term<br>Target (2027)   | Long-term<br>Target (2030)  |
|--|---------------------|--|--|--|---|
| Reducing emissions with energy efficiency and renewables | 1                   | Actively contribute to reducing greenhouse gas emissions by improving energy efficiency across operations, deploying renewable energy solutions (e.g., solar-powered base stations), and exploring carbon offset initiatives | <div>Reduce diesel consumption by up to 10% compared to 2023 through optimization and renewable energy integration</div> <div>Achieve potential extra savings of 3% in energy consumption across the entire network by optimizing energy-saving features</div> | Implement an additional 20 hybrid stations to be fully operational, ensuring increased renewable energy integration and improved energy efficiency across operations | Expand renewable energy usage to 2.5-3% of total energy consumption by scaling solar-powered stations   |
| Improving recycling and e-waste management systems       | 2                   | Strengthen recycling programs by collecting and safely disposing of e-waste, refurbishing devices, and extending the lifecycle of batteries used in network equipment  | <div>Establish designated e-waste collection points across all retail locations</div> <div>Implement optimization processes to reduce paper usage across operations</div>  | Partner with certified recycling vendors to utilize and recycle e-waste from operations, including batteries and outdated equipment                                  | Implement digitalization processes to minimize waste generation and improve waste management efficiency |

# ESG Targets

Social: Improve the lives of our employees & communities

SOCIAL

- 3 Employee Well-being and Safety
- 4 Customer-Centric Service Excellence

| Commitment   | Material<br>Topic | Description  | Short-term<br>Target (2025)  | Medium-term<br>Target (2027)  | Long-term<br>Target (2030)  |
|--|-------------------|--|--|---|---|
| Providing an inclusive workplace with equal opportunities  | 3                 | Fostering an inclusive workplace with equal opportunities, enhancing satisfaction, diversity, and career development   | Maintain an annual employee turnover rate of less than 12%   | Maintain an annual employee turnover rate of less than 12%  | Maintain an annual employee turnover rate of less than 12%  |
|  |                   |  | Establish and deliver ESG awareness sessions for 100% of employees   | Integrate AI into the Skill Soft application to tailor personalized and adaptive learning paths based on users' career goals and expertise                              | Enhance established training programs and career development opportunities to ensure continuous employee growth and alignment with organizational success               |
|  |                   |  | Achieve 99% implementation of IDP needs through tailored development activities  |   |   |
| Promote sustainable digital practices to minimize carbon emissions through energy-efficient technologies and optimized resource usage. | 4                 | Reduce AI's carbon footprint by improving model efficiency, optimizing computational resource use, and fostering sustainable, energy-efficient AI technologies | Reduce the energy consumption of AI model training and inference by 5% through model optimization techniques for example pruning, quantization, and feature reduction. | Reduce the energy consumption of AI model training and inference by 10% through model optimization techniques for example pruning, quantization, and feature reduction. | Reduce the energy consumption of AI model training and inference by 15% through model optimization techniques for example pruning, quantization, and feature reduction. |



# ESG Targets

Social: Improve the lives of our employees & communities

SOCIAL

- 5 Network Expansion and Connectivity
- 6 Community Engagement and Social Impact

| Commitment  | Material<br>Topic | Description  | Short-term<br>Target (2025)   | Medium-term<br>Target (2027)  | Long-term<br>Target (2030)   |
|---|-------------------|--|---|---|--|
| Optimize data storage to reduce environmental impact and carbon footprint | 5                 | Minimize the environmental impact of data storage by optimizing energy use, implementing efficient data lifecycle management, and leveraging AI for automated storage and access optimization. | Reduce overall data storage usage by 5% through data lifecycle management, optimization, and adopting energy-efficient storage technologies         | Reduce overall data storage usage by 10% through data lifecycle management, optimization, and adopting energy-efficient storage technologies  | Reduce overall data storage usage by 15% through data lifecycle management, optimization, and adopting energy-efficient storage technologies |
| Engaging with the communities we work with                                | 6                 | Strengthen community ties by addressing local needs, fostering social well-being, and driving positive social impact through targeted initiatives.   | Ensure CSR and community projects include a focus on women empowerment, delivering clear and sustainable long-term benefits for the regions involve | Integrate diversity and inclusion principles into all community initiatives, ensuring equal opportunities for all individuals and communities | Implement long-term, scalable CSR projects that provide measurable social and economic benefits for regions, driving sustainable development |

# ESG Targets

Governance: Build trust with our stakeholders

## GOVERNANCE

- 7

Ethics and Integrity
- 8

Cybersecurity and Risk Management
- 9

Sustainable Supply Chain Management
- 10

Anti-corruption and Transparency

|  | Material<br>Topic | Description   | Short-term<br>Target (2025)   | Medium-term<br>Target (2027)  | Long-term<br>Target (2030)  |
|--|-------------------|---|---|---|---|
| Promoting ethical practices and transparency in all business operations                  | 7                 | Implement mechanisms to uphold our ethical standards, provide employee training programs, and ensure transparency in decision-making and reporting processes  | Advance the whistleblower mechanism and improve the resolution of reported cases within a timely manner | Transition to the full automation of all compliance processes           | N/A*  |
|  | 10                |   | 100% of employees trained on anti-corruption and ethics policies  | 100% of employees trained on anti-corruption and ethics policies        | 100% of employees trained on anti-corruption and ethics policies  |
| Ensuring cybersecurity and risk management to protect stakeholders and ensure resilience | 8                 | Prevent critical cybersecurity breaches, achieve compliance with internationally recognized standards, and respond swiftly to cybersecurity incidents to safeguard stakeholders and maintain resilience | Achieve compliance with internationally recognized standards (ISO/IEC 27001)                            | N/A*  | N/A*  |
| Advancing responsible and sustainable supply chain management                            | 9                 | Through supplier assessments, adherence to sustainability standards, and efforts to reduce supply chain emissions, uphold ethical and sustainable practices throughout our operations                   | Conduct ESG assessments for 100% of tier-1 suppliers  | Ensure 50% of strategic suppliers meet defined sustainability standards | Achieve a 20% reduction in Scope 3 emissions across the supply chain by implementing supplier-level sustainability programs |

\*Targets marked as “N/A” will be updated once they are developed by the respective process owner.



# Stakeholder Voices

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# 4. Stakeholder Voices

At Azercell, sustainability starts with listening. We prioritize the voices and concerns of our key stakeholders to ensure our actions align closely with their expectations and needs. Through regular dialogues and targeted engagement channels, we actively gather insights that shape our sustainability strategy and business decisions. This collaborative approach not only strengthens mutual trust but also ensures our sustainability efforts deliver meaningful impact for everyone connected to our business.

The following table summarizes our key stakeholder groups, detailing our engagement methods and the value we create through these interactions:



| Stakeholders               | How we engage   | Value generated  |
|----------------------------|---|--|
| Employees                  | <ul style="list-style-type: none"><li>• Corporate meetings</li><li>• Internal portal</li><li>• Surveys</li><li>• Training</li></ul>   | <ul style="list-style-type: none"><li>✓ Enhanced employee satisfaction</li><li>✓ Career growth &amp; retention</li></ul>                                       |
| Customers & Community      | <ul style="list-style-type: none"><li>• Corporate website</li><li>• Advertising</li><li>• Hotline &amp; service center</li><li>• Official correspondence</li><li>• SMS-notification</li></ul> | <ul style="list-style-type: none"><li>✓ Improved customer experience</li><li>✓ Enhanced service quality</li><li>✓ Increased transparency &amp; trust</li></ul> |
| Shareholders and investors | <ul style="list-style-type: none"><li>• Annual and quarterly reports/meetings</li><li>• Corporate website</li></ul>   | <ul style="list-style-type: none"><li>✓ Transparent communication</li><li>✓ Informed decision-making</li></ul>   |
| Partners & Suppliers       | <ul style="list-style-type: none"><li>• Tenders &amp; negotiations</li><li>• Assessments</li><li>• Meetings</li><li>• Official correspondence</li></ul>                                       | <ul style="list-style-type: none"><li>✓ Sustainable supply chain</li><li>✓ Effective collaboration</li></ul>   |
| Media                      | <ul style="list-style-type: none"><li>• Press releases</li><li>• Interviews &amp; conferences</li><li>• Comments</li><li>• Business forums and external events</li></ul>                      | <ul style="list-style-type: none"><li>✓ Transparent public relations</li><li>✓ Enhanced reputation</li></ul>   |
| Government                 | <ul style="list-style-type: none"><li>• Round tables &amp; conferences</li><li>• Regular reporting</li></ul>  | <ul style="list-style-type: none"><li>✓ Regulatory compliance</li><li>✓ Effective public-private collaboration</li></ul>                                       |



# **Planet First: Environment & Climate Action**





## 5. Planet First: Environment & Climate Action

We recognize that connectivity and sustainability must advance hand-in-hand. Through targeted innovations, continuous optimization, and strategic adoption of renewable energy, we have significantly progressed in minimizing our environmental footprint, ensuring sustainable growth for our communities and stakeholders. Our environmental management system is aligned with the ISO 14001:2015 standard, demonstrating our commitment to international best practices in environmental stewardship.

### Renewable Energy Leadership

Azercell made remarkable strides in renewable energy adoption between 2022 and 2024. Our investment in solar-powered network infrastructure increased dramatically, from just 2 sites in 2022 to **37 hybrid solar-powered stations** in 2024, operating with approximately 60% solar and 40% diesel. Many of these solar-powered sites are located in key regions such as **Karabakh, Gubadli, Jabrayil, Tovuz, and Gobustan**. These areas, particularly the restored territories of Karabakh, represent a strong symbol of sustainable development and national renewal. By bringing clean energy to these regions, we support not only environmental goals but also inclusive regional growth and resilience. This growth had a clear impact: our solar energy generation jumped significantly - from **21,464 kWh** in 2022 to nearly **350,000 kWh** by the end of 2024. With each new solar-powered site, we reduced our dependence on traditional fuels and lowered our environmental footprint, particularly in regions where reliable, clean energy matters most.





# Energy Efficiency in Operations

Energy efficiency remained at the heart of Azercell’s environmental efforts throughout 2024, as we laid the groundwork for aligning operational performance with the sustainability goals outlined in our ESG Strategy. One of our most impactful initiatives is the Energy Saving Feature, first introduced in December 2022 and significantly expanded across regional sites by March 2024. This intelligent software solution reduces energy consumption during low-traffic periods - such as nighttime - without compromising service quality.

## 2024 Key Results:

- ~3,628 MWh of electricity saved across mobile network infrastructure
- ~1,705 metric tons of CO2 emissions avoided - equivalent to planting over 81,000 trees
- ~\$235,820 USD in cost savings, reinforcing the business value of sustainable practices

Controlled deactivation tests conducted in 2024 further confirmed the strong performance of the Energy Saving Feature. In the Baku–Absheron region, a temporary 24-hour pause resulted in a 9% increase in energy consumption, while a similar test in other regions led to an 11.1% rise. These results clearly demonstrated the measurable impact of the feature across different parts of the network, reinforcing its role as an effective tool in our energy efficiency journey.

During the reporting period, Azercell’s total direct GHG emissions (Scope 1) decreased slightly to 4,643 metric tons of CO<sub>2</sub>e in 2024, down from 5,012 metric tons in 2023. This reduction was driven by the implementation of energy efficiency projects and the expansion of solar-powered base stations across the network. While we are currently disclosing Scope 1 and Scope 2 emissions, we have laid the foundation for future Scope 3 reporting by enhancing supplier engagement and data tracking capabilities.

In 2024, Azercell began conducting **ESG audits** for our top-tier suppliers. These audits are not only helping suppliers strengthen their own sustainability frameworks but also enabling them to implement effective **data tracking systems**. This foundation will significantly simplify Scope 3 data collection in future years, allowing for more accurate and comprehensive emissions reporting in alignment with GHG Protocol and GRI 305 standards.

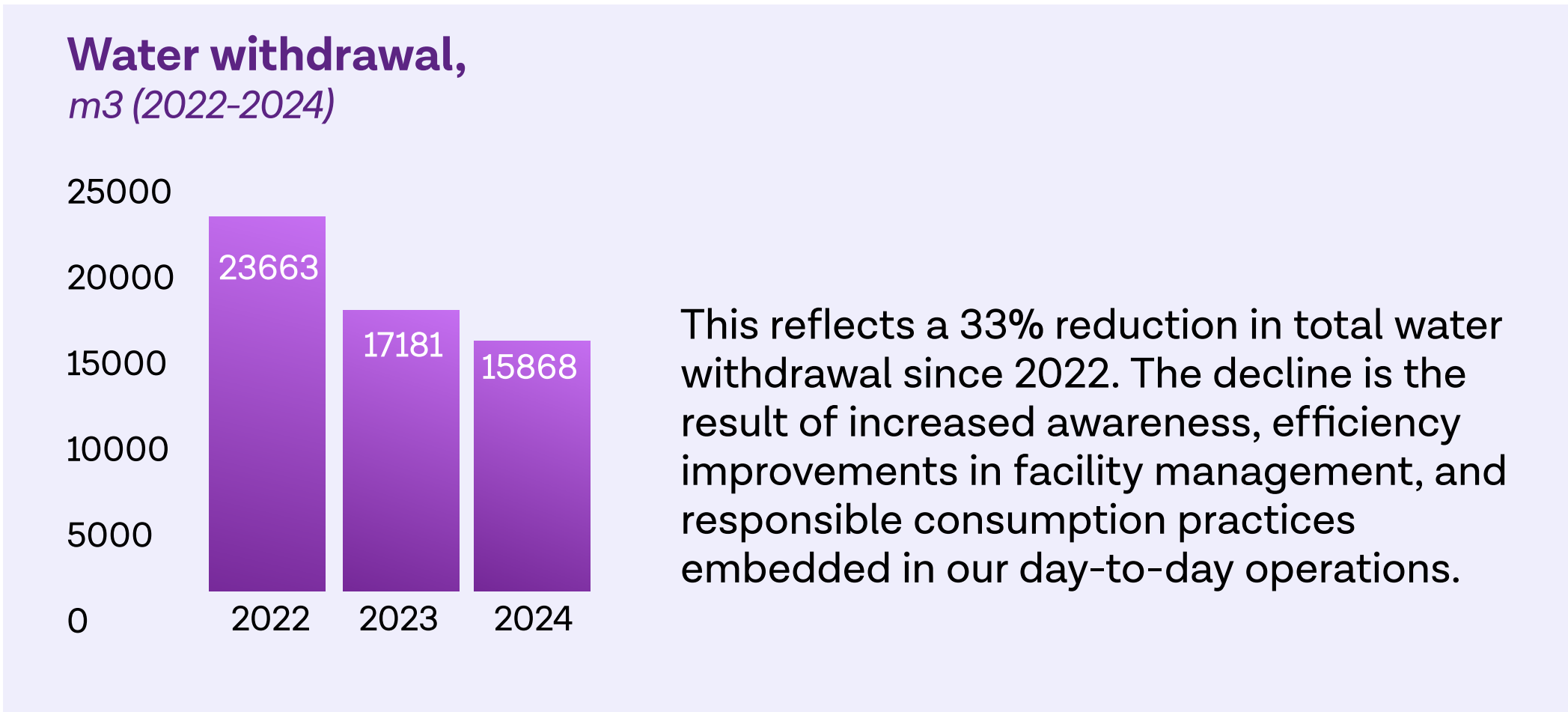




# Responsible Water Use

At Azercell, we recognize that water is a vital resource - and we are committed to using it responsibly. While our operations are not water-intensive, we still prioritize efficiency and continuous reduction in consumption across our offices and facilities.

Over the past three years, we have achieved steady progress in minimizing water usage:



# Strategic Outlook and Goals

Building on 2024 achievements, Azercell entered 2025 with a clear goal: a further **3% reduction** in total energy consumption across the network. Future actions include:

- Rolling out advanced energy-saving measures company-wide.
- Integrating **real-time energy monitoring**.
- Continuing to deploy adaptive optimization technologies.

Through these efforts, Azercell is shaping a more energy-resilient network that keeps people connected, while keeping environmental impact low.







## Waste management

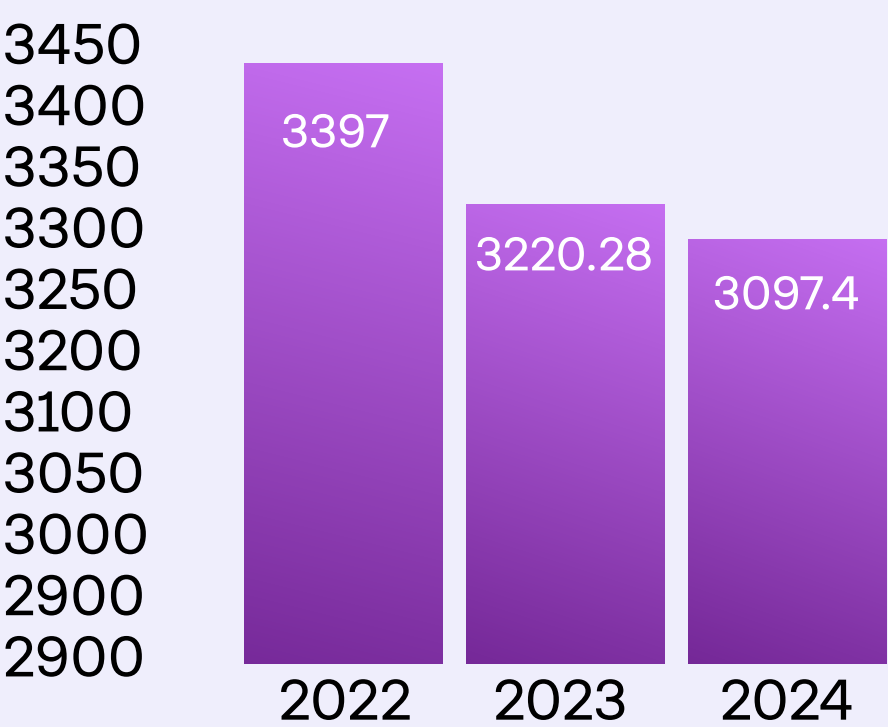
In 2024, Azercell began taking a more focused approach to understanding and reducing our waste footprint. Recognizing that small operational shifts can drive larger environmental change, we turned our attention to one of the most immediate opportunities - **reducing manual work and paper waste**.

**Non-hazardous waste**, such as packaging, paper, and other office materials, is collected and handled by **licensed waste management vendors**. Depending on the type and condition, this waste is either **recycled or sent to regulated landfills**, in accordance with local environmental regulations. **Hazardous waste**, while minimal, primarily includes components such as used batteries or outdated telecom equipment. This waste is **segregated at collection points and**

**transferred to certified contractors** who are authorized to handle and dispose of hazardous materials through **safe, environmentally sound methods**, including **recycling and controlled treatment**.

To kick-start this effort, we are preparing to launch a company-wide **Paper Waste Challenge** in early 2025. This initiative will invite employees to take an active role in improving internal business processes by submitting ideas on how to minimize paper use during daily operations. The aim is not only to cut waste but also to foster a culture of efficiency and environmental ownership across the organization. Preparations for the challenge are currently underway.

**Non-hazardous waste,**  
*m3 (2022-2024)*



In line with our broader ESG commitment to improving recycling and e-waste management systems, we are also working to strengthen our programs for:

- ✓ Collecting and safely disposing of e-waste
- ✓ Refurbishing used devices and equipment
- ✓ Extending the lifecycle of batteries used in our network infrastructure.



# **The Human Touch: Social Responsibility & Community Impact**





## 6. The Human Touch: Social Responsibility & Community Impact

At Azercell, people are at the center of everything we do. As one of the leading employers in Azerbaijan’s ICT sector, we continue to invest in comprehensive employee development programs, foster a culture of equity and transparency, and design initiatives that link our business goals to societal value.

Azercell promotes gender equity at all levels, maintaining a **1:1 gender pay ratio** across roles. Entry-level salaries are **3.3 times higher than the national minimum wage**, helping us attract and retain top talent.

We embrace diversity and inclusion as business strengths. Our workforce spans various age groups and backgrounds, and all employment decisions are made based on merit and fairness. We are also working toward increasing female representation in leadership through tailored development programs and mentorship schemes.

### Talent Development & Learning Ecosystem

Founded in 2003, Azercell’s Corporate University remained a central engine of personal and professional development in 2024, significantly expanding its reach and impact. This year, the platform strengthened its role not only as an internal learning hub but also as a key driver of social inclusion, youth empowerment, and digital literacy across the country.

## Our People

As of end-2024, Azercell’s workforce consisted of 808 permanent employees:





# 2024 Highlights:

Delivered over **640 structured training programs to employees** across various departments, with content co-developed alongside global learning partners such as **IE Business School, Franklin Covey, and Cornell University.**

**Expanded competency-based courses** in leadership, customer experience, data analytics, and ESG - aligning development with Azercell’s strategic goals and industry trends.

Maintained access to international online learning platforms such as **LinkedIn Learning, Coursera, and GSMA**, enabling personalized, flexible development opportunities across the organization.

In recognition of its strong people-first culture, Azercell was officially certified as a **Great Place to Work®** in late 2024, with over **80% of employees** affirming their pride in the organization. This milestone reflects our sustained investment in employee development, well-being, and inclusive workplace practices - positioning Azercell as one of the most respected employers in the region.

Rolled out targeted **digital literacy campaigns** in Karabakh and other underserved regions, offering training for students, teachers, and local communities to bridge the digital divide.

Supported youth innovation through the **IDEA Incubation Program**, mentoring student-led teams and onboarding top finalists into Azercell’s talent pipeline.

Partnered with **ADA University** and the **DOST Agency** to provide inclusive internship programs and innovation accelerators for students and youth, including those with disabilities - promoting equal access to opportunity.







## Community Engagement & Social Impact

In 2024, Azercell continued to scale its social impact through strategic initiatives in education, digital inclusion, women’s empowerment, and youth development. More than 5,000 individuals, including students, women, children, and underserved groups, benefited from these targeted programs across Azerbaijan. We brought knowledge, safety, and connection to thousands across Azerbaijan, from classrooms in Guba to renewed towns in Karabakh.

### Our 2024 Community Impact at a Glance

- 22.5+ million AZN invested in community-focused initiatives across education, digital inclusion, gender equality, and social support
- 320+ schoolchildren and 50 parents participated in safe internet training programs across 5 regions
- 250 students completed cybersecurity literacy programs, gaining essential online safety skills
- 91 international medals earned by Azerbaijani students, including 1 national bronze medal at the APIO, with Azercell’s support
- Dozens of rural and restored communities, including in Karabakh, gained access to mobile and internet services
- 100+ audiobooks in Azerbaijani, English, Russian, French, and Turkish made available through our inclusive literature platform
- 8 women-focused programs delivered across entrepreneurship, tech, and rural empowerment
- 5 university scholarships awarded to girls from low-income families pursuing STEM education
- 24/7 operation of the 116111 Hotline, providing crisis support for women and children nationwide
- Multiple regional donations to broadcasters and NGOs supporting culture, sports, and vulnerable groups



# Health, Safety, and Well-being

Employee safety and well-being remained a top priority in 2024. Our Health, Safety, and Environment (HSE) Management System is aligned with international best practices and certified in accordance with the **ISO 45001:2018** standard.

Azercell maintained **zero work-related fatalities**, and all employees were covered by the company’s Occupational Health & Safety (OHS) Management System.

## 2024 Key Achievements:

- **100% of Azercell employees and contractors** are covered by the company’s formal HSE system, including documented risk assessments and emergency preparedness plans.
- **No work-related fatalities or serious injuries** were recorded in 2024, reaffirming the effectiveness of preventive safety measures across all operations.
- Conducted **regular mandatory HSE training sessions** for employees across functions, covering topics such as occupational safety, fire response, first aid, and ergonomics.
- More than **1,000 hours** of HSE training delivered to employees, with **321 employees** receiving targeted HSE training during the year.
- All new hires and third-party contractors completed **onboarding safety inductions** tailored to their role and exposure level.
- Implemented ongoing **health awareness campaigns** focusing on mental health, stress management, healthy lifestyle habits, and safe remote working practices.





# Education & Youth Development

- **Institute of Education Partnership**

*In collaboration with the Ministry of Science and Education, Azercell supported the selection and training of top-performing schoolchildren for international informatics Olympiads. Azerbaijani students won 9 medals (including 2 by girls) in 2024 with program backing. Additionally, Azercell hosted an Informatics Winter Camp for 8th–9th graders in December, strengthening early STEM education.*

- **Azercell Cup 2024**

*The national informatics competition attracted 2,009 students from 8 regions. From 165 semifinalists, 31 finalists were selected and enrolled in national Olympiad prep programs.*

- **UFAZ Cybersecurity “Techcell” Hackathon**

*Co-organized with UFAZ, this two-day event brought together 96 university teams from 15 institutions. Finalists received mentorship, cash prizes, and tech equipment from Azercell.*

- **Huma Qusu STEM Scholarships**

*Provided full university scholarships for 5 girls from low-income families pursuing degrees in science, technology, engineering, or mathematics.*

- **Robotex Turkey**

- *Azercell sponsored Azerbaijani student teams at the international robotics competition, covering travel, participation fees, and coaching.*

- **Technovate Startup Competition**

*Supported the Azerbaijani regional round of the Startup World Cup, encouraging entrepreneurship among university youth.*

- **ADA University Incubation**

*Azercell mentored student-led digital projects and funded finalists. Several participants were onboarded into internships within the company.*





## Digital Inclusion & Cybersecurity

- **Safe Internet Program – Nakhchivan**

*In partnership with GID CSR Consulting and the Ministry of Education of Nakhchivan, Azercell implemented the Safe Internet Project in Nakhchivan, delivering educational sessions to 300+ students and 100+ parents on online safety. The program covered topics such as digital hygiene, protection of personal data, cyberbullying prevention, and responsible social media use.*

- **Cybersecurity Trainings for Kids**

*In partnership with the Azerbaijan Cybersecurity Center, Azercell conducted training for 250 students in Khizi, Guba, Gusar, and Khachmaz, teaching personal data protection and safe online behavior.*



## Women's Empowerment & Inclusion

- **SHE Congress**

*Supported the largest women's leadership event in Azerbaijan, promoting career advancement, networking, and visibility for women professionals in tech and business.*

- **FarmHer Project**

*Delivered agribusiness and digital literacy training to rural women, improving access to economic opportunities in agriculture.*

- **Femme Digitalis**

*Backed this tech networking event focused on building a stronger community of women in IT and STEM fields.*

- **Women's Support Program**

*Azercell launched a grant competition to support projects that empower women through entrepreneurship, digital skills, and well-being. Each of the two winners will receive up to 5,000 AZN to implement inclusive and sustainable initiatives.*

- **Support for Formerly Incarcerated Women**

*Partnered with NGOs to offer mentoring and startup support for women reintegrating into society.*

## Access to Information & Industry Partnerships

- **GSMA Engagement**

*Sponsored GSMA's M360 Eurasia and contributed to digital innovation platforms and web content, reinforcing Azercell's global presence in telecom thought leadership.*

- **Business Community Engagement**

*Active membership and collaboration with AmCham, AFchamber, and AHK, strengthening public-private dialogue and sustainable development advocacy.*





## Sports & Health

- **Azerbaijan Judo Federation**

*Supported youth engagement in judo and national tournaments, promoting discipline and physical health.*

- **Mini-Football Federation**

*Backed national team preparations for the 2024 WMF World Championship, enhancing the country's representation in global competitions.*

- **Baku Marathon 2024 Sponsorship**

*Sponsored public health and fitness events, promoting wellness through community sports participation.*



## Culture, Events & Awareness

- **Nargis Foundation – New Year & Novruz Fairs**

*Sponsored national holiday events to strengthen cultural identity and support fundraising for vulnerable groups.*

- **UNNA New Year Fair in Karabakh**

*Helped bring the festive season to newly liberated regions, fostering social cohesion and inclusion.*

- **COP29 Documentary Sponsorship**

*Funded the production of an environmental documentary to be showcased at COP29, contributing to national climate awareness efforts.*

- **Sustainable Innovation Forum Sponsorship**

*Participated in high-level global discussions on sustainability and innovation, promoting Azerbaijan's ESG leadership.*

## Access to Information & Industry Partnerships

- **GSMA Engagement**

*Sponsored GSMA's M360 Eurasia and contributed to digital innovation platforms and web content, reinforcing Azercell's global presence in telecom thought leadership.*

- **Business Community Engagement**

*Active membership and collaboration with AmCham, AFchamber, and AHK, strengthening public-private dialogue and sustainable development advocacy.*

## Equal Opportunity & Diversity

Azercell values diversity as a driver of innovation and growth. We ensure equal opportunities in hiring, promotion, and development, regardless of gender, age, or background.

To demonstrate our commitment, we closely monitor and disclose key diversity indicators across employee categories, leadership levels, and age groups. The following tables provide a breakdown of our workforce composition and performance management practices from 2022 to 2024, highlighting gender balance and generational diversity.

These figures reflect our progress in building an equitable and inclusive workplace, while also guiding our future initiatives in leadership development, inclusive hiring, and career advancement.





# Children & Vulnerable Groups

- **Children and Women Hotline (116111)**

Supported by Azercell and operated by “Ümidli Gələcək,” the hotline received 586 calls between June–November 2024. Key issues included:

- 256 legal inquiries
- 191 divorce-related cases
- 59 domestic violence reports

- **Children’s Paralympic Committee Sponsorship**

Sponsored inclusive sports programs and events, enabling children with disabilities to participate in athletics and team sports.

- **Support for Martyrs’ Families**

Provided direct financial aid and long-term assistance to families of national heroes, including children of fallen soldiers. Organized ICT trainings for 20 spouses of Second Karabakh War martyrs (SMM Design and Python) in partnership with STEP IT Academy and “Zəfər” Public Association.

- **Blood donation campaign**

Conducted a blood donation campaign for children with thalassemia, hemophilia, and leukemia in collaboration with the Central Blood Bank.

- **Children’s Day Outreach**

Provided support to low-income families and visited orphanages (“Nur” and “SOS Children’s Village”) on International Children’s Day.

The hotline provides **24/7** legal and psychological support via short number **116111** and social media platforms.





# Governance in Action: Ethics & Integrity





# 7. Governance in Action: Ethics & Integrity

At Azercell, integrity is not just a principle - it's the foundation of how we operate every day. From day-to-day decisions to strategic partnerships, we hold ourselves to the highest standards of ethics and accountability. In 2024, we reinforced our culture of trust and transparency, ensuring that strong governance remains central to our sustainability commitments. Every employee plays a vital role in building a transparent, responsible, and ethical organization that earns the trust of our customers, partners, and communities.

## Leading with Principles

Every Azercell employee, from new joiners to senior leadership, is guided by our **Code of Ethics and Business Conduct**. This living document reflects our values and sets clear expectations for behavior rooted in honesty, fairness, and respect.

- In 2024, 60% of Azercell employees completed training on ethics, anti-bribery, and non-discrimination.
- Our onboarding program ensures that every new hire formally commits to ethical conduct from their first day at Azercell.
- Suppliers and key business partners are also made aware of our ethical expectations, which are included in contractual obligations and compliance documentation.







## Zero Tolerance for Corruption

At Azercell, corruption is not tolerated - under any circumstances. Our zero-tolerance policy is operationalized through robust internal controls, routine corruption risk assessments, and oversight by a dedicated Ethics & Compliance function.

- In 2024, 100% of business units were assessed for corruption risks, covering all operational regions.
- Targeted anti-corruption awareness briefings were delivered to board members and senior executives.
- No confirmed incidents of corruption or unethical behavior were reported.

We proactively mitigate risks and foster integrity through regular campaigns, department-level ethics reviews, and training refreshers, ensuring our values remain front and center in every business decision.

## Speaking Up Matters

Azercell champions a speak-up culture where transparency and accountability are everyone's responsibility. Our "Speak Up" system is managed in-house and ensures that all reports, whether made anonymously or not, are handled with the highest standards of confidentiality and fairness. In 2024, all reports received through Speak Up were investigated with rigor, following our ethics protocol.

- No substantiated or serious breaches of conduct were identified.
- Outcomes and case trends are reviewed quarterly by the Ethics Committee and escalated to senior leadership to ensure organizational learning.

Our message is clear: when something isn't right, our people are empowered and protected when they raise their voices.



# Governance That Guides

Behind every action at Azercell is a structure that enables responsible decision-making. Our governance framework ensures that ethics, compliance, and ESG priorities are integrated into operational and strategic planning.

- In 2024, ESG performance metrics and initiatives were regularly tracked by designated process owners responsible for ESG topics, with ongoing efforts to enhance reporting to top management as part of Azercell’s evolving governance practices.
- As part of our ongoing commitment to service excellence and transparency, Azercell maintained its ISO 10002:2018 certification, which supports effective customer feedback handling and reinforces our focus on customer satisfaction and continuous improvement.
- We revised key policies related to data protection, vendor responsibility, and ESG compliance to stay aligned with global best practices.
- The highest governance body is regularly briefed on ESG matters, risk exposures, and ethical performance indicators.
- For detailed information about our governance structure, including the composition, responsibilities, and evaluation of our governing bodies, please refer to our 2023 Sustainability Report.





# Supply Chain Responsibility

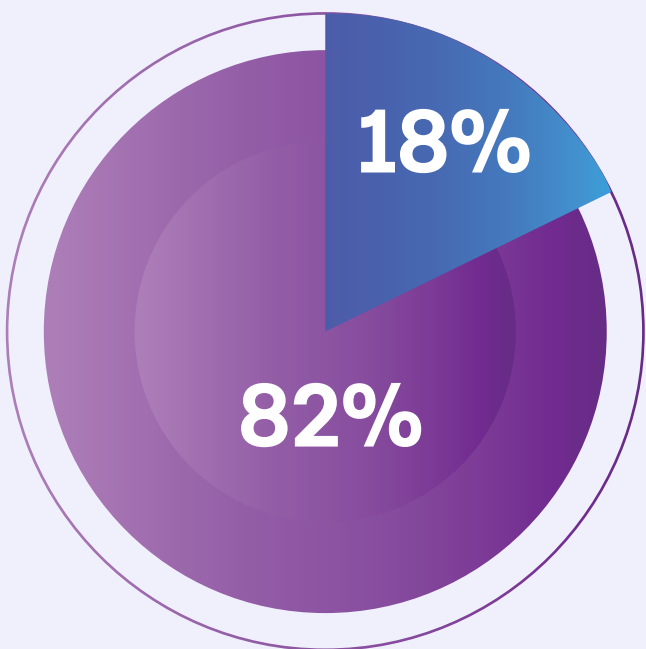




# 8. Supply Chain Responsibility

At Azercell, we know that true sustainability doesn't stop at our doorstep, it extends across our entire value chain. Every contract signed, every partnership formed, and every product sourced is an opportunity to advance environmental and social responsibility. That's why we're working to ensure that our supply chain reflects the same values of integrity, innovation, and sustainability that drive our own operations.

## Share of Local and Foreign Suppliers



Local Suppliers Foreign Suppliers

Over 80% of our suppliers have consistently been local, and this remains a key part of how we drive inclusive growth. We communicate our sustainability expectations to suppliers through standard contract clauses, our Pre-Qualification Questionnaire (PPQ), and onboarding briefings, which include references to our Code of Ethics and responsible sourcing standards.

## Raising the Bar on ESG Expectations

We don't just choose suppliers based on price - we choose partners who share our commitment to sustainability.

Each year, approximately 25% of new suppliers undergo initial ESG screening, which includes checks on environmental, labor, and ethical practices. While this process helps filter new vendors, we recognize the need for more consistent and in-depth evaluation across our entire supplier base.





## Growing Responsibly, Partnering Locally

From 2022 to 2024, Azercell's supplier network expanded steadily - from **343 to 398** partners - demonstrating the growing complexity of our operations. But one thing has remained consistent: our commitment to working with local businesses. While **over 40% of the total procurement budget** was consistently directed to local suppliers, 2024 saw a rebound to **49%**, up from 40.1% in 2023. This reflects Azercell's ongoing commitment to supporting national economic development through responsible sourcing.



## That's why we've set a clear target:

*By 2025, 100% of our Tier-1 suppliers will be assessed through comprehensive ESG criteria*  
To move toward this goal, we began a more structured assessment process in 2024.

ESG evaluations were conducted using detailed self-assessment questionnaires covering key risk areas such as environmental compliance, anti-bribery practices, labor rights, and occupational health and safety. Suppliers who demonstrated performance gaps were engaged through direct follow-up, and where needed, corrective action plans were developed and monitored.

Furthermore, we are now working to expand and formalize this process into a consistent ESG audit and evaluation system for all critical Tier-1 suppliers starting in 2025. The audits are a key part of our strategy to increase transparency and accountability across our supply chain and will directly support our broader efforts to map and reduce Scope 3 emissions, which include the indirect environmental impacts linked to procurement activities. To further strengthen our ESG risk management practices, Azercell is also exploring the integration of supplier grievance channels to allow confidential reporting of sustainability or compliance concerns.

To complement these efforts, we are also advancing toward a greener procurement approach, gradually incorporating sustainability criteria into purchasing decisions. In parallel, we are developing tailored ESG assessment training materials for our procurement team, with the first training session scheduled for 2025. This will ensure our teams are equipped to embed ESG considerations into supplier evaluations and contracting processes.



**Closing  
remarks**





# Closing remarks

Looking back on 2024, it's clear that our commitment to sustainability has become an essential part of how we grow, innovate, and connect with the world around us. This year marked a pivotal step forward, with the launch of our upgraded ESG Strategy, tangible progress in our environmental and social initiatives, and a deeper integration of sustainability principles across our operations.

Our achievements, from expanding renewable energy use and enhancing digital inclusion to strengthening our corporate governance, reflect our commitment to creating long-term value for all stakeholders. Importantly, these milestones were made possible through the dedication of our employees, the trust of our partners, and the support of our community.

At the same time, we recognize that we are still at the beginning of our sustainability journey. There is much more to be done, and we remain determined to keep learning, improving, and expanding our impact year after year.

Looking ahead, we will continue to move forward with purpose, measuring our progress transparently, deepening collaboration, and driving meaningful change across the telecommunications sector and beyond. Together, we are building a more resilient, inclusive, and sustainable future for Azerbaijan.





# GRI Content Index

10



| GRI Standard                    | Disclosure   | Location / Comments  |
|---------------------------------|--|--|
| GRI 2: General Disclosures 2022 | 2-1 Organizational details   | <b>Legal name:</b> Azercell Telecom LLC<br><b>Headquarters:</b> Baku, Azerbaijan<br><b>Country of operation:</b> Azerbaijan<br><b>Primary activities:</b> Mobile telecommunications, internet services, digital solutions, and ICT innovation.<br><b>Markets served:</b> Nationwide (Azerbaijan), including urban and rural regions, with extended digital outreach to underserved and restored areas (e.g., Karabakh).<br><b>Employees:</b> 808 permanent employees as of end-2024. |
|                                 | 2-2 Entities included in the organization’s sustainability reporting | The 2024 Sustainability Report covers all operations and business activities managed by Azercell Telecom LLC within Azerbaijan. It includes data from headquarters and all regional branches, as well as CSR and innovation initiatives conducted under the Azercell brand. No joint ventures, subsidiaries, or non-controlled entities are included in this report. If any changes to boundaries or methodologies occur in future reports, they will be disclosed.                  |
|                                 | 2-3 Reporting period, frequency and contact point                    | <b>Reporting period:</b> January 1 to December 31, 2024<br><b>Frequency:</b> Annually<br><b>Most recent report published:</b> Sustainability Report 2023 (published in 2024)<br><b>Contact point for sustainability-related inquiries:</b> office@azercell.com<br><b>Website:</b> www.azercell.com   |



| GRI Standard                    | Disclosure   | Location / Comments   |
|---------------------------------|--|---|
| GRI 2: General Disclosures 2022 | 2-4 Restatements of information                              | No restatements of information from previous sustainability reports have been made in the 2024 Sustainability Report. All historical data from prior years (2022–2023) is presented for comparative purposes only and remains unchanged from the original reporting unless otherwise noted.<br>If any corrections, recalculations, or methodological changes are applied in future reports, they will be clearly disclosed and explained. |
|                                 | 2-5 External assurance                                       | <b>Section:</b> External Assurance Statement  |
|                                 | 2-6 Activities, value chain and other business relationships | <b>Section 2:</b> Azercell at a Glance  |
|                                 | 2-7 Employees  | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact   |
|                                 | 2-8 Workers who are not employees                            | Azercell engages a limited number of third-party contractors and service providers who are not classified as direct employees. These workers support operational functions such as technical maintenance, retail, and customer service. While they are not employed directly by Azercell, we aim to ensure that all individuals working within our value chain operate under fair and ethical conditions.                                 |
|                                 | 2-9 Governance structure and composition                     | <b>Section 7:</b> Governance in Action: Ethics & Integrity  |



| GRI Standard                    | Disclosure   | Location / Comments  |
|---------------------------------|--|--|
| GRI 2: General Disclosures 2022 | 2-10 Nomination and selection of the highest governance body                     | The highest governance body is the General Assembly of shareholders. Azercell has a sole shareholder which holds the exclusive authority to appoint members of the Board of Directors. The members are appointed according to the Charter of the Company and the Regulations on the Board, taking into consideration the professional qualifications, experience, and expertise of the nominees to ensure effective strategic oversight and corporate governance.  |
|                                 | 2-11 Chair of the highest governance body  | The highest governance body following the shareholder is the Board of Directors led by the Chair. According to the Charter and related regulations, the members can't perform any executive functions in the Company. They are not involved in day-to-day operations and do not hold any managerial positions within the company.  |
|                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | The Board of Directors of Azercell actively oversees the company's key economic, environmental, and social impacts, associated risks, and emerging opportunities. This includes strategic plan approval, supervision of enterprise-wide risk management (covering operational, financial, regulatory, and ESG-related risks), and support for sustainability-driven innovation. The Board regularly reviews ESG disclosures, engages with key stakeholders, and is supported by internal audit and compliance functions to ensure effective governance and regulatory adherence. |



| GRI Standard                    | Disclosure   | Location / Comments  |
|---------------------------------|--|--|
| GRI 2: General Disclosures 2022 | 2-13 Delegation of responsibility for managing impacts               | Responsibility for managing sustainability-related impacts is delegated to the Chief Legal and Data Strategy Officer, who oversees the company's ESG agenda. Under this leadership, an ESG Expert is responsible for the implementation, monitoring, and coordination of ESG initiatives across the organization.  |
|                                 | 2-14 Role of the highest governance body in sustainability reporting | Currently, the highest governance body is not directly involved in the sustainability reporting process. However, starting from the upcoming reporting period, Azercell plans to present quarterly ESG performance indicators to the Board and executive leadership. These indicators will be used to inform decision-making throughout the year and will be incorporated into the company's annual Sustainability Report.                   |
|                                 | 2-15 Conflicts of interest   | Azercell has a Conflict of Interest Policy in place that applies to the Board of Directors, executive management, and other relevant employees, ensuring ethical conduct and transparent decision-making across all levels of governance.  |
|                                 | 2-16 Communication of critical concerns                              | <b>Section 7:</b> Governance in Action: Ethics & Integrity   |
|                                 | 2-17 Collective knowledge of the highest governance body             | The members of Azercell's Board of Directors possess strong expertise in corporate governance, strategic management, and telecommunications. While there is no formal ESG-specific training in place, ESG-related matters are occasionally addressed through management briefings and strategic discussions. The company recognizes the importance of strengthening ESG awareness at the Board level and aims to enhance this in the future. |



| GRI Standard                    | Disclosure  | Location / Comments   |
|---------------------------------|---|---|
| GRI 2: General Disclosures 2022 | 2-18 Evaluation of the performance of the highest governance body | At Azercell, the Board of Directors consists of representatives of the sole shareholder and is not subject to a formal independent evaluation, as members act on behalf of the ownership and maintain continuous oversight. However, the performance of the CEO and the company is regularly reviewed on a quarterly basis against predefined financial and non-financial KPIs.   |
|                                 | 2-19 Remuneration policies  | At Azercell, remuneration policies are regulated in accordance with the Labor Code of the Republic of Azerbaijan, as well as applicable tax and social protection legislation. The company offers competitive salary packages, with compensation levels determined based on labor market trends, job responsibilities, and individual performance.<br>In addition to base salaries, Azercell provides performance-based bonuses, voluntary health insurance, and various social support programs. |
|                                 | 2-20 Process to determine remuneration                            | Remuneration decisions at Azercell are guided by internal HR policies and reviewed annually. The HR function collaborates with senior management to align pay scales with market conditions and strategic goals. External compensation benchmarks are used to ensure competitiveness and equity, and performance appraisals inform bonus and incentive structures.  |
|                                 | 2-21 Annual total compensation ratio                              | We do not publicly disclose the annual total compensation ratio, as this information is confidential.   |



| GRI Standard                    | Disclosure   | Location / Comments  |
|---------------------------------|--|--|
| GRI 2: General Disclosures 2022 | 2-22 Statement on sustainable development strategy | <b>Section 3:</b> Sustainability at Azercell   |
|                                 | 2-23 Policy commitments                            | Azercell’s policy commitments are embedded across multiple sections of the report. These include the Code of Ethics, anti-bribery and corruption frameworks, supplier ESG expectations, data protection, and employee conduct policies, all aligned with our values and sustainability objectives.   |
|                                 | 2-24 Embedding policy commitments                  | Azercell embeds its policy commitments through mandatory training programs, internal governance systems, supplier onboarding requirements, and integration of ESG principles across departments. Implementation is supported by top management oversight and regular monitoring mechanisms.  |
|                                 | 2-25 Processes to remediate negative impacts       | Azercell has established internal mechanisms to identify, assess, and remediate potential negative impacts. These include ethics and compliance systems, such as the ‘Speak Up’ hotline for reporting grievances or misconduct, and supplier follow-up actions based on ESG assessments. Where risks or non-compliances are identified, whether internally or within the supply chain, Azercell engages in corrective action planning, retraining, or contract reassessment, depending on severity. ESG audit plans starting in 2025 will further enhance remediation processes. |



| GRI Standard                    | Disclosure  | Location / Comments  |
|---------------------------------|---|--|
| GRI 2: General Disclosures 2022 | 2-26 Mechanisms for seeking advice and raising concerns | Azercell has established confidential channels for employees and stakeholders to seek guidance and raise ethical or compliance concerns. The internal ‘Speak Up’ system is designed to handle both anonymous and identified reports and is managed with strict confidentiality protocols. All reports are investigated following the company’s ethics procedures, and outcomes are reviewed by the Ethics Committee. Ethics training and onboarding programs further support a culture of openness and accountability. |
|                                 | 2-27 Compliance with laws and regulations               | In 2024, Azercell reported full compliance with applicable laws and regulations, with no significant fines or non-monetary sanctions for non-compliance. The company maintains internal audit and compliance mechanisms, including ethics and anti-bribery protocols, to ensure continuous adherence to legal and regulatory requirements. Compliance is overseen by dedicated functions, and updates are regularly shared with senior management.   |
|                                 | 2-28 Membership associations                            | Azercell is an active member of several national and international organizations aimed at promoting digital innovation, sustainability, and responsible business conduct. Key memberships include AmCham (American Chamber of Commerce in Azerbaijan), AFchamber (Azerbaijan-France Chamber of Commerce), AHK (German-Azerbaijani Chamber of Commerce), GSMA (Global System for Mobile Communications Association), and the United Nations Global Compact, which Azercell officially joined in 2024.                   |



| GRI Standard                       | Disclosure  | Location / Comments  |
|------------------------------------|---|--|
| GRI 2: General Disclosures 2022    | 2-29 Approach to stakeholder engagement               | <b>Section 4:</b> Stakeholder Voices & Material Topics   |
|                                    | 2-30 Collective bargaining agreements                 | Azercell does not have a collective bargaining agreement in place. However, the company is fully committed to upholding employee rights and well-being in line with the Labor Code of the Republic of Azerbaijan and relevant international labor standards.                                   |
| GRI 3: Material Topics 2021        | 3-1 Process to determine material topics              | <b>Section 3:</b> Sustainability at Azercell   |
|                                    | 3-2 List of material topics                           | <b>Section 3:</b> Sustainability at Azercell   |
|                                    | 3-3 Management of material topics                     | <b>Section 3:</b> Sustainability at Azercell   |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | We generate and distribute significant economic value through our core operations. While we do not publicly disclose specific financial figures, we contribute meaningfully to the national economy through employee compensation, local procurement, tax payments, and community investments. |



| GRI Standard                       | Disclosure   | Location / Comments  |
|------------------------------------|--|--|
| GRI 201: Economic Performance 2016 | 201-2 Financial implications and other risks and opportunities due to climate change | Azercell is exposed to both physical climate risks (e.g., extreme weather affecting network infrastructure) and transition risks (e.g., regulatory changes and stakeholder expectations). To mitigate these, the company is investing in solar-powered base stations, energy efficiency features, and supplier ESG audits. Key results and financial implications of these initiatives are detailed in the “Planet First: Environment & Climate Action” section of this report. Opportunities include operational savings, improved brand reputation, and alignment with investor ESG criteria. Climate considerations are integrated into risk management and the ESG Strategy with 2025 targets. |
|                                    | 201-3 Defined benefit plan obligations and other retirement plans                    | All retirement-related obligations are regulated in accordance with the Labor Code and the social insurance system of the Republic of Azerbaijan, which mandates employer contributions to the State Social Protection Fund.   |
|                                    | 201-4 Financial assistance received from government                                  | Azercell did not receive any financial assistance from the government in 2024.   |
|                                    | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage   | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact  |
|                                    | 202-2 Proportion of senior management hired from the local community                 | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact  |
|                                    | 203-1 Infrastructure investments and services supported                              | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact  |



| GRI Standard                            | Disclosure  | Location / Comments   |
|---|---|---|
| GRI 201: Economic Performance 2016      | 203-2 Significant indirect economic impacts   | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact   |
| GRI 204: Procurement Practices 2016     | 204-1 Proportion of spending on local suppliers                                       | <b>Section 8:</b> Supply Chain Responsibility   |
| GRI 205: Anti-corruption 2016           | 205-1 Operations assessed for risks related to corruption                             | <b>Section 7:</b> Governance in Action: Ethics & Integrity / Zero Tolerance for Corruption  |
|   | 205-2 Communication and training about anti-corruption policies and procedures        | <b>Section 7:</b> Governance in Action: Ethics & Integrity / Zero Tolerance for Corruption  |
|   | 205-3 Confirmed incidents of corruption and actions taken                             | In 2024, no confirmed incidents of corruption or unethical behavior were reported across any of Azercell's operations.  |
| GRI 206: Anti-competitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | <p>In 2024, the Company was not involved in any legal actions related to anti-competitive behavior, anti-trust violations, or monopoly practices. The company upholds fair competition principles and complies with all relevant national regulations governing market conduct.</p> <p>To mitigate potential risks, Azercell includes fair competition clauses in its supplier and partner agreements and provides compliance training as part of its broader ethics and integrity framework.</p> |

| GRI Standard            | Disclosure   | Location / Comments   |
|-------------------------|--|---|
| GRI 207: Tax 2019       | 207-1 Approach to tax  | Azercell complies with all applicable tax laws and regulations in Azerbaijan. We maintain transparent and responsible tax practices aligned with our corporate governance standards. Our tax approach is guided by principles of compliance, accuracy, and timely reporting, ensuring that we contribute fairly to the national budget while managing tax-related risks in accordance with internal controls and legal obligations. |
|                         | 207-2 Tax governance, control, and risk management                     | Azercell's tax governance is embedded within its overall corporate governance framework. The Finance Department oversees tax compliance, supported by internal controls and external audits to ensure accuracy and mitigate risks. We maintain clear accountability mechanisms and adhere to local laws, with tax risks periodically assessed and monitored.  |
|                         | 207-3 Stakeholder engagement and management of concerns related to tax | We engage with relevant tax authorities in a transparent and cooperative manner. While we do not currently conduct formal stakeholder consultations specifically on tax matters, we address any inquiries or concerns through our Finance and Legal teams, maintaining open lines of communication and compliance assurance.  |
|                         | 207-4 Country-by-country reporting                                     | Not Applicable  |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume                               | As a telecom and digital services provider, Azercell does not engage in material-intensive production. Therefore, GRI 301 disclosures (301-1, 301-2, 301-3) are not applicable to our operations.   |
|                         | 301-2 Recycled input materials use                                     |   |
|                         | 301-3 Reclaimed products and their packaging materials                 |   |



| GRI Standard                      | Disclosure   | Location / Comments   |
|-----------------------------------|--|---|
| GRI 302: Energy 2016              | 302-1 Energy consumption within the organization                 | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |
|                                   | 302-2 Energy consumption outside of the organization             | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |
|                                   | 302-3 Energy intensity   | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |
|                                   | 302-4 Reduction of energy consumption                            | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |
|                                   | 302-5 Reductions in energy requirements of products and services | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource               | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |
|                                   | 303-2 Management of water discharge-related impacts              | Azercell’s operations are primarily office-based, with limited interaction with water bodies and no significant industrial processes that generate water discharges. As such, water discharge impacts are minimal and not a material topic for our core business activities. We remain committed to responsible resource use and comply with all applicable environmental regulations related to water use in our facilities. |
|                                   | 303-3 Water withdrawal   | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |

| GRI Standard                      | Disclosure  | Location / Comments   |
|-----------------------------------|---|---|
| GRI 303: Water and Effluents 2018 | 303-4 Water discharge   | Please refer to the response under GRI 303-2  |
|                                   | 303-5 Water consumption   | <b>Sections 5 and 11:</b> Planet First: Environment & Climate Action / Performance Tables   |
| GRI 304: Biodiversity 2016        | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Azercell does not own, lease, or operate any sites in or adjacent to protected areas or areas of high biodiversity value. The company's telecommunications infrastructure is primarily located in urban and suburban areas, minimizing direct impact on ecologically sensitive zones.   |
|                                   | 304-2 Significant impacts of activities, products and services on biodiversity  | Due to the nature of Azercell's operations, which involve telecommunications services rather than resource extraction or heavy manufacturing, the company does not have significant direct impacts on biodiversity. Environmental risks are managed through standard environmental protocols and responsible infrastructure deployment. |
|                                   | 304-3 Habitats protected or restored  | Azercell has not undertaken habitat restoration projects as part of its operational strategy, as its core business does not typically result in habitat degradation. However, the company supports broader environmental initiatives through awareness campaigns and digital inclusion projects in rural areas.                         |
|                                   | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | Azercell has no operations affecting habitats known to support species listed on the IUCN Red List or Azerbaijan's national conservation lists. Infrastructure planning considers environmental regulations and avoids sensitive ecosystems.  |



| GRI Standard            | Disclosure  | Location / Comments  |
|-------------------------|---|--|
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions  | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 305-2 Energy indirect (Scope 2) GHG emissions   | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 305-3 Other indirect (Scope 3) GHG emissions  | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 305-4 GHG emissions intensity   | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 305-5 Reduction of GHG emissions  | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 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   |
| GRI 306: Waste 2020     | 306-1 Waste generation and significant waste-related impacts                          | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 306-2 Management of significant waste-related impacts                                 | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 306-3 Waste generated   | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 306-4 Waste diverted from disposal  | <b>Section 5:</b> Planet First: Environment & Climate Action |
|                         | 306-5 Waste directed to disposal  | <b>Section 5:</b> Planet First: Environment & Climate Action |

| GRI Standard                                    | Disclosure   | Location / Comments   |
|---|--|---|
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria                                      | <b>Section 8:</b> Supply Chain Responsibility   |
|   | 308-2 Negative environmental impacts in the supply chain and actions taken                               | <b>Section 8:</b> Supply Chain Responsibility   |
| GRI 401: Employment 2016                        | 401-1 New employee hires and employee turnover   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data  |
|   | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | All employees at Azercell receive equal access to company benefits, regardless of their employment type.  |
|   | 401-3 Parental leave   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data  |
| GRI 402: Labor/Management Relations 2016        | 402-1 Minimum notice periods regarding operational changes   | Azercell complies with the Labor Code of Azerbaijan, which mandates advance notice for significant operational changes. The company ensures timely and transparent communication through internal HR protocols. |
| GRI 403: Occupational Health and Safety 2018    | 403-1 Occupational health and safety management system   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data  |
|   | 403-2 Hazard identification, risk assessment, and incident investigation                                 | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being  |
|   | 403-3 Occupational health services   | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being  |



| GRI Standard                                 | Disclosure  | Location / Comments  |
|--|---|--|
| GRI 403: Occupational Health and Safety 2018 | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being |
|  | 403-5 Worker training on occupational health and safety   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data   |
|  | 403-6 Promotion of worker health  | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being |
|  | 403-8 Workers covered by an occupational health and safety management system  | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being |
|  | 403-9 Work-related injuries   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data   |
|  | 403-10 Work-related ill health  | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data   |
| GRI 404: Training and Education 2016         | 404-1 Average hours of training per year per employee   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data   |
|  | 404-2 Programs for upgrading employee skills and transition assistance programs                                     | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being |

| GRI Standard   | Disclosure   | Location / Comments   |
|--|--|---|
| GRI 404: Training and Education 2016                           | 404-3 Percentage of employees receiving regular performance and career development reviews                           | <b>Section 6:</b> The Human Touch: Social Responsibility & Community Impact / Health, Safety, and Well-being  |
| GRI 405: Diversity and Equal Opportunity 2016                  | 405-1 Diversity of governance bodies and employees   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data  |
|  | 405-2 Ratio of basic salary and remuneration of women to men   | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data  |
| GRI 406: Non-discrimination 2016                               | 406-1 Incidents of discrimination and corrective actions taken   | In 2024, Azercell recorded no substantiated incidents of discrimination. The company maintains a zero-tolerance policy for discrimination, with mechanisms in place for reporting, investigating, and addressing any concerns in accordance with internal ethics and compliance procedures.   |
| 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 | Azercell is committed to upholding the rights of freedom of association and collective bargaining across its operations and supply chain. As of 2024, no operations or suppliers were identified as having significant risks related to these rights. Supplier expectations regarding labor rights are communicated through pre-qualification assessments and standard contractual clauses, with periodic ESG screenings reinforcing this commitment. |
| GRI 408: Child Labor 2016                                      | 408-1 Operations and suppliers at significant risk for incidents of child labor                                      | Azercell strictly prohibits the use of child labor in its operations and expects the same from all suppliers. In 2024, no operations or suppliers were identified as being at significant risk for incidents of child labor. Supplier ESG assessments and pre-qualification processes include screening for child labor practices.  |



| GRI Standard                               | Disclosure   | Location / Comments   |
|--|--|---|
| GRI 409: Forced or Compulsory Labor 2016   | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Azercell is committed to preventing all forms of forced or compulsory labor. No significant risks or cases were identified in 2024 among its operations or suppliers. ESG screenings and supplier codes of conduct explicitly address these concerns.             |
| GRI 410: Security Practices 2016           | 410-1 Security personnel trained in human rights policies or procedures                        | In 2024, Azercell ensured that all security personnel engaged by the company received training on human rights principles, including respectful engagement, non-discrimination, and grievance handling. This training is part of mandatory onboarding procedures. |
| GRI 411: Rights of Indigenous Peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples                           | There were no reported incidents in 2024 involving violations of the rights of indigenous peoples within Azercell's operations. The company operates in areas where no indigenous groups are known to be adversely affected.                                      |
| GRI 413: Local Communities 2016            | 413-1 Operations with local community engagement, impact assessments, and development programs | <b>Sections 6 and 11:</b> The Human Touch: Social Responsibility & Community Impact / ESG Performance Data  |
|  | 413-2 Operations with significant actual and potential negative impacts on local communities   | Azercell did not identify any operations with significant actual or potential negative impacts on local communities in 2024.  |
| GRI 414: Supplier Social Assessment 2016   | 414-1 New suppliers that were screened using social criteria                                   | <b>Section 8:</b> Supply Chain Responsibility   |
|  | 414-2 Negative social impacts in the supply chain and actions taken                            | In 2024, no critical negative social impacts were identified in Azercell's supply chain.  |

| GRI Standard                             | Disclosure  | Location / Comments  |
|--|---|--|
| GRI 415: Public Policy 2016              | 415-1 Political contributions   | Azercell did not make any political contributions, monetary or in-kind, in 2024. This is consistent with the company's policy of political neutrality and ethical conduct.   |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories                 | Azercell assesses the health and safety impacts of its services in compliance with national telecom regulations and internal safety protocols. Risk assessments are conducted where relevant.  |
|  | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | There were no reported incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of Azercell's products or services in 2024.  |
| GRI 417: Marketing and Labeling 2016     | 417-1 Requirements for product and service information and labeling                                 | Azercell complies with all legal and industry requirements regarding customer information, including pricing, terms of service, and safety information. These are made available via contracts, digital platforms, and customer service. |
|  | 417-2 Incidents of non-compliance concerning product and service information and labeling           | In 2024, there were no substantiated incidents of non-compliance related to product or service information and labeling.   |
|  | 417-3 Incidents of non-compliance concerning marketing communications                               | Azercell reported no incidents of non-compliance in its marketing communications in 2024. All communications are reviewed for accuracy, ethics, and compliance with advertising laws.  |
| GRI 418: Customer Privacy 2016           | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data  | There were no substantiated complaints or confirmed cases of customer data breaches in 2024. Azercell has robust data protection policies and security measures in place to safeguard user information.                                  |



# ESG Performance Data



# Environment

Table 1. Energy Consumption, sites (2022-2024)

|  | 2022      | 2023       | 2024       |
|--|-----------|------------|------------|
| Number of sites powered by solar panels          | 2         | 4          | 37         |
| Total electricity consumption from sites, kWh    | N/A       | 52,954,827 | 76,812,980 |
| Grid energy consumption in the sites, kWh        | N/A       | 52,898,803 | 76,463,425 |
| Solar electricity generation from the sites, kWh | N/A       | 56,024     | 349,555    |
| Electricity intensity, kWh/sites                 | N/A       | 15,716     | 16,700     |
| Fuel consumption in the sites, including         | 1,229,207 | 1,229,207  | 1,406,376  |
| Diesel, L  | 1,229,207 | 1,229,207  | 1,406,376  |



Table 2. Energy Consumption, offices (2022-2024)

|  | 2022      | 2023      | 2024      |
|--|-----------|-----------|-----------|
| Grid energy consumption in the offices, kWh        | 6,964,136 | 7,150,351 | 7,270,063 |
| Fuel consumption in the offices, including         | 349,004   | 331,850   | 298,672   |
| Diesel, L  | 26,222    | 15,422    | 25,156    |
| Petroleum, L                                       | 322,782   | 316,428   | 273,516   |
| Total natural gas consumption from the offices, m3 | 82,750    | 87,960    | 90,748    |

Table 3. Total GHG emissions, in metric tons CO<sub>2</sub>e (2022-2024)

|  | 2022     | 2023      | 2024   |
|--|----------|-----------|--------|
| Total direct GHG emissions (Scope 1)                 | N/A      | 5,012     | 4,643  |
| Direct GHG emissions (Scope 1), offices only         | 766      | 733       | 874    |
| Total indirect GHG emissions (Scope 2, market-based) | N/A      | 31,826.05 | 44,351 |
| Indirect GHG emissions (Scope 2, offices only)       | 3,690.99 | 3,789.69  | 3,856  |



Table 4. Water withdrawal, m3 (2022-2024)

|                        | 2022   | 2023   | 2024   |
|------------------------|--------|--------|--------|
| Total water withdrawal | 23,663 | 17,181 | 15,868 |

Table 5. Waste management, m3 (2022-2024)

|  | 2022     | 2023     | 2024     |
|--|----------|----------|----------|
| Total waste in the offices                         | 3,411.75 | 3,222.88 | 3,099.40 |
| Total generated non-hazardous waste in the offices | 3,397    | 3,220.28 | 3,097.40 |
| Total generated hazardous waste in the offices     | 14.75    | 2.6      | 2        |

# Social

Table 6. General employee statistics, by gender

|  | 2022 |        | 2023 |        | 2024 |        |
|--|------|--------|------|--------|------|--------|
|  | Male | Female | Male | Female | Male | Female |
| Total number of permanent employees, by gender and by category | 526  | 321    | 560  | 341    | 484  | 324    |
| Executive-management   | 86   | 37     | 92   | 42     | 88   | 46     |
| Professional   | 342  | 158    | 369  | 175    | 310  | 157    |
| Operational  | 98   | 126    | 99   | 124    | 86   | 121    |
| Total number of full-time employees, by gender                 | 520  | 315    | 334  | 42     | 476  | 309    |
| Total number of part-time employees, by gender                 | 6    | 6      | 3    | 7      | 8    | 15     |



Table 7. Parental leave, by gender

|   | 2022 |        | 2023 |        | 2024 |        |
|---|------|--------|------|--------|------|--------|
|   | Male | Female | Male | Female | Male | Female |
| Total number of employees that took parental leave, by gender                         | 23   | 16     | 39   | 21     | 18   | 27     |
| Total number of employees that returned to work after parental leave ended, by gender | 23   | 12     | 39   | 13     | 18   | 22     |

Table 8. New hires, turnover, & diversity - by age

|                                    | 2022     |       |         | 2023     |       |         | 2024     |       |         |
|------------------------------------|----------|-------|---------|----------|-------|---------|----------|-------|---------|
|                                    | Under 30 | 30-50 | Over 30 | Under 30 | 30-50 | Over 30 | Under 30 | 30-50 | Over 30 |
| Total number of new employee hires | 80       | 56    | 1       | 75       | 63    | 3       | 57       | 43    | 4       |
| Total number of employee turnover  | 15       | 43    | 4       | 22       | 45    | 13      | 56       | 133   | 37      |

Table 9. New hires, turnover, & diversity, by gender

|  | 2022  |        | 2023 |        | 2024  |        |
|--|-------|--------|------|--------|-------|--------|
|  | Male  | Female | Male | Female | Male  | Female |
| Total number of new employee hires   | 100   | 37     | 97   | 44     | 72    | 32     |
| Total number of employee turnover  | 42    | 20     | 48   | 32     | 156   | 70     |
| Rate of employee turnover  | 7.32% |        | 8.6% |        | 28%   |        |
| Total number of training hours provided to employees, by category                              | 37    |        | 82.4 |        | 91.96 |        |
| Executive  | 8.5   | 14.6   | 2.41 | 23.06  | 25.5  | 31.6   |
| Specialist   | 7.4   | 6.5    | 17.5 | 17.7   | 14.5  | 20.4   |
| Percentage of total employees who received a regular performance and career development review | 100%  |        | 100% |        | 100%  |        |



Table 10. Health and Safety indicators, direct employees

|                                     | 2022 | 2023 | 2024 |
|-------------------------------------|------|------|------|
| Fatality rate                       | 0    | 0    | 0    |
| Total number of fatalities          | 0    | 0    | 0    |
| Total number of recordable injuries | 0    | 0    | 0    |
| Total number of other injuries      | 0    | 0    | 0    |
| Number of Lost Time Injuries (LTI)  | 0    | 0    | 0    |

Table 11. Community engagement

|   | 2022       | 2023       | 2024       |
|---|------------|------------|------------|
| Total actual amount spent on community investments, AZN | 13.610.443 | 30.746.478 | 22.573.964 |

# Supply Chain

Table 12. Share of Local and Foreign Suppliers

|   | 2022  | 2023  | 2024 |
|---|-------|-------|------|
| Total number of suppliers                 | 343   | 392   | 398  |
| Local suppliers                           | 291   | 316   | 326  |
| Foreign suppliers                         | 52    | 76    | 72   |
| Proportion of spending on local suppliers | 43.2% | 40.1% | 49%  |
| Share of local suppliers, %               | 85%   | 81%   | 82%  |
| Share of foreign suppliers, %             | 15%   | 19%   | 18%  |



Table 13. Supplier ESG Screening Rate, %

|   | 2022 | 2023 | 2024 |
|---|------|------|------|
| Percentage of new suppliers that were screened using environmental and social criteria, % | 25%  | 26%  | 24%  |



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INDEPENDENT LIMITED ASSURANCE REPORT

Independent limited assurance report by Deloitte & Touche LLC to the Board of Directors of Azercell LLC ("the Company") on the accuracy of selected information presented within the 2024 Sustainability Report ("the Report") for the period from 1 January 2024 to 31 December 2024.

Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the period from 1 January 2024 to 31 December 2024, as listed below and presented in the 2024 Sustainability Report, has not been prepared, in all material respects, in accordance with the applicable criteria as set out in the Global Reporting Initiative (GRI) Standards 2021 (hereinafter "the GRI Sustainability Standards") and other non-financial reporting criteria as set out in the "GRI Content Index" section of the Report (hereinafter "the Applicable Criteria").

Scope of our work

The Company has engaged us to perform an independent limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)) issued by International Auditing and Assurance Standards Board (IAASB) and our agreed terms of engagement.

The Selected Information in the scope of our engagement for the period from 1 January 2024 to 31 December 2024, as presented in the Report, is as follows:

|   | Unit of measure | Reported value 2024 |
|---|-----------------|---------------------|
| Community contribution indicator                      |                 |                     |
| 1. Total actual amount spent on community investments | AZN             | 22,573,964          |
| Supply chain indicator                                |                 |                     |
| 2. Proportion of spending on local suppliers          | Percentage      | 49                  |

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|  | Unit of measure | Reported value 2024 |
|--|-----------------|---------------------|
| 3. Total number of employees                               |                 |                     |
| 4. Total number of employees by gender, male               | Number          | 484                 |
| 5. Total number of employees by gender, female             | Number          | 324                 |
| 6. Number of hired employees                               | Number          | 104                 |
| 7. Number of employee turnover                             | Number          | 226                 |
| 8. Employee turnover rate                                  | Percentage      | 28                  |
| 9. Total generated waste in the offices                    |                 |                     |
| 10. Total generated non-hazardous waste in the offices     | Cubic meter     | 3,099.4             |
| 11. Total generated hazardous waste in the offices         | Cubic meter     | 2                   |
| 12. Total grid energy consumption                          | Kilowatt-hour   | 83,733,488          |
| 13. Grid energy consumption in the offices                 | Kilowatt-hour   | 7,270,063           |
| 14. Grid energy consumption in the sites                   | Kilowatt-hour   | 76,463,425          |
| 15. Total natural gas consumption                          | Cubic meter     | 90,748              |
| 16. Total fuel consumption                                 | Liter           | 1,705,048           |
| 17. Fuel consumption in the offices                        | Liter           | 298,672             |
| 18. Fuel consumption in the sites                          | Liter           | 1,406,376           |
| Safety indicators  |                 |                     |
| 19. Total number of fatalities, directly employed          | Number          | 0                   |
| 20. Total number of recordable injuries, directly employed | Number          | 0                   |

The Selected Information, as listed in the above table, needs to be read and understood together with the Applicable Criteria.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors, or irregularities may occur and remain undetected, and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and the absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted, which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of the Selected Information reported by different organisations and from year to year within an organisation, as methodologies develop.

Roles and responsibilities

Management is responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting, and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information, and explanations to allow the successful completion of our engagement.
- Confirming to us through written representations that Management has provided us with all information relevant to our engagement of which they are aware, and that the measurement or evaluation of the underlying Selected Information against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party, including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited assurance report.

Our independence and competence

In conducting our engagement, we complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) related to assurance engagements issued by the International Ethics Standards Board. This code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The fundamental principles of ethics establish the standard of behaviour expected of a professional accountant.



We applied the International Standard on Quality Management 1 ("ISQM 1"). Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Key procedures performed**

We are required by ISAE 3000 (Revised) to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement in respect of the Selected Information, we performed the following procedures:

- Performed analytical review procedures to understand the underlying subject matter and identify areas where a material misstatement of the Selected Information is likely to arise.
- Through inquiries of management, obtained an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and further assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process, and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness.
- Performed procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations.
- Performed procedures over underlying data on a sample basis to assess whether the data had been appropriately collected and reported, including verifying source documentation, where applicable.
- Accumulated identified misstatements and assessed whether they were material.
- 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.
- Performed a selective review of disclosures in the Report on compliance with GRI Sustainability Reporting Standards.

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. 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.

**Use of our report**

This report is made solely to the Company in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Company those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and the Board of Directors, we acknowledge that the Company may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Board of Directors as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte + Touche LLC  
8 September 2025





2024