



NEQSOL
HOLDING



2022 – 2023
SUSTAINABILITY REPORT



NEQSOL
HOLDING



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ABBREVIATIONS LIST

ABC POLICY	ANTI-CORRUPTION AND BRIBERY POLICY
ABMS	ANTI-BRIBERY MANAGEMENT SYSTEM
AMCHAM	AMERICAN CHAMBER OF COMMERCE
API	AMERICAN PETROLEUM INSTITUTE
BCM	BUSINESS CONTINUITY MANAGEMENT
BOD	BOARD OF DIRECTORS
B2B	BUSINESS-TO-BUSINESS
CSR	CORPORATE SOCIAL RESPONSIBILITY
DSTU	STATE STANDARDS OF UKRAINE
EPCM	ENGINEERING, PROCUREMENT, CONSTRUCTION, AND PROJECT MANAGEMENT
ECRA	EUROPEAN CEMENT RESEARCH ACADEMY
EMS	ENVIRONMENTAL MANAGEMENT SYSTEM
ENMS	ENERGY MANAGEMENT SYSTEM
ESG	ENVIRONMENT, SOCIAL, GOVERNANCE
FCPA	FOREIGN CORRUPT PRACTICES ACT
FOCL	FIBER-OPTIC COMMUNICATION LINE
GDP	GROSS DOMESTIC PRODUCT
GRI	GLOBAL REPORTING INITIATIVE
HCM	HUMAN CAPITAL MANAGEMENT
HR	HUMAN RESOURCES
HSE	HEALTH, SAFETY, AND ENVIRONMENT
IIASA	INTERNATIONAL INSTITUTE FOR APPLIED SYSTEMS ANALYSIS
IICT	INDIAN INSTITUTE OF CHEMICAL TECHNOLOGY
ISO	INTERNATIONAL ORGANIZATION FOR STANDARDIZATION
IIA STANDARDS	INTERNATIONAL STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL
LTIP	AUDITING LONG-TERM INCENTIVE PLAN
LRQA	LLOYD’S REGISTER QUALITY ASSURANCE
M&A	MERGER & ACQUISITIONS
MOU	MEMORANDUM OF UNDERSTANDING
OHSMS	OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
PRJSC	PUBLIC JOINT STOCK COMPANY
PSCM	PROCUREMENT AND SUPPLY CHAIN MANAGEMENT
RO	REVERSE OSMOSIS
SASB	SUSTAINABILITY ACCOUNTING STANDARDS BOARD
SD&CI	SUSTAINABLE DEVELOPMENT AND CORPORATE IMPACT
SDGS	SUSTAINABLE DEVELOPMENT GOALS
SLAM	STOP, LOOK, ASSESS, MANAGE
SMES	SMALL AND MEDIUM-SIZED ENTERPRISES
SOC	SAFETY OBSERVATION CARD
SRP	SUCCESSION READINESS PROGRAM
UMC	UKRAINIAN MOBILE COMMUNICATIONS
WEP	WOMEN’S EMPOWERMENT PRINCIPLES
WHR	WASTE HEAT RECOVERY

CEO's letter

As we publish our first sustainability report as NEQSOL Holding, I am pleased to present an overview of our commitment to sustainability, resilience, and responsible business practices. This report marks a significant milestone for our organization, underscoring our dedication to transparency, accountability, and continuous improvement.

NEQSOL Holding has continued to navigate the ever-evolving business landscape with resilience and adaptability. The unprecedented global events over the past few years, including the onset of the COVID-19 pandemic and the war in Ukraine, where one of our most significant business investments is placed, have tested our ability to innovate and respond effectively to changing circumstances. It is imperative to reflect on how our approaches to doing business have evolved and how we are poised for the future.

The pandemic triggered a seismic shift in the global economy, prompting a temporary paralysis followed by concerted efforts to strengthen economies worldwide. The war in Ukraine introduced a surge in energy prices, intensified logistical challenges, unprecedented disruptions for businesses, particularly in key sectors like food and other commodities, where Ukraine and Russia played a significant role. All critical elements of our technical and IT infrastructure have been diversified within Ukraine to ensure continuity of service. To ensure security and well-being of our employees, we equipped all our major offices with bomb shelters, enhanced remote work arrangements and installed stationary generators and backup internet connections to mitigate the impact of power outages. Despite the challenging operation environment, NEQSOL Holding remained steadfast in its commitment to adaptability, continuously evaluating strategies to thrive in dynamic environments.

However, the situation of Ukraine transcended mere business implications, striking an emotional chord as

we prioritized the welfare of our 5,000 employees and their families in the region.

The expansion of our portfolio remains a key strategic imperative, with plans to diversify into new sectors including fintech, and mining. Despite the challenges posed by geopolitical uncertainties, we remain resolute in our belief in Ukraine's immense potential as a market. Our commitment to the region extends beyond business interests, with plans to actively participate in its reconstruction and development post-war.

Looking ahead, green energy stands at the forefront of our growth agenda, reflecting our commitment to sustainability and environmental stewardship. In addition to two major solar energy investments in Azerbaijan, totaling a 500 MW capacity, we recently acquired Audubon Companies in the USA which has a significant expertise in renewable energy solutions, and carbon capturing technologies. This acquisition further diversifies our portfolio and enhances our capability to undertake sophisticated engineering and energy projects in the Americas and other geographies.

As we navigate logistical challenges and financial complexities, our commitment to corporate governance, business ethics and compliance remains paramount in our operations. And this report demonstrates our commitment to transparently disclose our sustainability performance.

I extend my gratitude to all our stakeholders for continued support and trust in NEQSOL Holding. Together, we will navigate the challenges and emerge stronger, more resilient, and better equipped to create value for generations to come.

Yusif Jabbarov
Chief Executive Officer.

YUSIF JABBAROV
CEO of NEQSOL Holding

ABOUT THIS REPORT

This is the first Sustainability Report (hereinafter “the Report”) of NEQSOL Holding BV (hereinafter “NEQSOL Holding” or “the Holding”), illustrating our performance data spanning from January 1, 2022, to December 31, 2023, with comparative analyses drawing from previous years where applicable.

This Report serves as a tool to communicate our sustainability commitment and impact in which we identify key areas through comprehensive assessments to our diverse stakeholders. Analogically, this content is developed in accordance with the key findings of the double materiality assessment, outlining the intersection of environmental, social, and governance (ESG) with our sustainability endeavors. The Report not only reflects on Holding’s notable achievements of 2022-2023, but also insights into our performance against sustainability trends and a forward-looking perspective on our upcoming plans. Additionally, it offers an in-depth analysis of our performance in strategic priorities and highlights best practices drawn from the asset companies of the Holding.

NEQSOL Holding sets a benchmark in reporting and disclosure by adhering to leading standards developed by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). The Report further underlines our alignment with the Sustainable Development Goals (SDGs) and outlines our contribution to these global objectives. Ultimately, the Report facilitates readers to shape a balanced perspective regarding both the positive and negative impacts of NEQSOL Holding’s activities to fairly evaluate our performance.

The comprehensive scope of this Report encompasses the performance metrics of NEQSOL Holding and its subsidiaries, including Vodafone Ukraine, Azerconnect, Bakcell, AzerTelecom, Nobel Energy, Nobel Upstream Group, and Norm. The businesses acquired in 2023, including the Audubon Companies in the USA were not included in this reporting cycle.

Table 1. Report boundaries

ORGANIZATION NAME	NEQSOL Holding B.V.
REPORTING CYCLE	Biennial
REPORTING PERIOD	1 January 2022 – 31 December 2023
REPORTING BOUNDARY	<p>NEQSOL Holding covering:</p> <ul style="list-style-type: none"> • NEQSOL Azerbaijan • Vodafone Ukraine, including: <ul style="list-style-type: none"> • VF Retail • ITSF • Farlep-Invest • FREENET • UNS • Cable TV-Finance • VFU Funding PLC • Azerconnect • Bakcell • AzerTelecom • Nobel Energy, including: <ul style="list-style-type: none"> • SOCAR AQS LLC • Prokon LLC • Glensol LLC • Audubon • Nobel Upstream • Norm
REPORTING FRAMEWORKS	<p>This Report is written with reference to:</p> <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Standards • Sustainability Accounting Standards Board (SASB) Standards • United Nations Sustainable Development Goals (SDGs)
AVAILABLE LANGUAGE(S)	English

NEQSOL Holding at a glance¹



25 mln+
customers



4
business
segments



11
countries
of operation



1.27 bln USD
revenue



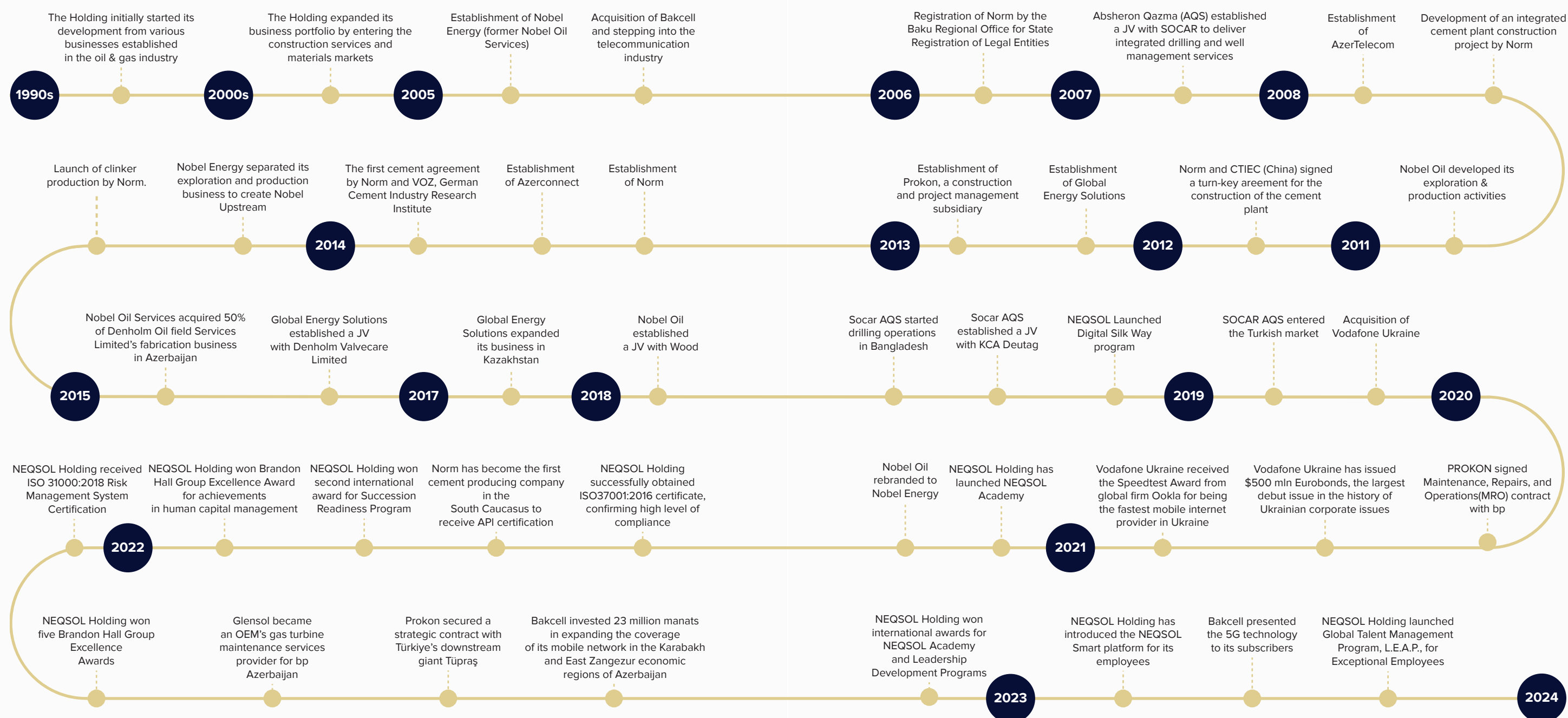
10.000+
employees



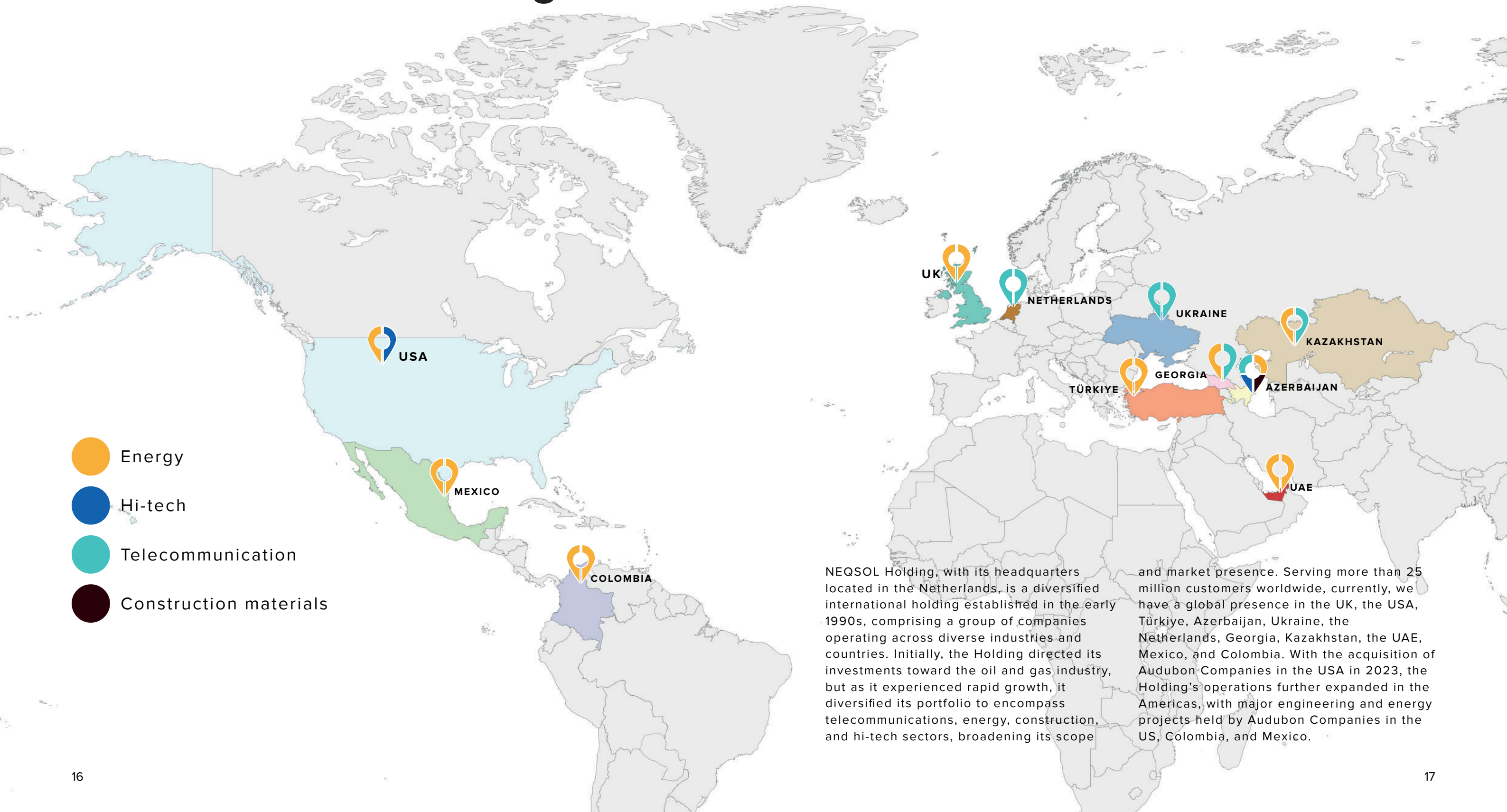
19
companies

^{*1} The numbers in the figure are consolidated data for NEQSOL Holding B.V.

Key milestones and achievements



Overview of the Holding



NEQSOL Holding, with its headquarters located in the Netherlands, is a diversified international holding established in the early 1990s, comprising a group of companies operating across diverse industries and countries. Initially, the Holding directed its investments toward the oil and gas industry, but as it experienced rapid growth, it diversified its portfolio to encompass telecommunications, energy, construction, and hi-tech sectors, broadening its scope

and market presence. Serving more than 25 million customers worldwide, currently, we have a global presence in the UK, the USA, Türkiye, Azerbaijan, Ukraine, the Netherlands, Georgia, Kazakhstan, the UAE, Mexico, and Colombia. With the acquisition of Audubon Companies in the USA in 2023, the Holding's operations further expanded in the Americas, with major engineering and energy projects held by Audubon Companies in the US, Colombia, and Mexico.

01 Sectors and companies

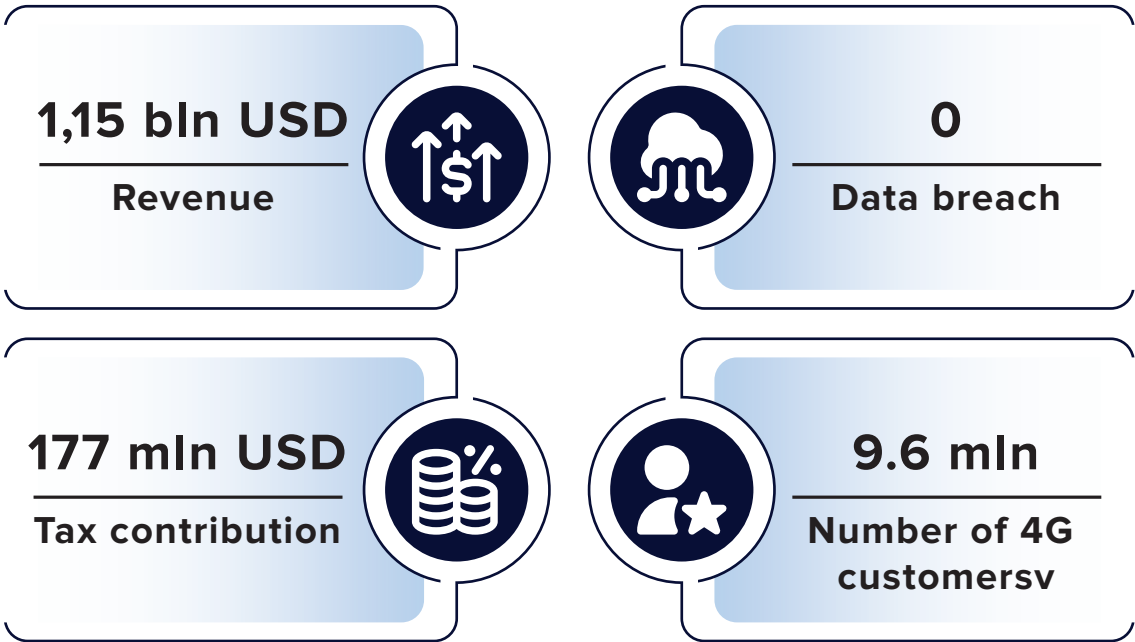
A series of thin, light blue wavy lines that flow from the bottom left towards the top right, creating a sense of movement and depth against the dark blue background.

TELECOMMUNICATIONS SECTOR

Through the strategic acquisition of Bakcell in 2005, NEQSOL Holding entered the telecommunications sector, a pivotal industry driving the advancement and expansion of local and global communication networks and services across B2B and B2C segments. This significant acquisition laid the foundation for subsequent ventures, further enriching NEQSOL Holding's diversified portfolio within this sector. Noteworthy among these ventures are Azerconnect, the first B2B company operating in Azerbaijan's Information and Communication Technology (ICT) and high technologies sectors, and AzerTelecom, an essential telecommunications provider that connects Azerbaijan to the global internet network.

The subsequent acquisition of Vodafone Ukraine in 2019 marked a significant milestone, which solidified its position in the telecommunications industry and demonstrated its ongoing commitment to offering innovative and high-quality services.

The Holding remains attentive to global trends in the sphere of digital transformation, implementing leading international practices and cutting-edge solutions. Additionally, NEQSOL Holding actively contributes to the sustainable development of the ICT sector and the ongoing processes of digital transformation in Azerbaijan, Ukraine, the Netherlands, Georgia, and Kazakhstan.



Vodafone Ukraine PrJSC



Being the first company to implement wireless telecommunication technologies in Ukraine, Vodafone Ukraine (legal name: "Vodafone Ukraine PrJSC", hereinafter referred to as "Vodafone Ukraine Group", or "Vodafone Ukraine") has played an instrumental role in shaping the nation's mobile communication landscape. Initially founded as "Ukrainian Mobile Communications" (UMC) on November 11, 1992, Vodafone Ukraine began offering its mobile services on July 1st, 1993. The company changed to operating under the worldwide brand Vodafone in the Ukrainian market in 2015 after entering into a strategic partnership deal with Vodafone Sales & Services Limited (Vodafone Global), one of the biggest telecommunication companies worldwide. Up until 2017, all of the company's operations were centralized within a single entity. However, with the expansion into new domains, it evolved into a company with a diverse portfolio encompassing multiple businesses, all within the telecommunications and IT sectors. Vodafone Ukraine is currently the nation's second-largest mobile operator, covering 98% of the country's territory. The wide-range telecommunications services offered by Vodafone Ukraine's subsidiaries, which encompass Vodafone Retail LLC, ITSF LLC, Farlep-Invest PrJSC, FREENET LLC and UNS LLC, as well as Cable TV-Finance LLC (a provider of fixed Internet access services),

serve both individual and corporate clients. Its evolution spans from being a local mobile operator to a multifaceted provider offering stable mobile communication, high-speed 4G LTE Internet, fixed-line communication services like GPON and FTTX, wide retail chain, advanced cloud services, Big Data analysis, IoT technologies, and SmartCity solutions. In 2023 alone, the total count of 4G customers reached 9.6 million.

The company conducts its operations with a commitment to social responsibility and ethical practices, aligning with international standards. It actively participates in the advancement of local communities by incorporating its technologies and intelligent solutions into various social sectors, including education, healthcare, and the development of local social infrastructure. The onset of Russia's full-scale invasion of Ukraine posed unprecedented challenges for the company. Despite this, Vodafone Ukraine demonstrated remarkable resilience by swiftly adapting to the evolving circumstances imposed by the war. The company promptly redirected its efforts towards critical priorities, including the restoration of damaged infrastructure, expansion of network coverage in the western and central regions, and advancements in technology.

Azerconnect LLC



In Azerbaijan's rapidly evolving ICT and high-tech sectors, Azerconnect (legal name: "Azerconnect LLC") stands as the first B2B (business-to-business) enterprise. Established in 2013, the company offers a comprehensive variety of ICT services in compliance with global norms and has been closely following the global trends in digital transformation. Azerconnect plays an essential role in fostering the sustainable development of Azerbaijan's ICT sector and advancing digital transformation.

It offers a range of advanced services to clients in the corporate sector, such as Internet service providers, mobile and fixed network operators, and other companies operating in various fields along with the ICT sector. Azerconnect supports numerous prominent businesses, including Bakcell, AzerTelecom, GoldenPay, CityNet, Ultel, Nar, Sazz, Data Plus, BBTv, and AzQtel.

Bakcell LLC



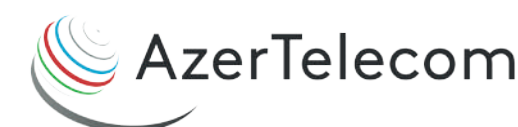
Bakcell (legal name: "Bakcell LLC") is the largest private telecommunications company in Azerbaijan. Bakcell is offering the fastest mobile network in the country, according to Ookla industry speed test. With a network that extends to 99% of the population, facilitated by an extensive infrastructure at over 9,000 base transceiver stations and over 3,000 LTE stations, Bakcell ensures widespread coverage and connectivity, providing services to both businesses (B2B) and consumers (B2C). Being a leader in innovative technology and a significant contributor to the non-oil sector of the Azerbaijani economy, Bakcell serves more than 3 million customers with a wide range of contemporary telecommunications services, including voice and mobile internet.

The company has recently started to offer fixed internet services to its customers.

In 2023, the total amount of 4G subscribers in Azerbaijan was 1,319,048. Currently, Bakcell ensures high-quality 4G services throughout the entire country. This achievement can be credited to the company's successful long-term strategy, characterized by significant investments in cutting-edge technologies. The company has established the best and fastest 4G network in Azerbaijan which is regularly acknowledged on the local and international levels.



AzerTelecom LLC



AzerTelecom (legal name: "AzerTelecom LLC") was founded in 2008 and holds a prominent market position in the country's telecommunications industry. It is the primary provider linking Azerbaijan to the global internet network and offers local and international customers internet, data, and voice transport in addition to other cutting-edge telecommunications services. AzerTelecom collaborates closely with industry giants like Bakcell, Nar, Aztelekom, Baktelecom, Türk Telekom, CISCO, HUAWEI, Nokia Networks, and ZTE.

Aligned with the Holding's mission to integrate value generation with positive social impact by fostering connectivity and subsequently enhancing economic opportunities, a major "Digital Silk Way" project was launched in 2018 and implemented by AzerTelecom. The project focuses on developing a contemporary transit fiber-optic infrastructure network connecting Europe and Asia. As a result, this project underscores the Holding's commitment to advancing global connectivity and shows how innovation can benefit communities while also delivering value for customers and shareholders.



ENERGY SECTOR

NEQSOL Holding has established a robust presence in the energy sector, offering broad services to the energy industry in the Caspian region and beyond. Since its establishment in 2005, Nobel Energy has been a pivotal entity within NEQSOL Holding's energy sector. In 2014, the energy sector within NEQSOL Holding's portfolio underwent restructuring, resulting in the formation of two primary groups: Nobel Energy, formerly known as Nobel Oil Services (UK) Limited, and Nobel Oil E&P (UK) Limited, operating under the trade name Nobel Upstream.

Nobel Upstream is actively involved in exploration and production activities across strategic locations, including the UK, the USA, and Azerbaijan. On the other hand, Nobel Energy provides comprehensive integrated services to oil and gas producers globally, with a particular focus on the Caspian region and beyond. Nobel Energy is also actively engaged in various aspects of the energy sector, including exploration, drilling, EPCM (Engineering, Procurement, Construction, and Project management), PSCM (Procurement and Supply Chain Management), integrated services, and others.

221 mln USD
Revenue



1.35 bln USD
Total assets



0
Fatalities



Nobel Energy Management LLC



Nobel Energy (legal name: "Nobel Energy Management") is a group of companies that has provided integrated services to the energy industry in the Caspian region and beyond over the past 18 years. Companies operating within Nobel Energy provide drilling, engineering (EPC) procurement, engineering, construction (EPC), and project management, as well as oilfield operations, equipment maintenance, integrated PSCM, and enhanced oil recovery services, while

successfully expanding their activities in the respective fields. Nobel Energy is a parent company of Audubon Companies (Audubon), Global Energy Solutions (GlenSol), Prokon, Oil and Gas Proserv, and Llamrei DMCC and has several joint ventures such as SOCAR AQS, Turan Drilling & Engineering, GVL, SDL NOBEL, and Wood Group Azerbaijan. Notably, Nobel Energy serves a diverse clientele encompassing both public and private entities within the oil and gas sector.



Nobel Upstream LLC



Nobel Upstream (legal name: "Nobel Oil E&P (UK) Limited") operates as an independent company involved in energy-related initiatives and serves as the trade name for a group of companies controlled by Nobel Oil E&P (UK) Ltd. Registered in the United Kingdom, the group maintains its main offices in London, while its technical and commercial teams operate from Baku, Azerbaijan, and Houston, Texas. Nobel Upstream is currently working on projects in the Permian Basin in Texas, USA, the Caspian Sea in Azerbaijan, and the North Sea in the United Kingdom. In these three locations, the company continues its organic growth through drilling and its inorganic expansion through investment opportunities.

After Nobel Upstream underwent a reorganization in 2014, its exploration and production division separated to form Nobel Upstream, a new UK corporation. However, Nobel Upstream has a longer history in the oil industry, actively engaging since 2005 and acquiring an upstream asset in 2008. Notably, it maintains a significant 20% stake in the Umid Babek Exploration and Production Company, which operates as the exclusive contractor under the Umid Babek Risk Service Agreement.



CONSTRUCTION MATERIALS SECTOR

Diversification continued during the late 2000s as the Holding entered the construction services and materials markets, actively participating in cement and related materials production. Beyond the expertise in providing construction services to the energy sector, Holding started expanding its business portfolio to the production of cement and related materials.

As a result, in 2013 Norm established a foothold in cement and its associated materials and now stands as the largest cement producer in the South Caucasus.



133 mln USD
Revenue



5.631 tons
Clinker
production capacity



194 mln USD
Total assets



1.74 mln tons
Clinker
production



Norm OJSC



80 hectares

PLANT AREA

5.3K tons

DAILY OUTPUT CAPACITY
OF CLINKER

2.1M tons

ANNUAL CEMENT
PRODUCTION CAPACITY

Norm (legal name: "Norm OJSC") cement plant, located in Baku, Garadakh region of Azerbaijan, stands as the largest cement facility in the South Caucasus. The 80-hectare factory has a daily output capacity of 5.3 thousand tons of clinker and an annual production capacity of 2.1 million tons of cement. Abundant deposits of its primary raw materials, limestone, and clay, are found on-site. It is expected that the plant's reserves from these deposits of raw materials will last for several decades.

As evidence of its constant dedication to product quality and reliability, Norm collaborates closely with respected businesses and organizations in the global cement and concrete manufacturing industries. The plant places significant emphasis on maintaining the high quality of its cement production, utilizing modern cement and concrete laboratories. All cement products from Norm adhere strictly to European standards, with the company being the only producer of Oil Well Cement (OWC) in the country. Norm is also actively engaged as a member of both the European Cement Research Academy (ECRA) and the Global Cement and Concrete Association (GCCA). Furthermore, together with other industry players, Norm co-founded the first Cement Association in Azerbaijan and is currently its member. This initiative aims to foster and maintain enduring and sustainable partnerships with other businesses in the sector. In addition to offering a broad range of services to corporate clients, the company customizes its offerings to each individual customer's specific needs. Through its dealer network, Norm helps small and medium-sized enterprises (SMEs) and supports the local entrepreneurial ecosystem.



Hi-tech

As NEQSOL Holding, we acknowledge the rapid pace of technological progress and actively invest in cutting-edge projects. As one of the leading players in the market, our objective is to stay updated with the latest technological developments and emerging market trends. The Holding has already made investments in several high-tech startup projects that offer innovative products and services in a range of industries.

Our strategic approach and commitment to sustainability

NEQSOL Holding is committed to making a positive social impact throughout its operations. NEQSOL Holding is recognized as a member of United Nations Global Compact (UNGC) at global level, in addition to the membership of several of our subsidiaries at the local chapters of UNGC in countries where they operate. NEQSOL Holding is also committed to complying with the requirements of CSRD

(Corporate Sustainability Reporting Directive) of the EU. As demonstrated in this report, we committed to publishing our first consolidated ESG and Sustainability Report in 2024, ahead of the enforcements of CSRD requirements. This report will serve as a Holding level umbrella version of sustainability reports published by several of our subsidiaries that regularly disclose their ESG performance².



² [Vodafone Ukraine Annual Sustainability Report 2023](#)
[Azerconnect Annual Sustainability Report 2022](#)
[Bakcell Annual Sustainability Report 2021](#)
[Nobel Energy Annual Sustainability Report 2022](#)
[Audubon Companies \(US\) Annual Sustainability Report 2023](#)
[Nobel Energy Annual Sustainability Report 2022](#)
[SOCAR AQS Annual Sustainability Report 2021](#)

NEQSOL Holding's Strategic Vision towards ESG Practices can be summarized as:

Environment: Our subsidiary, Nobel Energy initiated the building of two solar energy facilities in Azerbaijan in 2023, with capacities of 400MW and 100MW, respectively, to serve the demand at local communities as well as cities of neighboring Türkiye. We are committed to reducing our total carbon emissions by increasing share of renewable energy solutions in our portfolio, investing in carbon capture technologies³ and engaging in investments to support preservation of ecological resources⁴. Our construction business in Azerbaijan, NORM OJCS, is leading with fellow cement producers via local and global industry associations to introduce sustainable production practices that have a potential of reducing emissions of the sector.

Social: Committed to making a tangible positive social impact, we have invested \$50m USD (\$10m per annum) in social programs over the last 5 years. While the social investments were focused in 4 areas, including Infrastructure & Environment (\$18.3m), Education and Culture (\$11.1m), including contributions to Covid response activities) and Social Donations (\$14.5m), we have decided to focus on streamlined

projects with a longer and sustainable commitments. In that respect we established a 5-year partnership with Birge and Saglam Association in Azerbaijan in 2023 to support awareness of Autism and inclusion of individuals with autism spectrum. We also initiated a new 5-year partnership with the Education Development Fund in Azerbaijan to support female university students with scholarships until their graduation. The ultimate aim of this program is to prepare female talent to the jobs market and develop them to break the glass ceiling to increase female representation in top management of organizations. With a particular focus on 4 prioritized pillars (Education, Health, Emergency Relief and Climate Action), our founder has established a philanthropic organization named Firuza Foundation in Amsterdam⁵. NEQSOL intends to partner with Firuza Foundation on key philanthropic activities worldwide.

Governance: We address sustainability leadership under the coordination of a Chief Communications & Sustainability Officer (CCSO) directly reporting to the Holding's CEO. Various ESG and Sustainability managers at our subsidiaries collaborate under the coordination of NEQSOL Holding's CCSO for common topics including the Sustainability Reporting, key CSR initiatives, and engaging in major conferences, like the COP29 to be held in Baku in 2024. We adhere to the highest standards of Corporate Governance Principles and apply a robust Business Ethics and Conduct policy. We are also a member of UN Global Compact as NEQSOL Holding globally while several of our subsidiaries are members at the countries they operate.



³ [Reference sample to carbon capture technologies](#)

⁴ [Reference sample to supporting the preservation of ecological resources](#)

⁵ Firuza Foundation in Amsterdam: www.firuzafoundation.org

02

Approach to support United Nations' Sustainable Development Goals

Approach to support United Nations' Sustainable Development Goals

NEQSOL Holding is committed to incorporating ESG principles into our core business model. NEQSOL Holding's sustainable development commitment is embodied in a range of initiatives that are in line with the United Nations' 17 Sustainable Development Goals (SDGs). A portion of the Holding's efforts are built on tackling key challenges, fostering a positive impact across diverse sectors, and supporting the broader goals of creating a more equitable, resilient, and environmentally conscious world.

Our determination towards a more sustainable future includes promoting circular economy practices, incentivizing responsible natural resource management, and maintaining data security. Our way of contributing to the achievement of the sustainable development goals is illustrated in Figure 1.

Figure 1. Our commitment to SDGs



4.7: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development.

4.a: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

- Norm implemented Young Engineers Development Program focusing on identifying promising young engineers and nurturing them as future leaders.

- Azerconnect supported the “Cyber Summer School - 2023,” organized by the Association of Cyber Security Organizations of Azerbaijan.

- Holding formulated Leadership Development Program providing a venue for managers to discuss subjects, exchange knowledge and experiences, and access individualized online courses with key partners.

- NEQSOL Academy forged a strategic alliance with Infosec IQ to enhance cybersecurity education and training.

- Azerconnect partnered with organizations like ENGINET to educate parents and students on safe.

- NEQSOL Holding signed a five-year MoU with «Birge ve Sağlam» Public Union to support educational, diagnostic, and awareness initiatives for children with autism in Azerbaijan, including translation of international assessment tools, specialist training, and awareness-raising activities.

- Bakcell and Norm undertook the construction of Hokmeli , demonstrating commitment to providing inclusive and quality education infrastructure for all.

- Azerconnect took proactive steps by organizing a Focus Group for IT girls in ADA, providing a platform for engagement and empowerment.

- Azerconnect and Bakcell became a signatory of the Women's Empowerment Principles (WEP), reflecting the shared commitment to advancing gender equality.

- Norm launched the "Bir inciyik" project, attracting up to 100 women per session covering a wide range of carefully selected topics, from psychological health to women's health, mother-child parenting relationships, and goal setting.

- Azertelecom supported young girls from SOS Children's Village in IT & STEAM education training, providing them with opportunities for skill development and empowerment.



Goal: Achieve gender equality and empower all women and girls

UN Target

5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

Our contribution

- Holding conducted a Mentoring Program aimed at individual growth, significantly contributing to organizational diversity and inclusivity by attracting active participation from women across various industries.

- Azerconnect organized a 'Gender Mainstreaming at Workplace' event, emphasizing the importance of gender equality and inclusion in the workplace.



Goal: Ensure access to affordable, reliable, sustainable and modern energy for all

UN Target

7.1: By 2030, ensure universal access to affordable, reliable and modern energy services.

7.2: By 2030, ensure universal access to affordable, reliable and modern energy services.

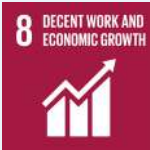
Our contribution

- Nobel Energy is planning to construct a solar power facility in Jabrayil district with a capacity of 100 MW, generating an estimated 180 million kilowatt-hours of electricity annually to cater to approximately 58,000 households.

- Nobel Energy signed a memorandum of understanding (MoU) with Azerbaijan's Ministry of Energy. This agreement was set to develop a 400MW solar power plant in Nakchivan, Azerbaijan, to export the produced electricity to Türkiye and also supply it locally.

- Azerconnect built the first solar base station in the village of Sangachal in Azerbaijan.

- Azerconnect dedicated to promoting sustainability by making strategic investments in renewable energy, installing solar panels at 104 sites in the Karabagh region.



Goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

UN Target

8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.

8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Our contribution

•NEQSOL Holding allocated over 1.5 million USD towards business ventures in Azerbaijan’s Karabakh region.

•Norm carried out the “Ustalar Klubu” initiative, which unites craftsmen, enhancing their skills and knowledge to elevate the construction sector. Through educational programs and collaboration, it fosters camaraderie and improves project quality, benefiting communities served by Norm. Trainings on cement products and their usage rules are organized for the club members.

•NEQSOL Holding is working to ensure equal pay between male and female employees, having an equal ratio of the basic salary of women to men across its sectors in the Energy, Construction and Telecom sectors, and having a ratio of 0.98 in 2023.

•The holding’s efforts to eliminate racial discrimination across its workforce are dedicated to providing livable and market-value salary scales to all local minimum wage, underscoring a dedication to providing livable wages.

•NEQSOL Holding, in cooperation with the “Regional Development” public union, which welcomed 22 proactive young women into their facilities, and allowed aspiring young leaders to gain experience in the ICT sector.

•The Holding’s efforts to promote labor rights and protect migrant workers is outlined in the Human Rights Policies and Standards, established by the Code of Conduct, and the Supplier Code of Conduct sets these policies into action across all companies. The Holding actively promotes safe and secure working environments across all sectors, with special emphasis on regular audits and screening programs for forced labor, modern slavery and exploitation, aiming to be socially responsible across various sectors.

•Nobel Energy has successfully reduced its total number of recordable injuries from 8 in 2021 to 5 in 2022, demonstrating progress in its safety initiatives.

•Norm has adopted the SLAM (Stop, Look, Assess, Manage) approach to improve safety behaviors among its employees and contractors.



Goal: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

UN Target

9.1: Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Our contribution

•Nobel Energy and Norm maintain a systematic risk management process, with employees actively using Safety Observation Card (SOC) reporting to identify and document potential hazards, which are then reviewed by the Health, Safety, and Environment (HSE) department.

•Vodafone Ukraine Group diligently restored the continuity of the mobile network by deploying over 400 stations across the country and knocking more than 24,000 AGM and LiFe batteries, along with a fuel reserve of more than 1,800 tons.

•Telecom assets in Ukraine worked together to restore telecommunication services in 45 towns and villages damaged and affected by the Russian occupation.

•AzfensPetron and KazahselDen were awarded to jointly construct and manage the Trans-Caspian fiber-optic infrastructure on the eastern branch of the Europe-Trans-Asian-Kazakhstan-Caspian Sea route.

•Vodafone Ukraine constructed 225 km of new optical fiber.

•Vodafone Ukraine implemented Gigabit technology, notably GPON - fast optical internet without the need for electricity. Vodafone now has the largest GPON coverage in Ukraine following an infrastructure expansion in 2023.

•Vodafone Ukraine and Bakcell are fully utilizing eSIM cards in their product offerings, which eliminates the need for physical SIM cards, and simplifies the use of communication services.



Goal: Reduce inequality within and among countries

UN Target

10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Our contribution

- Nobel Energy granted scholarships for an educational program that allowed 30 high-potential youth from underprivileged families to attend high school. The number of underprivileged families supported was 165.
- Vodafone Ukraine customers residing in the liberated regions who possess active Vodafone SIM cards and where Vodafone towers were still active received 1,000 minutes of calls to all operators.
- The telecom division of Vodafone Ukraine adjusted the regular tariff plans to provide 7.5% of standard non-VAT regulated compared to local minimum wage in 2023 of 21.4% and 7.2% respectively.



Goal: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

UN Target

17.1: Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.

17.16: Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.

Our contribution

- NEQSOL Holding and its assets are diligent taxpayers, fulfilling their tax obligations responsibly. The Holding has implemented a comprehensive Tax Policy that ensures compliance with all relevant tax laws and regulations, while also promoting transparency and ethical practices in the company's financial operations.
- NEQSOL Holding and the Ministry of Ecology and Natural Resources signed a Memorandum of Understanding focusing on the protection of biodiversity, preservation and restoration of plant and animal species, ecosystems and infrastructure in specially protected natural areas, provision of strategic raw material resources for sustainable activities, substitution of raw materials with waste mineral components and utilization of alternative fuel and energy sources.

- NEQSOL Holding, Norm and Vodafone Ukraine joined the United Nations Global Compact, demonstrating commitment to sustainable business practices.

Our contribution

17.17: Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

- Vodafone Ukraine supported the UNTIED24 platform, recognizing the growing importance of technology in modern governance and societal rebuilding.

Materiality assessment

In our commitment to embedding sustainability into the core of NEQSOL Holding's operations, we recognize the importance of continuously aligning our sustainability efforts with the dynamic landscape of stakeholder expectations and global sustainability trends.

Embracing this commitment, we have conducted our first double materiality assessment during the reporting period in line with the EU Corporate Sustainability Reporting Directive (CSRD). This approach is designed to identify and prioritize the most critical sustainability topics, not only in fulfilling our stakeholders' and investors' expectations but also in contributing to shared value across the diverse sectors we operate in and enhancing our overall business performance.

Our approach to materiality was multifaceted, incorporating both an evaluation of our operations' impacts on society and the environment and an analysis of how sustainability issues reciprocally affect the Holding's strategic direction, resilience, and innovation potential. This dual analysis enabled us to thoroughly understand the intricate ways in which environmental and social trends and challenges intersect with our business objectives.

Comprising four essential steps (Figure 2)—insights from knowledge-sharing sessions, benchmarking against industry peers, examination of legislative/reporting

frameworks, and gathering industry insights — this assessment played a compass role in guiding our sustainability journey.

Figure 2. Double materiality assessment



Our materiality assessment began with laying a solid foundation by understanding the context and objectives that guide our approach to sustainability, aligned with global and CSRD requirements. The integral initial step of this phase was the desk research which allowed us to examine a wide range of potentially material topics through peer analysis and review of reporting frameworks.

The insights gained from the desk research guided us in identifying and detailing the sustainability topics across our value chain. Impacts, risks, and opportunities were thoroughly researched and then compiled into a focused list of topics. These topics were further refined against the backdrop of the CSRD, and adjusted with findings from relevant reporting frameworks and peer analyses to ensure comprehensiveness and relevance.

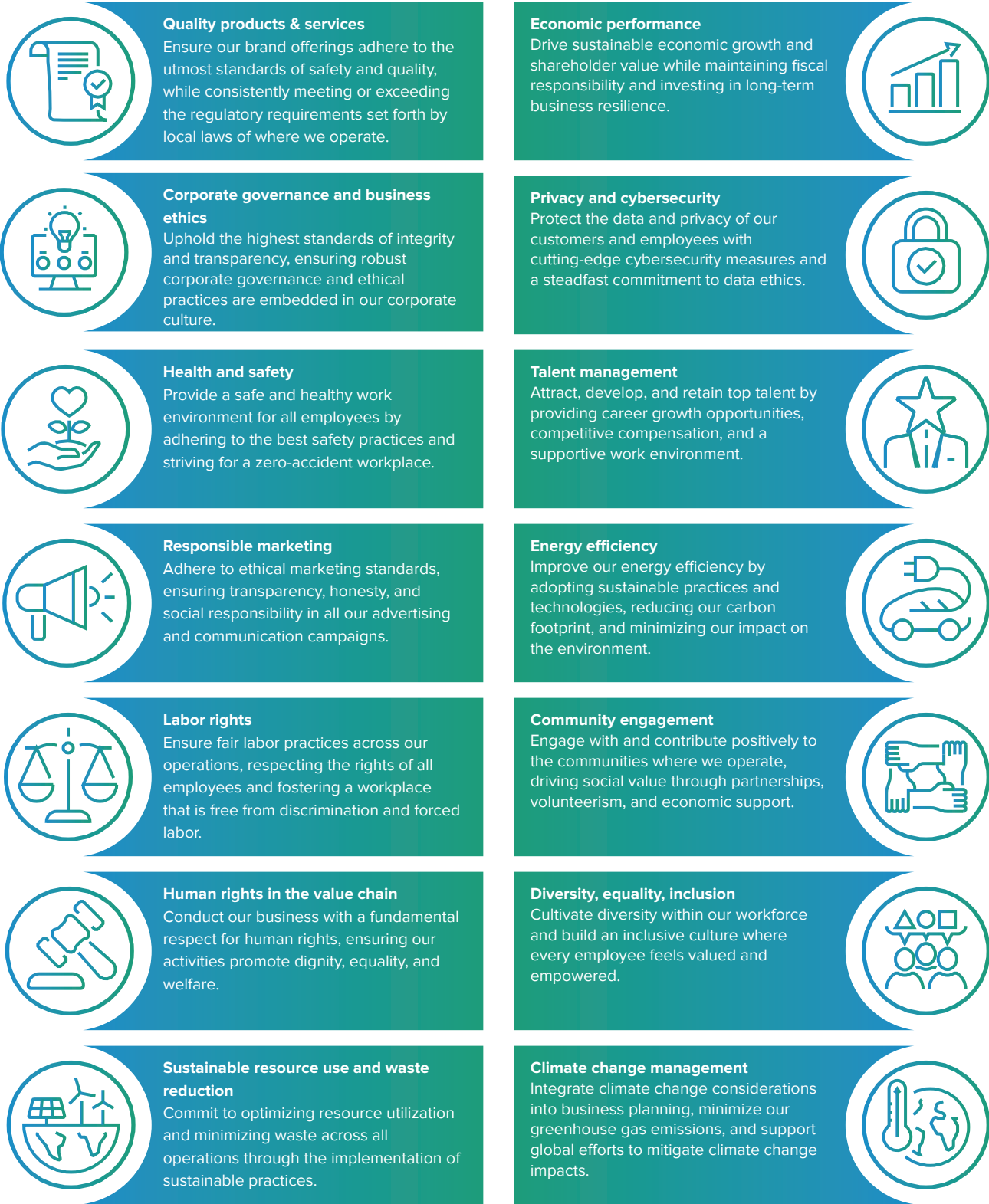
Subsequently, we have implemented dual analysis to assess both the impact of our operations and the financial materiality of sustainability topics. Through this analysis, we assessed sustainability topics through a weighted scoring system to discern the significance and potential impact of each topic on our strategic direction. The dual analysis involved mapping internal and external stakeholders of our business

and conducting stakeholder engagement through online surveys and interviews to blend our stakeholders' perspectives with external trends. Stakeholders spanned across employees, customers, suppliers, investors, shareholders, government institutions, non-governmental organizations (NGOs), and community members, ensuring a rich tapestry of insights to inform our sustainability focus. Following our stakeholder engagement process, weighted impact and financial materiality scores were determined for each sustainability topic.

Following this process, we identified material topics, both from impact and financial materiality perspective by applying an identified threshold on an impact and significance scales. Topics significant from either impact or financial materiality perspective were deemed material.

The outcome of the materiality assessment (Figure 3) revealed that the 14 material topics were of considerable significance to our business performance and external stakeholders. Moreover, this assessment emphasizes the pertinence of these material issues across the Holding and its subsidiaries, underlining their relevance and impact throughout our organizational framework.

Figure 3. Material topics





Stakeholder engagement

Strong and effective stakeholder relationship management is another key component of the sustainability approach in NEQSOL Holding. When we create more added value and respond to rapidly changing trends in technology, business, and society, we start a ripple effect that extends out to all our industries, our business partners, and the wider community. In this line, the stakeholders are defined in a way that they are affected by or can affect activities while at the same time as people, communities, or organizations that can be effective in reaching global requirements and sustainability goals. Promoting responsible consumption and production habits, cutting waste, and supporting sustainable business

practices all depend on active communication between suppliers, customers, and other stakeholders.

The Holding operates across various sectors such as telecommunications, energy, construction, and high-tech. Given our widespread influence throughout society, we maintain a broad stakeholder map with different community facets and interest groups (Figure 4). We engage with stakeholders on an ongoing basis to establish continued trust-based dialogue. Our stakeholder communications vary between the Holding's subsidiaries depending on the specific dynamics within their field of operations.

Figure 4. Stakeholder communication framework

STAKEHOLDER GROUP	COMMUNICATION	DIALOGUE CHANNEL
	We offer our workforce pathways for career advancement and educational enhancements. Through "Neqsol Academy," we curate educational resources in partnership with esteemed educational institutions and learning platforms, fostering enduring professional growth for employees and fortifying businesses. Encouraging an open dialogue, we actively invite the workforce to contribute their ideas and suggestions, nurturing a culture of collaboration and continuous improvement.	Internal mail, performance reviews, webinars, social events, website
	Our multifaceted communication strategy aims to foster collaboration, and knowledge sharing, and align sustainability goals across diverse segments, effectively engaging each entity under our umbrella. By transparent communication, we create an environment where each asset can contribute to and benefit from our collective commitment to sustainability, ensuring a cohesive and impactful approach across our diverse holdings.	Regular meetings, reporting mechanisms, committee participation

	At Holding, we maintain open and frequent communication with our lenders, investors, and shareholder. This ensures a comprehensive view not just of our financial status, performance, and business outlook, but also of our management strategies and our commitment to environmental, social, and governance practices.	General meetings, seminars, monitoring reports, conferences
	NEQSOL Holding actively involves a network of suppliers, aiming to forge enduring relationships based on our core values. Our ongoing efforts focus on cultivating trust and reliability while upholding our Code of Ethics and Business Conduct. Furthermore, we maintain robust procedures to identify and address any existing or potential conflicts of interest that may arise with our suppliers.	Due diligence annual disclosures, face-to-face meetings, supplier assessment
	Our commitment to excellence extends to both our products and the service we provide. Offering a diverse array of distinctive concrete solutions, we tailor our offerings to meet our customers diverse needs. Our commitment to resolving customer complaints ensures that our products and services effectively address consumer concerns and requirements, enhancing reliability and efficiency.	Digital channels, surveys, e-mail, call centers, seminars, congresses and fairs
	Our philanthropic contributions, community collaborations, and volunteer engagements create meaningful and targeted impacts for local individuals and community organizations. We aim to foster social and economic progress by directly supporting their development while addressing their specific needs and priorities.	Social projects, sustainability reports, annual disclosures, conferences
	Holding actively engages with local, state, and national government entities within the operating country responsible for shaping industry related policies. This interaction extends to collaborating with local community leaders and fostering partnerships aimed at influencing decisions that positively impact the communities where we operate.	Press releases, reports, seminars, meetings
	Holding nurtures partnerships with NGOs crucial to delivering value and elevating the quality of life for individuals. Through charitable initiatives and community engagement, we've stimulated inclusive dialogues and contributed to the advancement of local communities.	Press releases, meetings, collaborative projects, and initiatives
	Through our active presence on social media platforms and our website, we engage with stakeholders to comprehend their perspectives on business matters and assess our performance. Simultaneously, leveraging media channels serves as a vital avenue, enabling us to furnish accurate, pertinent, and comprehensive information regarding our endeavors.	Website, Facebook, LinkedIn, X, YouTube

Effective partnerships and collaborations require the active participation of stakeholders. By participating in these global groups and associations (Figure 5), NEQSOL Holding demonstrates its commitment to engaging with various stakeholders beyond its internal sphere. NEQSOL Holding's and its subsidiaries' membership in global groups and associations is essential for forming industry dynamics and driving innovation and sustainable growth. Holding's involvement in these associations signals its commitment to ethical standards and practices within its industry. By aligning with reputable groups, Holding can exchange best practices and uphold high ethical standards, which is crucial for maintaining trust among stakeholders.

Figure 5. Memberships of the Holding



03

Governance principles

Corporate structure

Our corporate culture revolves around an effective governance system that prioritizes transparency, accountability, and ethical practices. While keeping with NEQSOL Holding’s larger corporate duty towards its customers, partners, and other stakeholders, as well as the communities and environment in which it operates, our overarching objective is to fulfill the expectations of stakeholders regarding good corporate governance. We are committed to continuously enhancing our corporate governance system to meet the regulatory requirements in every country we operate.

At NEQSOL Holding, we are firm believers that the key to successful corporate governance is a combination of our dedicated team members’ efforts and the competent and engaging management of our executive team. Our Executive Leadership Team is designed to ensure a balanced blend of expertise, with members providing impartial oversight and strategic guidance. Figure 6 demonstrates the members of our Executive Leadership Team.

Figure 6. NEQSOL Holding’s Board Structure



Yusif Jabbarov
Chief Executive Officer

As CEO, Yusif Jabbarov leads the Holding’s international business and is also in charge of its strategy, merger & acquisitions, and business portfolio management. Yusif Jabbarov has 20 years of successful track record in various industries, including leadership and executive management roles in energy, telecommunications, and financial institutions.



Meric Tunc
Chief Human Capital Officer

Meric Tunc is the Chief Human Capital Officer of NEQSOL Holding, responsible for setting People Strategy, driving Organizational Change, cultivating Leadership Culture, and leading Change Management Processes in M&As. He has over 22 years of extensive experience in various senior Human Resources and Business Support roles.



Imran Ahmadzada
*Chief Financial Officer of NEQSOL Holding,
Head of NEQSOL Holding Azerbaijan*

Mr. Ahmadzada is the Group Chief Financial Officer of NEQSOL Holding and is in charge of all subsidiaries, portfolio, and investment management of the holding. He is also the Head of NEQSOL Holding Azerbaijan office. He has extensive experience in oil, telecommunications, financial and industrial institutions.



Toghrul Ahmadov
Chief Legal Officer

Toghrul Ahmadov is the Chief Legal Officer of NEQSOL Holding and is in charge of the Holding’s legal, corporate governance, and compliance affairs. He is a legal and compliance professional with over 17 years of experience in the energy industry.



Kadri Ozen
Chief Communications & Sustainability Officer

Kadri Ozen is the Chief Communications and Sustainability Officer at NEQSOL Holding, leading external and internal corporate communications, sustainability strategies, and external stakeholder relations to support the Holding’s global positioning and reputation. He has extensive international leadership experience in the fields of Public Affairs, Communications, and Sustainability Strategies.



Teymur Taghiyev
Chief of Staff

Serving as the Chief of Staff of NEQSOL Holding since 2023, Teymur Taghiyev oversees corporate resilience while driving transformation and digitalization initiatives. He also leads the Holding’s critical project management function. He has over 20 years of experience in strategy development and implementation, business development, project management, risk management, compliance, and corporate affairs.



Volodymyr Lavrenchuk
Country Manager, NEQSOL Holding Ukraine office

Joining as a member of the Vodafone Ukraine Board of Directors in 2020, Volodymyr Lavrenchuk is a Country Manager at the NEQSOL Holding Ukraine office. He is a senior executive with over 35 years of experience within various institutions, managing complex corporate environments in various financial institutions.



Vasyl Latsanych
Head of Telecom

Vasyl Latsanych is the Head of Telecom at NEQSOL Holding, joining in 2021. With over 20 years of extensive international experience in the telecom industry, he is in charge of strategic management and further development of the Holding’s telecommunications subsidiaries, as well as expansion to new markets.



Vugar Samadli
Head of Energy

Vugar Samadli is the Head of Energy at NEQSOL Holding and Chief Executive Officer of Nobel Energy (formerly Nobel Oil Services), the energy group within the Holding, since 2017. He has over 20 years of experience in the energy industry, having worked for globally renowned companies.



Israil Asaliyev
Head of Construction

Israil Asaliyev is the Head of the Construction Industry at NEQSOL Holding and is responsible for setting and leading the execution of the strategy in this segment. He is also leading M&A projects to expand industrial business within the Holding. Israil has over 20 years of experience in business development, financial sustainability, sales, and other related fields.



The Holding's Top Executive Employment Process Policy establishes a uniform and structured framework for hiring Board Members, Top Executives, and Senior Management across its subsidiaries. The Policy ensures that the recruitment, transfer, and promotion procedures are conducted in a fair, objective, transparent manner, aligning with long-term strategic goals and adhering to the legal requirements of the respective countries of operation.

In fostering effective leadership and decision-making, every company in the Holding's group has a Board made up of reputable and well-qualified individuals. One of our core corporate governance principles is the appointment of a highly qualified executive management team by stringent internal compliance procedures, with the full backing of the Boards of Directors. In addition to assisting the management team in their duties, the Boards act in a way that strengthens and expands shareholder value creation and protection efforts over the long term. Furthermore, the Holding has established a robust remuneration policy for its subsidiaries' Boards to ensure fairness and transparency.

Our key sustainability impacts are managed by the Chief Communications and Sustainability Officer of NEQSOL Holding, who is tasked with the review and approval of reported sustainability information and material environmental, social and governance topics. This includes a thorough evaluation process to ensure all sustainability initiatives are strategically aligned with the Holding's global positioning and reputation.

At the heart of NEQSOL Holding is our Corporate Center, located at the Holding's headquarters. This team is pivotal in guiding the organization's financial and strategic direction.



The Corporate Center team handles the management of most major projects and transactions, including M&As, Investments, Restructuring, Valuations, Financial Analyses of projects, and Joint Ventures. Every month, the Executive Committees of the Holding's subsidiaries and the Corporate Center meet to discuss ways to enhance decision-making processes and formulate recommendations.

The Boards of each of NEQSOL Holding's businesses are responsible for regularly assessing and improving its business performance. To ensure that the directors at NEQSOL Holding uphold the greatest standards of professional performance, corporate ethics, and compliance, and to foster strong professional relationships between the directors and management, the Holding employs tools and methods that enable independent evaluations and continuous assessments of the performance of the boards.



Additionally, to prevent and mitigate conflicts of interest within the Holding, individuals are required to disclose any situations of conflict or even the appearance of a conflict to the Corporate Governance and Compliance Department. Upon disclosure, the Holding provides a structured process as per its Conflict-of-Interest Policy to address and minimize any potential risks. The highest governance body ensures adherence to this policy by overseeing the disclosure process, evaluating potential conflicts, and implementing measures to mitigate them effectively.



04

Business integrity

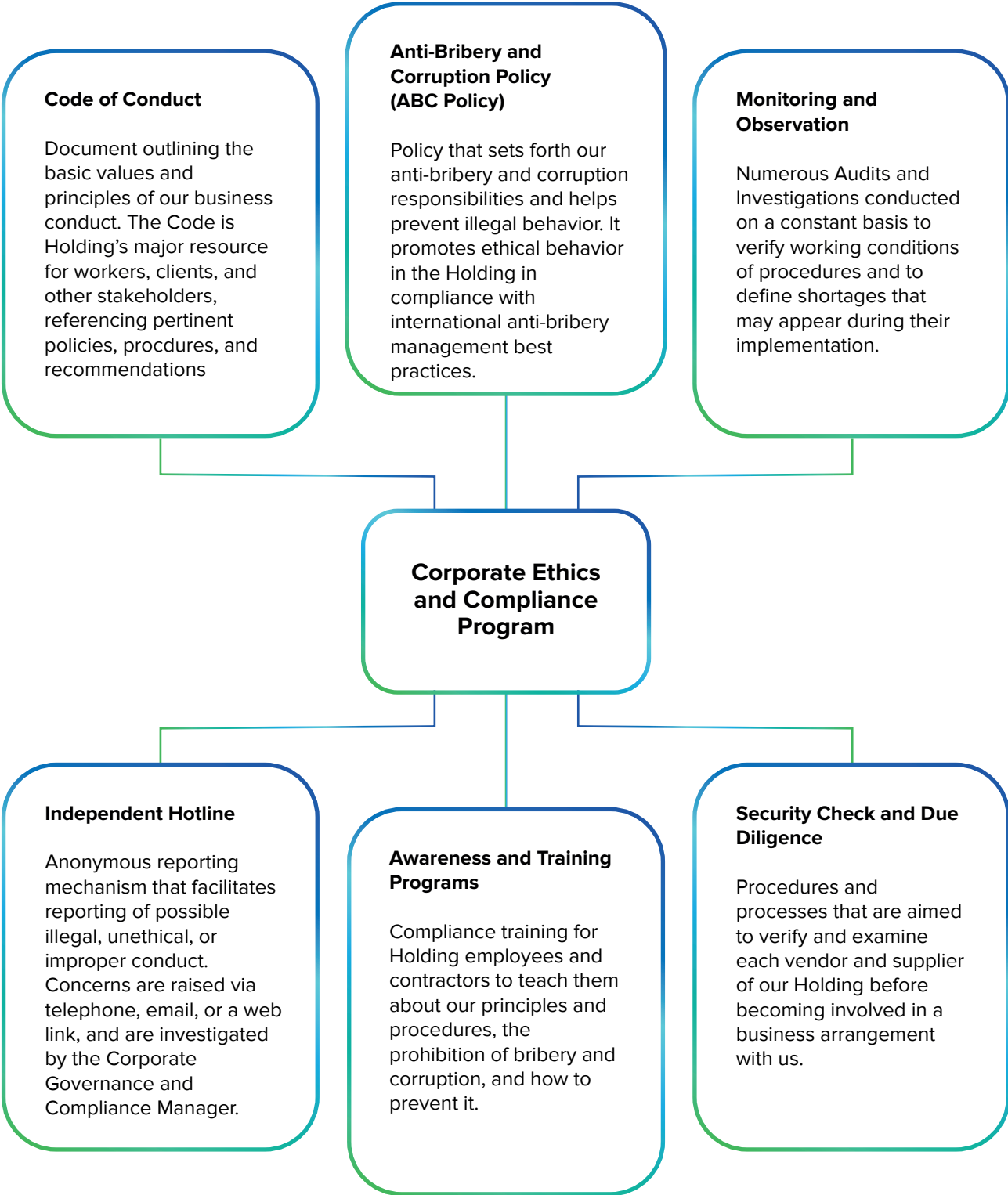
Compliance and internal control



NEQSOL Holding emphasizes maintaining relationships with stakeholders based on the highest standards of compliance and ethics. These principles guide our approach to conducting business in a manner that not only meets but exceeds the current standards of ethical conduct and environmental sustainability.

Therefore, we established an all-encompassing Corporate Ethics and Compliance Program to ensure compliance among all parties involved, which is illustrated in Figure 7.

Figure 7. NEQSOL's Corporate Ethics policies

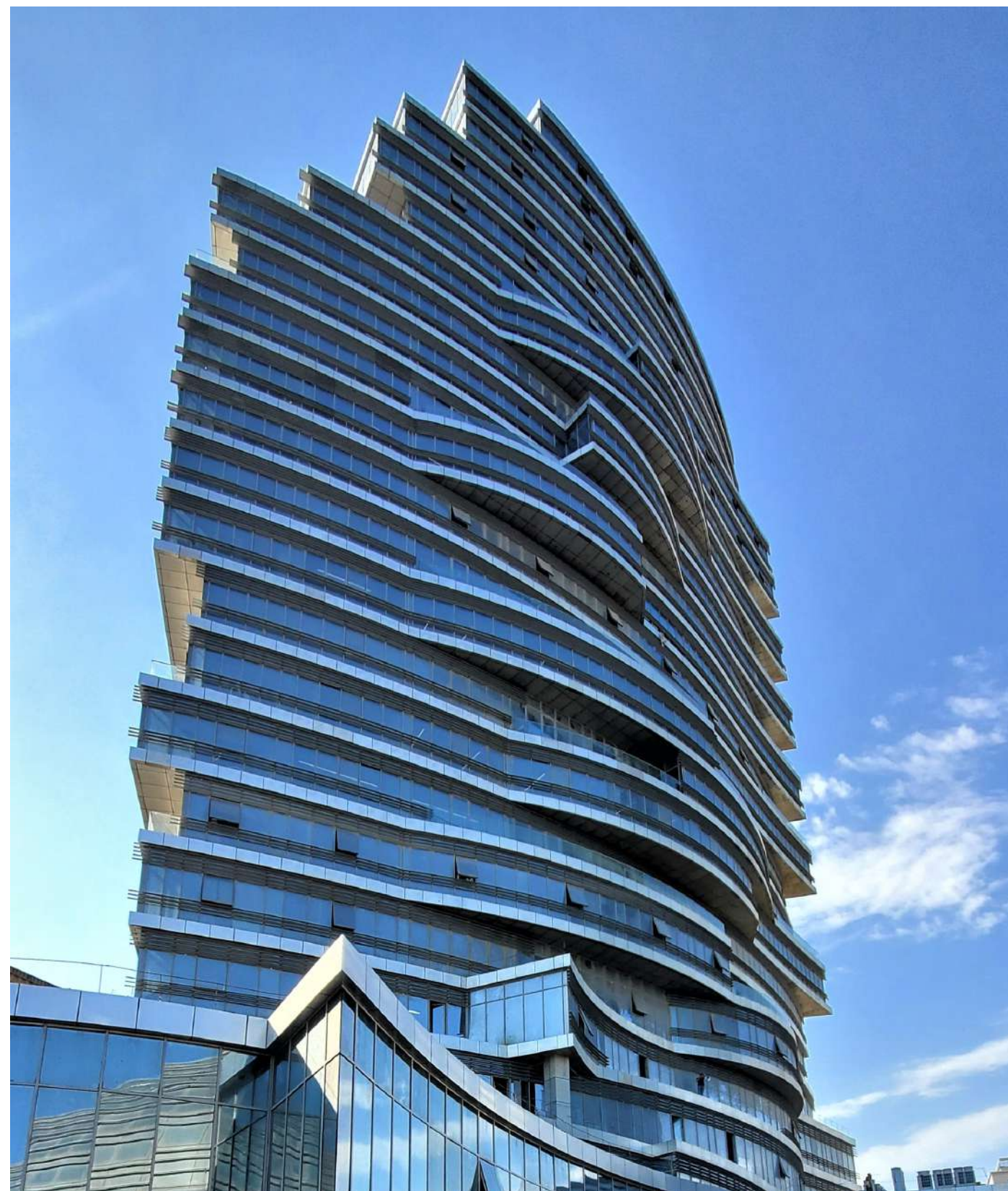


The workforce of all the Holding's subsidiaries is expected to adhere to the fundamental principles of collective and individual conduct as outlined in the compliance rules and procedures of NEQSOL Holding. It is our objective to meet and exceed the highest international standards of corporate governance and compliance.

Both NEQSOL Holding and its asset Nobel Energy, have acquired an ISO 37001:2016 certificate, which is the first worldwide standard attesting to the successful application of the Anti-Bribery Management System (ABMS), the management system designed to prevent illegal activity. The ABMS accreditation is an essential component of ethics and compliance, guaranteeing the use of global standards and industry best practices in the avoidance, identification, and handling of any illegal activity. The mentioned ISO accreditation was granted following comprehensive audits conducted by LRQA, a division of the UK-based Lloyd's Register Group Limited.

NEQSOL Holding's independent Internal Audit function offers the Holding impartial, risk-based assurance, advice, and insight by adhering to the Code of Ethics and the International Internal Audit Standards. Its responsibilities include conducting audits of operational efficiency, risk management procedures, and corporate governance processes, as well as audits of compliance and internal controls. The Audit Committees assist the Board of Directors of the Holding's subsidiaries in evaluating the effectiveness of control environment and governance practices, overseeing the financial reporting process, monitoring internal audit activities, and coordinating activities with external assurance providers.

At an asset level, Nobel Energy created the Internal Audit function to offer services to the company in the areas of operational efficiency, compliance, internal control, corporate governance, and risk management process evaluation.



Similarly, the Internal audit system at Azerconnect and its subsidiaries operate as a comprehensive and systematic process designed to evaluate and improve the effectiveness of risk management, control, and governance processes. The Internal audit function actively engages in assessing and verifying the integration of ESG considerations within the business operations of the company. This includes evaluating environmental impact, social responsibility initiatives, and governance structures. The function adheres to the International Standards for Professional Practice of Internal Auditing (IIA Standards) while carrying out Internal Audit Policy and Procedures.

Vodafone Ukraine's Internal Control and Audit Department and Audit Committee serve as critical components in maintaining financial integrity and compliance. In its capacity as an advisory body, the Audit Committee reports to the General Shareholders Meeting on the results of the statutory audit and assesses the effectiveness of internal controls. Furthermore, in compliance with the Supervisory Board's directive, it verifies the accuracy of the financial statements and examines the risk management and internal control systems. Norm's Internal Audit Committee closely supervise legal compliance ensuring that the business complies with all applicable laws and maintains transparency in its financial transactions. The committee's proactive approach to monitoring and evaluation significantly enhances the robustness of financial governance within Norm's operational and financial frameworks. Overall, these committees represent the vigilance required for strong financial governance throughout the internal audit frameworks of the subsidiaries.

To assess and reduce the risks of corruption, we are continuously enhancing our compliance system, which includes anti-corruption procedures. Compliance with NEQSOL Holding entails adhering to strict guidelines for professional conduct and corporate ethics. The core tenets of internal company behavior, as well as interactions with clients, partners, governmental agencies, and external audiences, are corporate conduct and business ethics policies.

Quality products and services

At NEQSOL Holding, we firmly believe that exceptional quality delivery across our business segments plays an essential role in achieving long-term strategic goals. The implementation of rigorous quality control systems throughout the value chain ensures our products are aligned with the highest standards in terms of safety, efficiency, and reliability. The tendency to be customer-centric lies in the core of our operational excellence which is tightly linked with the provision of cutting-edge products and services in telecommunications, energy, construction materials, and hi-tech.

Telecommunications entities are continuously working on reducing downtime in the network to ensure service availability besides integrating eSIM technology with the aim of enhancing their service offerings. Moreover, ensuring continuity of services is of particular importance as it reinforces the resilience of the company, particularly in emergency situations. In fact, Vodafone Ukraine developed a fixed-line internet network to offer high-quality uninterrupted connection besides providing connectivity even in the case of power outages caused by Russia's destruction of energy infrastructure in 2022-2023.

Bakcell, in turn, adopted VoLTE technology to consolidate voice and data transmission into a single network. Consequently, VoLTE enabled the company to diminish the necessity for separate voice and data

connections while ensuring a seamless communication experience for the customers. Indeed, Bakcell succeeded in elevating the quality and speed of its services along with reducing reliance on physical resources.



In the context of the construction materials sector, Norm offers a range of bagged and bulk products and services meeting international standards and local regulations. Thus, Norm developed a contingency planning model in the company processes and activities to spotlight potential risks and threats that may jeopardize product delivery and quality. Norm's labeling and packaging adhere to EN 197, API SPEC Q1, API SPEC 10A, and ISO 9001 standards. Additionally, they collaborate with suppliers who meet all necessary standards and certifications.

Furthermore, in 2019, Norm's product quality underwent an assessment to meet EN 197-1 standards, and validation was conducted by Bureau Veritas using specific samples sourced from our laboratories. As part of their dedication to maintaining superior product quality, they obtain quality assurance certification prior to the development of any new products.

Nobel Energy has implemented an effective quality management system encapsulating policies and procedures complying with ISO 9001 to ensure that provided service quality is uniform. The underlying reason for such a system is to optimize the quality and provision of internal business processes. In fact, the system is implemented in all levels of operations in the company's business conduct in line with the Company's strategic goals. Besides, Nobel Energy refers to the requirements of API Q2, API SPEC Q2, and IADC CAA as industry-specific international best practices.



Code of Conduct



Our Holding’s [Code of Conduct](#) governs the way we conduct our operations. It also outlines the standards of behavior expected of all its employees and everyone working for the Holding. The Code helps us to make the right decisions and tells us where to seek help. The purpose of this Code is to establish the general ethical principles of the Holding and is applied universally within the Holding and its companies.

Compliance is not optional but a critical component of our business ethos. Breaches of the Code are taken seriously and may lead to disciplinary measures, ensuring

accountability and continuous commitment to our principles.

The Code of Conduct of NEQSOL Holding embodies our principles and steady dedication to sustainability, which goes beyond regulations. By abiding by these values, we make a positive impact on a more equitable and sustainable world in addition to conducting business ethically and responsibly. The Code of Conduct contains guidelines that forbid discrimination and encourage treating everyone equally inside the Holding.

THE KEY PRINCIPLES OF THE CODE OF CONDUCT INCLUDE:



Health, Safety, and Environment:

Our commitment to safety and environmental stewardship is unwavering. We proactively work to protect the health and security of our employees and the natural environments in which we operate. Compliance with relevant health, safety, and environmental laws is mandatory, and we continually seek ways to mitigate risks and reduce our ecological footprint.



Respect and Diversity:

NEQSOL Holding thrives on diversity and inclusivity, treating all individuals with respect and dignity. Our work environments are free from abuse, harassment, and discrimination, fostering a culture where every voice is heard and valued.



Ethical Business Practices:

Integrity is at the core of our operations. We stand firm against bribery, corruption, and anti-competitive practices. Our financial dealings are transparent and honest, upholding the highest standards of integrity. We rigorously comply with anti-bribery, anti-corruption, and anti-money laundering laws, reflecting our zero-tolerance stance on unethical practices.



Community and Societal Contributions:

We acknowledge our role in the broader community and strive to contribute positively. This involves respecting local cultures and needs, and actively participating in sustainable community development. Our efforts are aligned with Environmental, Social, and Governance (ESG) principles, ensuring our operations support sustainable living.

Anti-bribery & Corruption



NEQSOL Holding's [Anti-Bribery & Corruption Policy \(ABC Policy\)](#) is a key component of our sustainability strategy and highlights our constant dedication to integrity and legal compliance. This policy is designed to prevent bribery and corruption in our operations and complies with the highest international standards, including ISO 37001:2016 and ISO 37301:2021. Anti-bribery policies require organizations to operate transparently, disclosing potential conflicts of interest and detailing measures taken to prevent bribery. This increases public trust and encourages accountability inside institutions.

The ABC Policy applies to all entities within NEQSOL Holding ensuring a comprehensive and clear set of guidelines. This policy sets a high standard for the behavior of both our staff and business partners, promoting consistent compliance with ethical standards across our global operations. This policy is a comprehensive framework that includes a zero-tolerance approach, clearly defined roles and responsibilities, thorough risk assessment and due diligence, continuous training and awareness campaigns, and a strong reporting and whistleblowing system. The policy's core principles can be broken down as follows:



Zero Tolerance Approach

We adopt a zero-tolerance stance towards bribery and corruption. This extends to all forms of corrupt activities, whether direct or indirect, and includes facilitation payments, kickbacks, or any form of illicit advantage. Our policy mandates strict adherence to the provisions of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977, and other relevant local and international laws.



Roles and Responsibilities

Responsibility for upholding the ABC Policy lies with every individual in the organization, from top management to each employee. The policy delineates specific roles and responsibilities, ensuring that everyone is accountable for maintaining the highest standards of integrity and transparency.



Reporting and Whistleblowing

We encourage openness and transparency, providing secure channels for employees and external stakeholders to report any suspicions or incidents of bribery and corruption without fear of retaliation.



Risk Assessment and Due Diligence

Regular risk assessments form a crucial part of our strategy to proactively identify and mitigate bribery and corruption risks. These assessments cover various operational aspects, including procurement, partnerships, and interactions with government officials. We also conduct thorough due diligence on our business associates to ensure alignment with our ethical standards.



Training and Awareness

Continuous education and training programs are integral to our approach, ensuring all employees are fully aware of the policy's principles and their responsibilities. The programs include a section on ABC and ABMS to foster a proper understanding of anti-bribery culture. The training programs are regularly updated to reflect the latest legal and regulatory developments.

Our ABC Policy reflects of NEQSOL Holding's commitment to sustainable and ethical business operations, not just a compliance manual.

By following these guidelines, we support legal compliance and help to create a more ethical and transparent business climate on a global scale.

Risk management

In the fast-paced world of modern business, the significance of risk management has steadily risen, drawing the interest of a diverse set of stakeholders. This heightened importance underscores the pivotal role that risk management plays in shaping strategic decisions, offering companies a valuable tool to navigate the complexities of uncertainty. NEQSOL Holding and its subsidiaries, including Bakcell, Nobel Energy and Norm, have obtained the declaration of conformity by LRQA on the ISO 31000:2018 Risk Management Certificate, highlighting our commitment to robust risk management processes. This integrated risk management approach not only enhances the companies' ability to navigate uncertainties but also ensures the sustainability of operations, aligning consistently with NEQSOL Holding's broader commitment to responsible business practices. By sharing best practices and following a unified risk management strategy, companies contribute to the overall resilience and value development within the NEQSOL Holding corporate environment.

As businesses navigate through dynamic landscapes, mastering the skill of effectively handling risks is not just crucial for survival, it is also essential for making well-informed, strategic decisions that significantly contribute to long-term success. Since risk management is essential to maintaining strong corporate governance, NEQSOL Holding deliberately uses advanced methods to reduce risks in all areas of our operations. Our dedication to increasing shareholder value is demonstrated by the careful use of Enterprise Risk Management (ERM) in each asset.

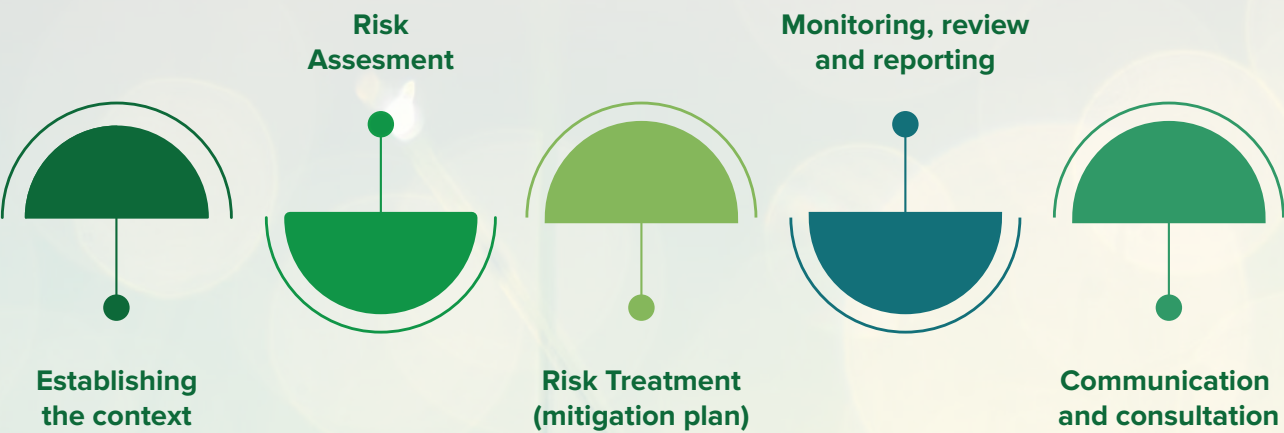
We strengthen our ability to identify and



proactively manage risks by incorporating ERM into our daily operations and strategic planning. This strategy not only protects our businesses against any dangers but also puts us in a position to deal with ambiguity well, which guarantees sustained value generation in our corporate environment. At NEQSOL Holding, comprehensive risk assessments are conducted at the subsidiary level to identify and evaluate potential risks across its diverse portfolio of subsidiaries. These risks are thoroughly disclosed in the subsidiaries-specific reports, providing stakeholders with transparent insights into the risk landscape.

The risk management approach of NEQSOL Holding follows predetermined phases and processes which is illustrated in Figure 8, and all subsidiaries are guaranteed a thorough approach to risk reduction based on a strong structure.

Figure 8.
The Risk Management Process



The Holding's Risk Management Policy outlines the vision, structure, requirements that define framework, while the Risk Management Guideline provides the methodology, procedures and main tools to execute the Policy. Together, they serve as a comprehensive roadmap for identifying, assessing, and mitigating risks associated with the Holding and its subsidiaries. Each company designs a proactive risk management system for a unique and proactive strategy, acknowledging the variety of industry risks and providing resilience and continued value development. In line with this customized risk management approach, the Risk Management Committee is appointed to assist the Board of Directors in fulfilling their governance duties regarding risk management within the Holding. Risk Committee assesses the effectiveness of risk management integration across the Holding and its subsidiaries.

Additionally, the committee reviews and approves the risk management policy, reporting, and objectives of the Holding. Aligned with our comprehensive risk management framework, this committee diligently operates, producing quarterly reports that precisely outline prevailing risks,

subsequently submitted to the NEQSOL Holding board for in-depth analysis. The committee greatly aids in the proactive discovery, assessment, and reduction of risks inside the Holding and its affiliates by encouraging cooperation among a variety of stakeholders.

NEQSOL Holding prioritizes the management of ESG risks as an essential component of its business strategy. As part of this commitment, the Holding actively addresses risks related to environmental hazards, energy efficiency, climate change, worker safety, governance vulnerabilities, and data security across its subsidiaries. Given that our subsidiaries operate in different industries, their ESG risks vary across sectors. In response to these sector-specific risks, NEQSOL Holding's subsidiaries in the telecommunication sector take strategic actions, such as investing in solar energy to reduce carbon footprint and promote sustainability, despite potential challenges like upfront costs and project delays.

The Holding recognizes the significance of climate-driven disruptions impacting field operations and regulatory changes affecting renewable energy development.



As it comes to the construction sector, the Holding emphasizes initiatives to improve energy efficiency, enhance workplace safety measures, and uphold ethical marketing practices as essential components of its sustainability efforts. Through diligent monitoring and best practices, we work to minimize its environmental impact, ensure worker safety, and fortify governance structures in the construction materials industry, contributing to sustainability across its operations.

Within NEQSOL Holding's subsidiaries in the energy sector, one of the most critical risks is the possibility of oil spills, which can severely harm ecosystems, wildlife, and local communities. Additionally, pollution risks, such as air and water pollution from extraction, refining, and transportation activities, are significant concerns. Pollution from energy operations can degrade air quality, contaminate water sources, and cause health problems for nearby communities.

Addressing these ESG risks requires comprehensive strategies that

To effectively mitigate these risks, we employ comprehensive strategies, including robust contingency planning, diversified sourcing to enhance supply chain resilience, and active engagement with regulatory bodies to stay abreast of evolving ESG-related regulations. Additionally, we aim to strengthen data security and responsiveness to customer needs, thereby enhancing overall sustainability in the telecommunications sector through the implementation of Identity and Access Management systems and improved quality assurance processes.



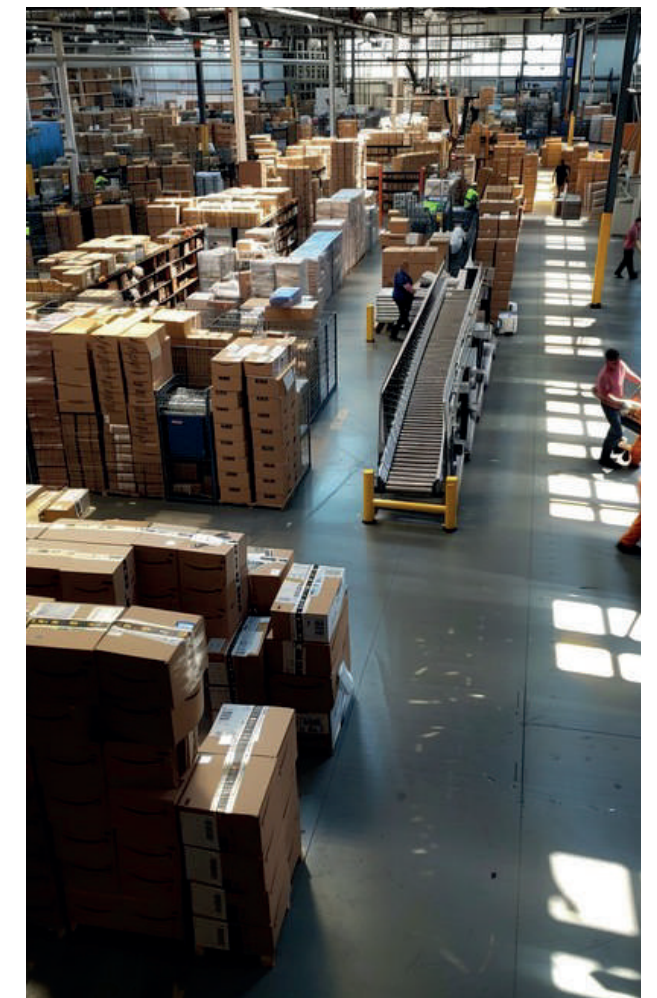
prioritize environmental protection, engage with communities, and comply with regulations to minimize harm to the environment, protect public health, and promote sustainable energy practices. The way that ESG factors are strategically included in Nobel Energy's Business Continuity Management (BCM) framework shows the company's strong willingness to promote sustainable and ethical business practices, aligning with our commitment to sustainability and responsible corporate conduct across different sectors.

Supply chain responsibility

Our approach to supply chain management was thoughtfully developed to preserve environmental, social, and ethical criteria to ensure the sustainable operations of NEQSOL Holding. We value working with suppliers who share our dedication to sustainability to create enduring partnerships based on transparency and ethical business conduct. We want to limit our supply chain's negative environmental impacts, lower its carbon footprint, and advance fair labor policies through comprehensive supplier assessments and involvement. Furthermore, we consistently investigate alternatives for innovation and effectiveness such as using several information security tools, aiming to maximize resource allocation and promote constructive societal influence in our procurement procedures.

It's crucial to note that every asset in our company complies with a strict policy framework regarding the supply chain. This framework includes detailed processes for evaluating suppliers and particular standards to guarantee dependability and compliance. At NEQSOL Holding, we apply our standard due diligence method to carefully evaluate all potential suppliers. This thorough screening ensures that they follow our high standards for operational excellence and compliance with regulations, safeguarding our brand and upholding great standards throughout all of our operations. These actions demonstrate our dedication to upholding the highest integrity and sustainability standards by making certain

that every new supplier goes through extensive screening procedures with an emphasis primarily on environmental standards. Because we recognize how crucial it is to reduce the environmental impact of every aspect of our business, we are committed to doing so not only for Holding but for our whole asset portfolio.





Our dedication to maintaining NEQSOL Holding's sustainable practices affects all aspects of our business, including the administration of our wide range of subsidiaries in different industries. We actively work to ensure that all our subsidiaries comply with the highest ethical, social, and environmental standards aligned with our overall sustainability objectives. Norm has recently implemented necessary enhancements to its procurement processes, reflecting a proactive commitment to operational efficiency and sustainability. Noteworthy changes include the introduction of a redesigned form within the Oracle tool of SAP software, aimed at monitoring and improving material delivery times. Moreover, the Oracle tool now features an urgency priority function, ensuring swift solutions to urgent procurement requirements. In alignment with NEQSOL Holding's strategic objectives, Norm has also embarked on a transition to Oracle, to optimize overall processes.

As an integral part of NEQSOL's diverse portfolio, Azerconnect is actively embracing global trends in procurement efficiency and sustainability. The ongoing transition to

Fusion Cloud E-Procurement reflects a strategic move towards centralized and integrated platforms, optimizing sourcing, purchasing, and supplier management. Azerconnect's emphasis on sustainability is evident in its evaluation of suppliers' environmental and social responsibilities, although the full implementation of this process is still underway. The company is actively updating its supplier onboarding



process to align with NEQSOL's high standards, including ethical compliance, sustainability requirements, and anti-bribery policies. The Holding's commitment to not just meeting but exceeding industry standards is shown in our strategic alignment with sustainable procurement principles, which contributes to the overall resilience and responsibility of our business operations.

Regarding supply chain responsibility, Nobel Energy's dedication to sustainable development objectives is demonstrated by the detailed processes it uses to screen suppliers and make sure they follow ethical and environmental guidelines. In order to maintain the overall sustainability and integrity of its operations, the firm also actively works with suppliers to encourage responsible sourcing practices and supports transparency across its supply chain. In pursuit of this goal, potential suppliers undergo a thorough assessment of Nobel Energy's compliance requirements, tailored to meet ISO AMBS 37001 standards, ensuring a commitment to ethical business practices. The comprehensive standards include Nobel ISO 37001, Glensol's ISO 9001:2015, ISO 45001:2018, EASA, and ISO 14001:2015, as well as SOCAR AQS API Q2. In the post-contract award, the collaborative efforts of the Procurement function and QHSE teams come into play as they actively contribute to Supplier Audits and Assessments. The mandatory acknowledgment and adoption of the Code of Conduct by counterparties further underlines Nobel Energy's dedication to ethical conduct.

In addition to this commitment, ethical standards are further exemplified through the Procurement Policy in Vodafone Ukraine, which enforces anti-bribery and anti-corruption measures in alignment with both internal company standards and internationally recognized benchmarks such as the Foreign Corrupt Practices Act (FCPA).



These stringent requirements are seamlessly integrated into tender packages and serve as standard clauses in contractual agreements. In the realm of procurement, Vodafone Ukraine operates under a well-defined framework, namely the Procurement Policy and the Regulation on the selection of suppliers of goods, works, and services. As NEQSOL Holding extends its commitment to regulatory compliance and responsible business practices, this approach becomes a model for other subsidiaries within the portfolio, reinforcing a unified and resilient response to external factors across the organizations. Vodafone Ukraine worked with approximately 1030 domestic and foreign providers of equipment and services in 2023 through tendering processes. Notably, 97% of these vendors were Ukrainian citizens, and 74% of the money came via local tender procurement.

In alignment with UN Sustainable Development Goal 12, Responsible Consumption and Production, Bakcell, has established a rigorous Supplier Code of Conduct. Acknowledging the increasing importance of supplier credibility and the necessity of assessing their operations, this strategic framework serves as a foundational guide. It is designed not only to mitigate risks associated with external business partnerships but also to encourage suppliers to adopt sustainable business practices, thereby contributing to the promotion of responsible consumption and production.

05

Economic performance

Holding's financial performance

NEQSOL Holding showed strong financial performance over the last decade exhibiting flexibility and resilience in a changing economic environment. This achievement owes much to wise investment strategies, diverse portfolios, and adept operational management, all of which drove the Holding to substantial revenue expansion. A strong bottom line was a result of cost reduction and efficiency enhancements, demonstrating the Holding's dedication to sustainable financial practices. Additionally, excellent liquidity and a sound financial position were the outcome of cautious financial management and risk reduction techniques. NEQSOL Holding's proven financial strength and strategic foresight inspire confidence in stakeholders and shareholders alike, setting the Holding up for long-term success. The Holding's revenue totaled \$1,267,523,000 in 2022, and we observed an increase in growth in 2023⁶. This growth highlights the Holding's continued financial strength and market resilience.

With its diverse array of subsidiaries in telecommunications, energy, and construction materials sectors, NEQSOL Holding strategically navigates the dynamics of numerous markets in the USA, UK, Kazakhstan, Azerbaijan, UAE, Netherlands, Ukraine, Türkiye, and Georgia. NEQSOL's influence is more pronounced in Azerbaijan and Ukraine due to the concentration of its operations.

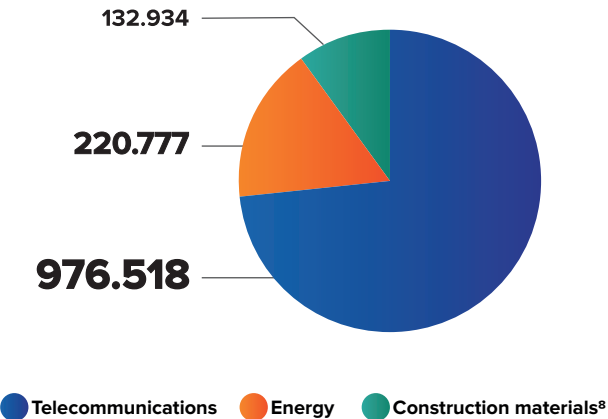
In 2022, the Holding demonstrated commendable financial performance, with a notable contribution from its diverse portfolio of subsidiaries in the telecommunications, construction materials, and energy sectors. Notably, the main source of revenue for the Holding was the telecommunications industry, led by \$976,518⁷. Impressive growth was seen in the telecommunication companies, which confirmed its position as a major income producer with a 26% increase in average revenue per user (ARPU) and a 5.2% increase in subscriber base. Simultaneously, Norm, which stands for the Holding's construction materials sector, made a 9.5% contribution to total revenue. In 2023, the construction materials sector saw cement consumption increase from 3,647,597 tons in 2022 to 3,797,118 tons, marking a growth of approximately 4.1%. This rise in demand reflects the sector's ability to capitalize on favorable market conditions and underscores the strategic success of the Holding in expanding its market presence. Figure 9 demonstrates the revenues in 2023 by business segments.

In evaluating NEQSOL Holding's economic performance, it's vital to consider its significant contribution to Azerbaijan's GDP (Gross Domestic Product). As a key player in the country's business landscape, NEQSOL Holding's operations exert a notable influence on the national economy.

⁶ The 2023 data has not been disclosed as the Holding's financial audit is still in progress.

⁷ Azerconnect's data is excluded from the chart due to confidentiality.

Figure 9. Total revenues by business segments in 2023, in thousand USD



Azerbaijan's GDP was valued at \$78.72 billion in 2022, as per official World Bank data and it increased by 4.6% over the previous year.

Azerconnect, Bakcell, and AzerTelecom collectively employ approximately 1,800 individuals, constituting around 8.5% of the total workforce in Azerbaijan's telecommunications industry, which stood at 21,263 employees in 2022, as reported by the State Statistical Committee of Azerbaijan. These companies contribute to the nation's economy by not only providing jobs but also by driving technological advancement and maintaining the critical communication infrastructure essential for the growth of other sectors. Their workforce highlights the pivotal role these companies play in shaping and sustaining the telecommunications landscape in Azerbaijan. Nobel Energy plays a major role in Azerbaijan's economy by offering a variety of energy services through its subsidiaries and affiliates, which include Glensol, Prokon, and SOCAR AQS, among others. The revenue in 2023 totaled \$220,770,000 where core operations span drilling services, engineering, procurement, construction, and integrated services. In the drilling sector, SOCAR AQS has delivered

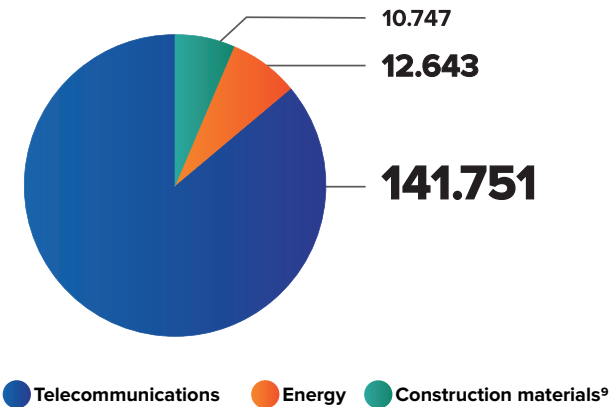
successful projects in fields such as Bulla-Deniz and Guneshli, demonstrating its operational excellence, and adding to Azerbaijan's energy sector.

Through its operations, Norm noticeably contributes to Azerbaijan's GDP by bolstering the construction sector such as by introducing a new G-class cement. The Company's robust production capabilities not only cater to domestic demand but also fuel export activities, enhancing Azerbaijan's presence in the global market. In 2023, the company manufactured 1,735,463 tons of clinker and 1,660,196 tons of cement, resulting in a revenue contribution of \$132,933,788 for the same period. Norm's exports also positively impact the country's trade balance, strengthening its economic stability and resilience.

Improved productivity in industries dependent on telecommunication services causes an indirect impact that is crucial in driving up Ukraine's GDP. Vodafone Ukraine plays a central role in Ukraine's post-war economic recovery by maintaining and expanding its crucial communication infrastructure despite the extensive damage caused by the full-scale invasion. By installing internet connections in 77 bomb shelters, the company supports Ukrainian connectivity during crises. Despite 900 base stations being restored since the beginning of Russia's full-scale invasion of Ukraine and over 1,000 trunk network damages, Vodafone Ukraine has restored around 90% of network operability, reinstating service in over 750 settlements and repairing 22 km of fiber optic cables and 112 optical couplings. While overcoming challenges in land allocation with support from the Ministry of Digital Transformation, Vodafone Ukraine continues to expand high-speed internet coverage along highways and national roads, crucial for Ukraine's infrastructure resilience and

digital economy. In addition to improving the quality of telecommunications services, our consistent investments in talent, infrastructure, and technology also provide job possibilities, given that 4,086 individuals work for this organization and contribute to the local economy.

Figure 10. Total tax contributions by business segments in 2023, in thousands of USD



Tax contributions serve as a noteworthy metric illustrating the economic influence on a nation's overall GDP. These encompass various indicators, including income tax, property tax, withholding tax, land tax, and SSPF charges. The tax allocations by business segments for 2023 are depicted in Figure 10. NEQSOL Holding adopts a principled and strategic approach to tax management, ensuring full compliance with legal obligations and a commitment to ethical tax conduct. The Holding's Tax Policy outlines the Holding's commitment to comply with tax laws across jurisdictions where it operates, managing tax affairs to optimize long-term outcomes while avoiding aggressive tax planning. The policy emphasizes transparency, sustainability, and the use of available reliefs and incentives within legal boundaries.

NEQSOL maintains proactive engagement with tax authorities to address uncertainties and ensure responsible tax practices.

Consequently, the Holding is committed to staying informed about all pertinent tax risks, encompassing compliance issues, financial reporting, tax planning, tax audits, and legislative changes.

The Holding will establish policies to guide its approach in identifying, managing, and mitigating tax risks. Recognized tax risks will be actively overseen within a suitable tax risk framework and control measures. These tax risks will be regularly reported to the Holding and evaluated for their likelihood of occurrence and the potential negative financial or reputational impact on the Group and its objectives.

Throughout 2022 and 2023, NEQSOL Holding demonstrated a deliberate and attentive approach to managing its varied portfolio, exhibiting excellence in comprehensive asset oversight. The Holding put strong asset management procedures in place, guaranteeing a thorough comprehension of the returns and hazards connected to every investment. NEQSOL Holding identified growth prospects and quickly resolved any possible obstacles by closely monitoring and analyzing resource allocation. The Holding's dedication to efficient asset management increased the overall value of its portfolio while also protecting its investments. The competent asset management practices of the Holding demonstrate a commitment to long-term sustainability and value generation, fostering stakeholder confidence and setting the Holding up for sustained success in a dynamic business climate.

⁸ Azerconnect's data is excluded from the chart due to confidentiality.

⁹ Azerconnect's data is excluded from the chart due to confidentiality.

Strategic investment stewardship

As a Holding, we recognize the significant impact our investment decisions can have on the environmental, social, and governance dimensions. Embracing impact investing principles, we pursue opportunities that generate positive social or environmental outcomes alongside financial returns, exemplifying our dual commitment to profit and purpose.

We are committed to transparency and reporting, ensuring stakeholders are informed about our sustainable investment endeavors. These represent our commitment to creating a financial ecosystem that is both responsible and resilient. The Holding’s primary investment activities encompass three different key categories which are illustrated in Figure 11:

Figure 11.
Categories of investment activities



To govern and guide these investment endeavors, we have established an investment policy as a pivotal internal document. Following this policy, all business proposals are categorized into the following groups:

- Core industries:** areas where we possess a robust presence and competitive advantages.
- Businesses related to the core industries:** industries where our presence is limited or lacking significant competitive advantage but is closely connected to our expertise in core businesses. Leveraging our core business expertise can establish us as an essential player in these related industries as well.
- Unrelated to core industries:** industries where we lack presence, and expertise, and are not prioritized in their business focus.

Our primary emphasis during the investment screening and evaluation processes is on core industries and businesses related to them. The Investment Policy also outlines specific size, geographic, and other constraints to effectively manage investment risks and align with the shareholders’ risk appetite.

The Investment Committee (referred to as the "IC") of NEQSOL Holding is formed to carry out its obligations and tasks related to the strategic planning and investment activities of the Holding.

The objective of NEQSOL Holding's Investment Committee is to supervise the Holding's investment dealings, administration, protocols, and directives,

which encompass setting investment standards, assessing investment performance, and supervising the investment risk management procedure.

The IC comprises five members: the Chairperson, who is the Head of NEQSOL Holding B.V., along with representatives from NEQSOL Holding Azerbaijan, including the Head, the Chief Legal Officer, the Head of Investments, and the Deputy Head of Investments who serves as the Secretary.

The responsibilities and duties of the Investment Committee of NEQSOL Holding include overseeing and evaluating asset allocation, monitoring investments, and ensuring liquidity requirements while considering factors such as return on invested capital targets, allocation guidelines, risk limits, and strategic objectives. The committee also reviews and recommends investment opportunities, acquisitions, joint ventures, or divestitures to the Board following existing delegation of authority rules. Furthermore, it evaluates the progress of post-merger integration of acquired businesses to ensure successful integration into NEQSOL Holding, establishes and periodically reviews investment policies and guidelines, approves delegations of authority and sub-delegations related to investment decisions, and monitors investment performance and effectiveness through management reports.



Terms of Reference (ToR) document will undergo annual review and updates as deemed necessary by the Corporate Governance, Ethics & Compliance Department and Finance Department. Any substantial revisions require approval from the IC.

On top of that, we conduct an annual review of our investment policy to ensure it remains up-to-date and responsive to the evolving needs of the dynamic business environment and the risk appetite of our shareholders.

NEQSOL Holding has unveiled its ambitious investment plans for the Karabakh region in Azerbaijan, committing up to 200 million AZN to various business ventures. These investments will not only foster economic growth but also contribute to the broader reconstruction and development efforts in the region. The investment portfolio includes initiatives such as establishing an IT school, constructing a solar power plant, and enhancing telecommunications infrastructure all aligned with the nation's "Green World Solidarity Year" initiative. Nobel Energy, Bakcell, and Azerconnect are actively involved





in implementing these projects, which aim to create jobs, promote green energy, and bolster social welfare. Plans also include establishing an IT school and innovation center to empower youth and stimulate innovation-driven employment opportunities.

In addition to these initiatives, NEQSOL Holding recognizes the financial implications, risks, and opportunities associated with climate change. As such, careful consideration is given to how these factors may impact investment decisions. In allocating resources towards initiatives such as establishing an IT school, constructing a solar power plant, and enhancing telecommunications infrastructure, NEQSOL Holding is aware of the increased investment costs associated with climate-resilient technologies and infrastructure. Such investments may include implementing energy-efficient solutions, adopting renewable energy sources, and fortifying existing infrastructure to withstand the impacts of climate change. These initiatives often entail higher upfront costs compared to conventional alternatives.

Enhancing telecommunications infrastructure to withstand extreme weather events requires investments in robust equipment and protective measures.

Concurrently, the Holding remains vigilant in assessing and mitigating potential risks, including regulatory uncertainties and physical vulnerabilities to extreme weather events. Compliance with emerging regulatory requirements could entail additional costs, such as implementing emissions reduction



measures, obtaining permits for renewable energy projects, or adhering to sustainability reporting standards. However, amidst these challenges lie significant opportunities for NEQSOL Holding to capitalize on the growing market demand for renewable energy solutions and innovative green technologies.

It is important to acknowledge that NEQSOL Holding currently lacks explicit policies or frameworks directly addressing ESG considerations within its investment strategies. At present, the Holding's investment decisions primarily focus on financial interests and market opportunities without formalized mechanisms to systematically incorporate sustainability factors into the decision-making process. Moving forward, NEQSOL Holding is committed to developing and implementing robust governance mechanisms that integrate sustainability considerations into its investment strategies. This commitment reflects the Holding's dedication to responsible and sustainable business practices, ensuring alignment with emerging regulatory requirements and stakeholder expectations in the pursuit of long-term value creation and positive societal impact. As a prominent market participant, we are committed to remaining at the forefront of technological advancements and emerging market trends. The Holding has proactively allocated investments toward several pioneering startup ventures that specialize in delivering cutting-edge solutions and services across diverse markets. These strategic investments not only signify our dedication to innovation but also underscore our proactive approach to seizing new opportunities in rapidly evolving sectors.



06

People at the core

Workforce relations

NEQSOL Holding, with its global presence and a dedicated team of over 10,000 professionals, emphasizes the immense value of human capital as its most significant asset. As a committed and responsible corporate organization, we maintain the highest standards of corporate, social, and ethical conduct in all aspects of our operations. Our commitment to fostering an environment of excellence extends to prioritizing optimal working conditions and facilitating the continuous professional development of our employees.

Aligned with our business philosophy, our human resources strategies are methodically designed to fulfill our mission of attracting, developing, and retaining top-tier talent, thereby fostering a sustainable high-performing team. To guarantee organizational success, NEQSOL Holding has put in place strong HR policies and processes to establish a dynamic and performance-driven work environment. A competitive approach is emphasized by the **Performance and Rewarding method**, which links individual accomplishments with concrete rewards and recognition.

Concurrently, the thorough **Training and Development process** highlights the organization's dedication to staff development and skill building, enabling ongoing enhancement and flexibility in the dynamic business environment. In 2023, our organization experienced significant growth, reaching 26.684 hours thanks to employee development, continuous improvement initiatives, and the creation of the NEQSOL Academy. Additionally, the method for **Recruitment and Personnel administration** follows a strategic approach to talent acquisition, guaranteeing that qualified experts will be in line with the objectives of the business. The combination of these integrated HR practices encourages a culture of excellence, ongoing learning, and strategic workforce planning in the workplace.



Figure 12.
Total number of employees by business segments in 2023



“ The highest governing board of NEQSOL Holding guarantees shared knowledge and supervision of the business's operations and strategy orientation. NEQSOL Holding cultivates an environment of responsibility and conformity to the expectations of its stakeholders by means of consistent meetings and open lines of communication. In today's dynamic corporate scene, the combined expertise of this governing body acts as a compass for navigating obstacles and grasping possibilities.

NEQSOL Holding's hiring process is designed to offer equal opportunities to all talents while prioritizing transparency throughout the selection procedure across all its business units. Through its **TopEx benefits** policy, NEQSOL Holding places a high priority on transparency and equity in the way it treats its Top Executive Employees. TopEx benefits policy covers a range of benefits, including international health insurance, education allowances, paid time off and pay, bonus eligibility, and transportation advantages. NEQSOL Holding actively seeks out capable candidates to place them in strategic roles to make a substantial impact and transform them into invaluable corporate subsidiaries. Upholding principles of fairness and openness, our recruitment practices aim to foster a diverse and dynamic workforce that aligns with the evolving needs of our organization.



In alignment with NEQSOL Holding’s human capital strategy, Azerconnect has been honored with the designation of **“Top Employer”** in Azerbaijan by the Top Employer Institute, highlighting the company's outstanding human resources policies and practices, as well as its determined commitment to the business sector. The Top Employer Institute assessed Azerconnect in the area of human resources across six categories with a total of twenty subjects, including learning, diversity, equality and inclusion, business and human strategy, work environment, talent recruitment, and well-being. Additionally, Azerconnect and Bakcell conducted a comprehensive gap analysis to address gender parity. This approach not only reinforces our dedication to excellence but also plays an essential role in driving the ongoing growth and success of NEQSOL Holding within the competitive business landscape.

The Holding places a strong emphasis on labor relations and human rights within its corporate framework. Acknowledging the potential risks associated with human rights violations in labor relations, the Holding is committed to ensuring a workplace environment that prioritizes the health and safety of employees, eliminates discrimination on any grounds, prohibits the use of forced and child labor, and upholds the terms of legislation and employee contracts, ensuring comprehensive compliance and protection of rights. We prioritize fair labor practices, ensuring compliance with all legal labor standards and going beyond them to support our employees' needs. Regular training and development opportunities are offered to encourage professional growth and skill enhancement. We also recognize the importance of work-life balance and strive to accommodate the diverse needs of our workforce.

Norm places a high priority on timeliness and accessibility, which is why they continue to provide options for customers to voice their issues quickly, including a network of representative offices and a dedicated 927 hotline. Through a variety of channels, such as corporate websites and reports, the Holding and all its subsidiaries interact with stakeholders on the outside to share its dedication to ethical business practices and to get feedback from the larger community.

Many of the Holding's subsidiaries, including Nobel Energy, apply an **Open Door Policy** designed especially for communicating concerns, which improves accessibility and response to worker input.

In addition to that, Vodafone Ukraine provides a range of easily accessible communication options. Clients are welcome to submit requests, recommendations, or grievances via phone calls, in-person visits to customer service centers or sales locations, or by using the feedback form that is easily accessible on the Group's official website. Recognizing the value of ethics and compliance, the organization also offers a hotline for staff members to quietly report any concerns or issues related to compliance. These collective efforts across NEQSOL Holding’s subsidiaries underscore our commitment to a sustainable, inclusive, and prosperous future for our employees and stakeholders.

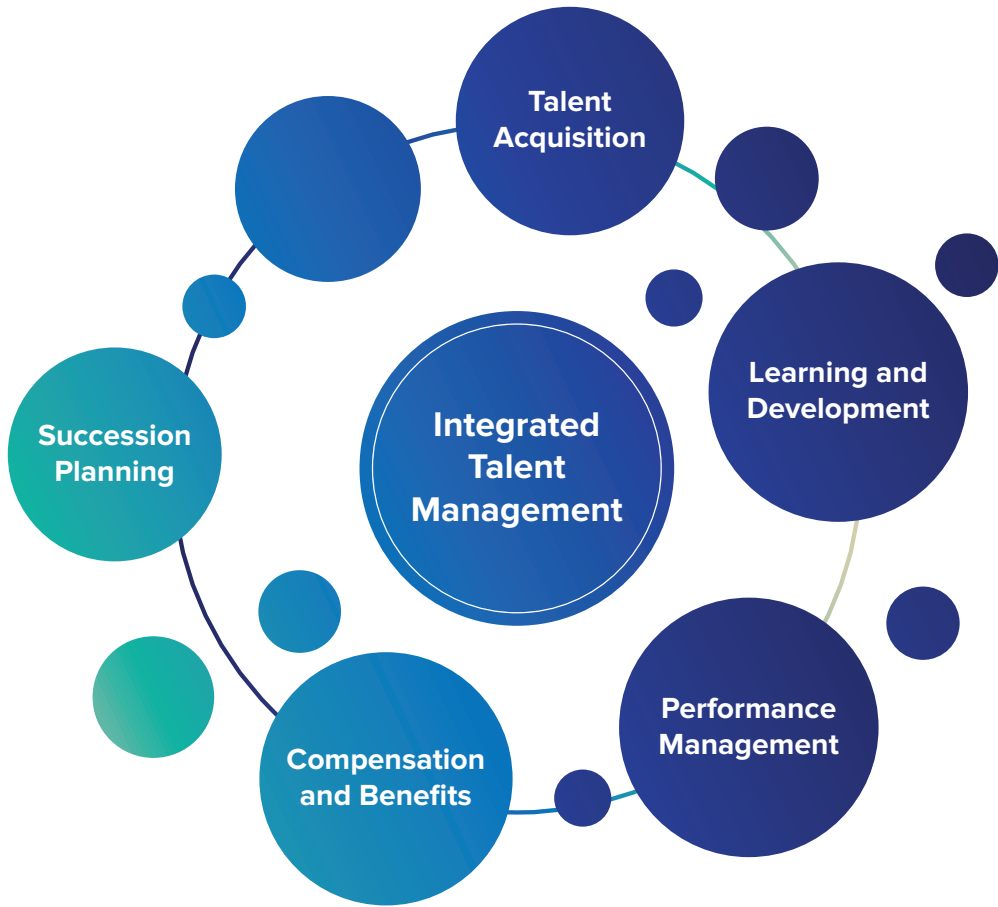


Empowerment and growth

NEQSOL Holding is aware that talent management assists the company to succeed, maintain employee satisfaction, and stay ahead of the competition. The Holding highly prioritizes it as a win-win approach, empowering employees to reach their full potential and significantly contribute to our critical business goals.

Our **Talent Management Framework**, which is depicted in Figure 13, is designed to facilitate talent acquisition, succession planning, learning and development, compensation and benefits, and performance management.

Figure 13.
Talent Management Framework



We perceive the Employee Management System as one of the key components in our endeavors towards sustainability. This system creates a productive and engaging workplace atmosphere, focusing on the well-being and professional growth of our personnel. This system further supports effective communication and feedback processes, essential for building a transparent and inclusive workplace culture. The Holding encourages its subsidiaries to implement various initiatives aimed at improving employee management systems by boosting employee satisfaction, engagement, and productivity. Our subsidiaries use the powerful capabilities of the SAP Human Capital Management (HCM) module which is used for payroll management, employee interactions, and HR administration inside the company. Companies’ use of this system improves the accuracy and efficacy of their HR operations while also adding to the overall consistency and synergy of HR practices throughout NEQSOL Holding’s diverse portfolio of companies.

NEQSOL Holding's and its subsidiaries participate in global groups and associations are essential for shaping industry dynamics and driving innovation and sustainable growth. NEQSOL Holding exhibits its dedication to promoting ethical business practices, advancing industry interests, and bolstering the overall prosperity of the sectors in which it works by actively engaging in these associations. Within the personnel management landscape of Vodafone Ukraine, the PROSTOR network assumes a central role as a dynamic corporate social platform. Over the past year, this platform has undergone noticeable evolution, introducing new features that go beyond its communication functions. PROSTOR actively promotes company events, nurtures feedback mechanisms, and facilitates the formation of corporate communities. Serving as a hub for valuable materials and recordings, it encourages knowledge sharing throughout the organization by hosts. Chats and publishes recordings of top management meetings with employees, fostering transparency and open communication.



NEQSOL Holding ensures a comprehensive approach to organizational growth, with our commitment to excellence extending to the strategic domain of Compensation and Benefits Management. Norm has recently experienced considerable positive transformations in its benefits structure to introduce. Enhanced medical insurance coverage and renewed incentives scheme, underscoring its dedication to prioritizing the well-being and satisfaction of its workforce, guided by principles of fairness and competitiveness.

In addition, Nobel Energy also apply adaptable and appealing compensation plans, alongside many advantages that correspond with industry norms. Nobel Energy makes sure that its employees are not only compensated but also assisted in preserving a positive work-life balance. Collectively, these efforts reflect the company's dedication to fostering a rewarding and supportive work environment within the NEQSOL Holding family, ensuring a positive and flourishing professional experience for its valued team members.

Succession **Readiness Program** at the Holding is a structured initiative designed to identify, develop, and prepare potential candidates to assume key leadership roles in the future. The development plan comprises various internal leadership development programs, professional coaching sessions, executive education at globally recognized universities, feedback sessions with external coaches, and the Korn Ferry Leadership Assessment. The program has also received recognition from prestigious organizations which include Brandon Hall Group and The Stevie® Awards.

NEQSOL's recently launched a ground-breaking program called WellWave which It combines professional advice and valuable information, via a user-friendly app. **WellWave** project encourages a healthy work-life culture to effective team management in the Holding and its subsidiaries.

NEQSOL Holding has launched the **Leadership Excellence and Acceleration Program (L.E.A.P)**, a distinctive global talent

management initiative, to further invest in the development of future successors. With a focus on diversifying into new business and geographic sectors, the primary goal of the program is to create a pool of highly qualified individuals who will ensure the Holding's continued growth and plenty of opportunities to enhance participants' abilities, knowledge, and leadership potential. Participants went through a complete development program that includes individual coaching and mentorship, talent acceleration, rotation, and leadership development in Baku and Milan. Employees had the essential chance to learn about the goals and structure of L.E.A.P. through this event, which also encouraged networking and collaboration among attendees. Using alliances with internationally renowned universities, business schools, and professional services firms, L.E.A.P. is a distinctive development program designed to meet both individual and group needs. The program's core is the **NEQSOL Talent Acceleration Program**, established by the SDA Bocconi School of Management, with a stellar reputation for research, executive education, and management training. Beyond its affiliation with SDA Bocconi School of Management, the program also has established alliances with MIT Sloan and SparkUs, a top provider of coaching technology. **L.E.A.P for Beyond - Coaching Program**, which was established in 2023 as a crucial element of the program, is another significant component in collaboration with SparkUs.



Further enhancing our talent management practices, we implemented the **SAP Human Capital Management (HCM)** module across NEQSOL Holding and its companies. This robust module forms the foundation of our HR procedures, guaranteeing the smooth and effective performance of a range of tasks. Having access to a single platform for functions such as time tracking, organizational administration, and personnel record-keeping benefits our HR staff. Transparency and cooperation are promoted in our workplace by giving employees and HR access to tools for efficient communication, performance monitoring, and joint projects. Our strategic workforce planning and well-informed decision-making are supported by this data-driven methodology. Apart from its benefits for operations, the SAP HCM module also helps with compliance management.

The **Graduate Engagement Program** entails Norm's collaboration with universities, featuring our executives' and managers' mentorship of selected third-year students' seminars, master classes, plant visits, and the implementation of the **Norm Guided Excellence Program**. In addition, the **Young Engineers Development Program**, organized by Norm, focuses on identifying promising young engineers and cultivating them as future leaders.



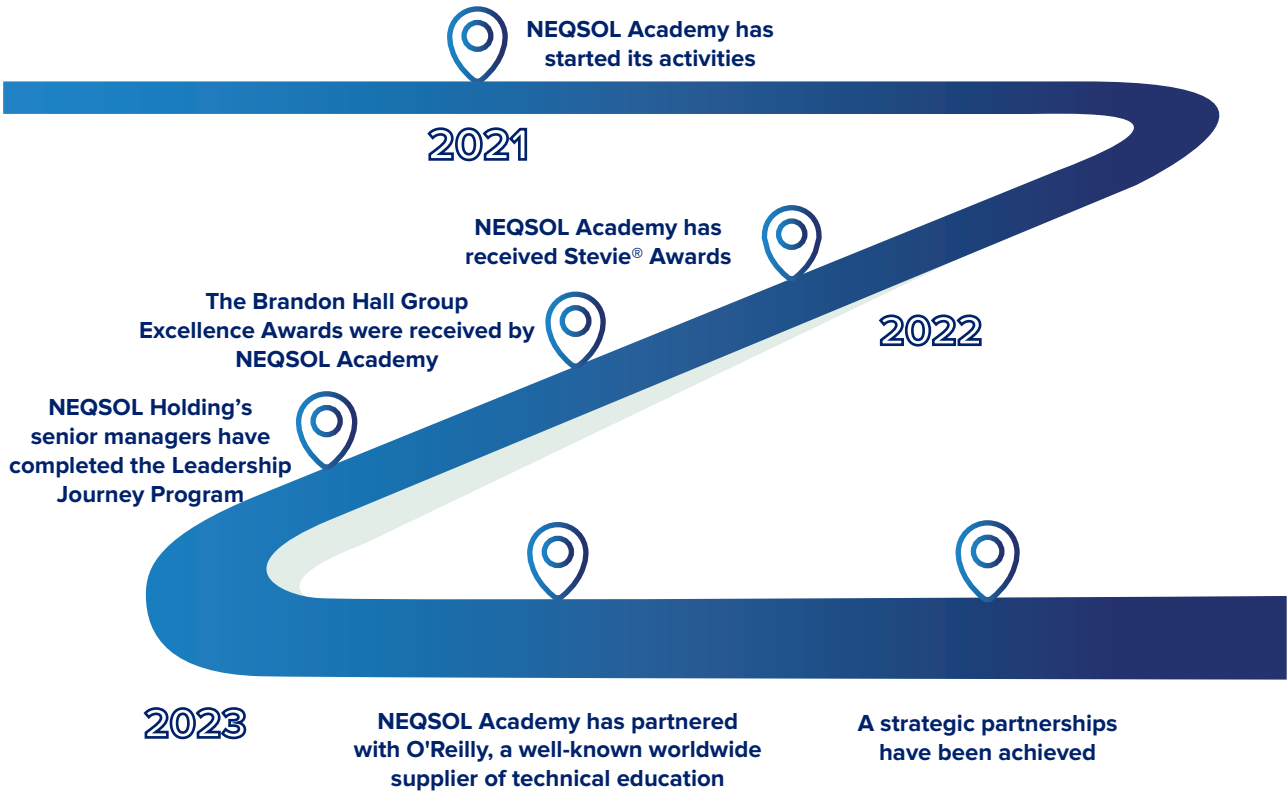
NEQSOL Academy



NEQSOL Holding has unveiled its pioneering NEQSOL Academy digital learning platform with the aim of catering to the professional growth of employees across diverse companies. NEQSOL Academy underscores the firm dedication of NEQSOL Holding to invest strategically in the development of its employees across the countries of its operation.

Since its establishment in 2022, NEQSOL Academy has achieved numerous key milestones, as outlined in Figure 14. These milestones highlight the academy's commitment to excellence and innovation in the field of education and technology.

Figure 14.
Key milestones of NEQSOL Academy



To provide a thorough educational experience, NEQSOL Academy incorporates blended learning methodologies, combining traditional and digital methods within its strategic directions, which are illustrated in Figure 15.

The platform also places a notable focus on promoting cybersecurity awareness, equipping employees with the knowledge and skills to navigate the digital landscape securely. Complementing cybersecurity initiatives, NEQSOL Academy prioritizes skill-based learning, offering targeted training programs designed to enhance the practical skills and competencies of employees.

Figure 15.
Strategic directions of NEQSOL Academy

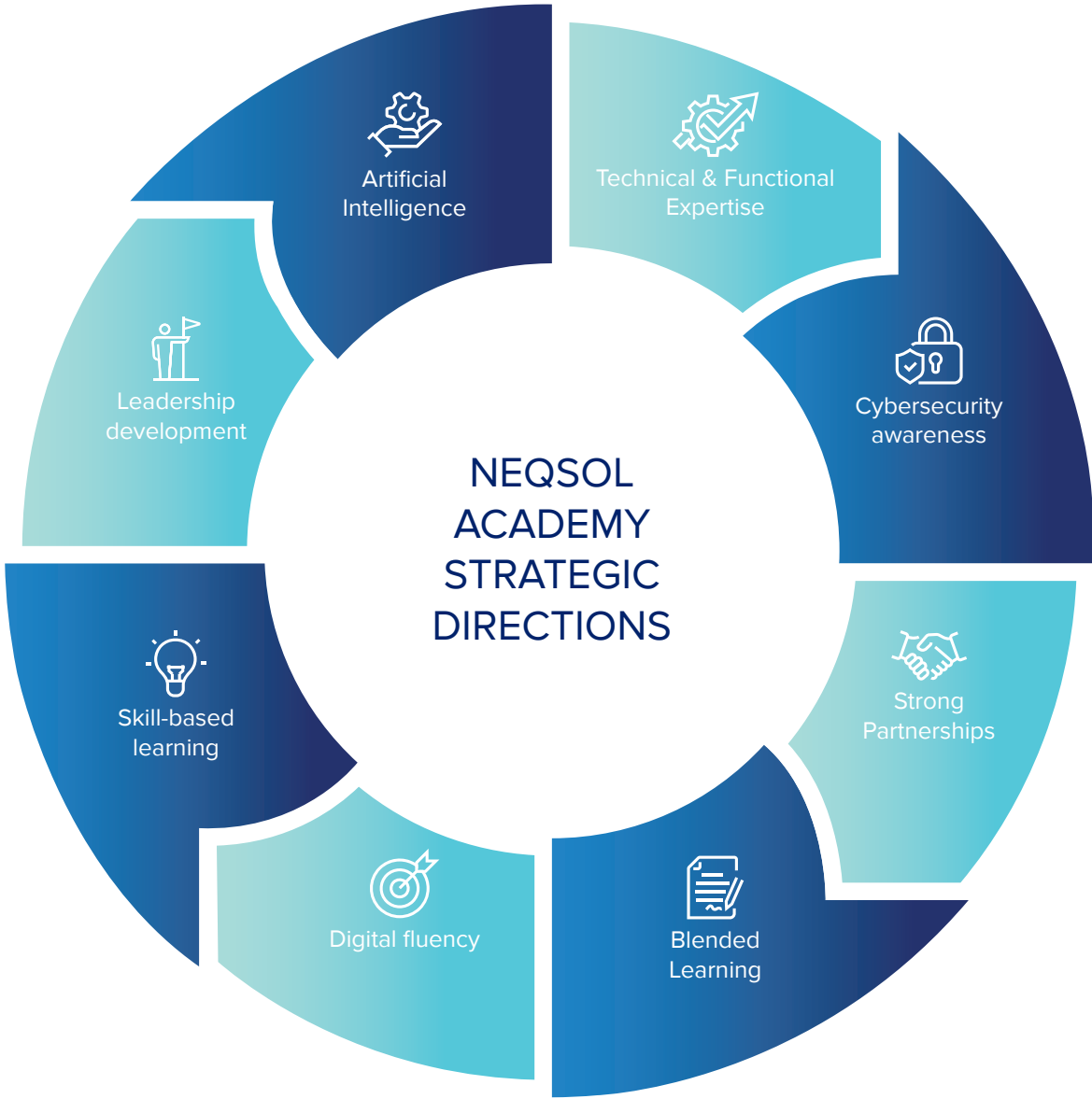
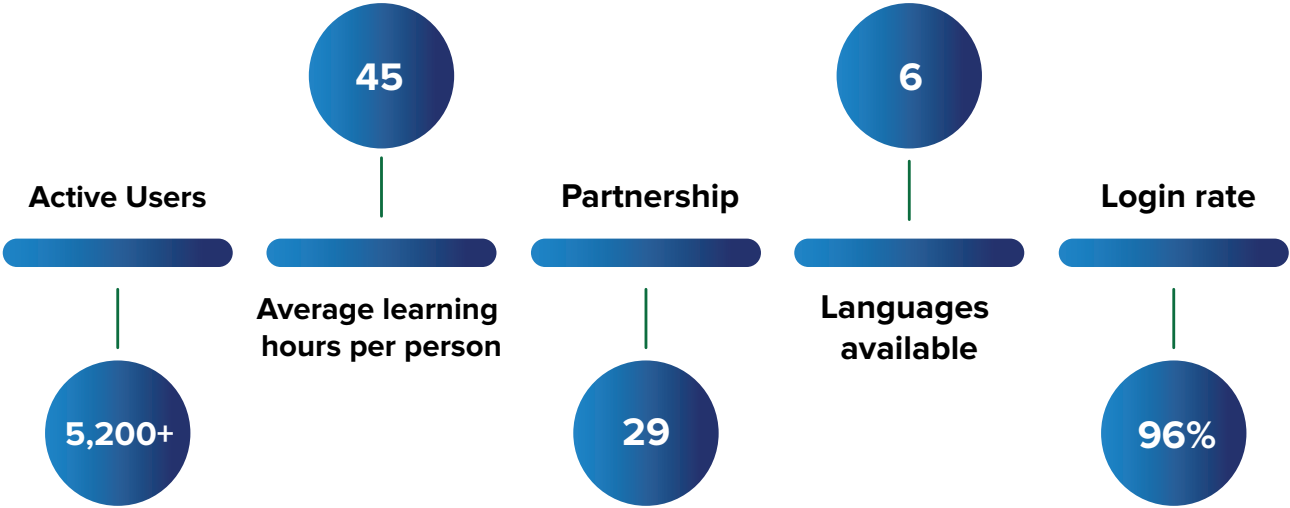


Figure 16.
NEQSOL Academy performance indicators



NEQSOL Academy currently has 5,250 active users globally. Notably, our login rate stands at an impressive 96 percent, indicating a high level of user engagement and commitment to the learning experience. The platform offers courses in 6 different languages, ensuring inclusivity and accessibility for learners worldwide. Users can conveniently access courses and engage in micro-learning activities, contributing to a flexible and user-centric educational experience. Thus, by providing 45 learning hours per person through the establishment of adequate facilities we demonstrate our commitment to investing in the development of our workforce. Figure 16t demonstrates the performance indicators of NEQSOL Academy.

We aim to expand the platform by creating an immersive and adaptive learning experience, equipping its leaders with the skills essential for navigating the complexities of the contemporary business landscape. NEQSOL Academy aligns with the Holding's mission of guiding employees on their “journey to excellence”. NEQSOL Academy targets to enhance learning opportunities and broaden its impact on education and skills development through 29 partnerships (Figure 17).

Figure 17.
Key partnerships of NEQSOL Academy



In 2022, taking a progressive leap forward, NEQSOL Academy has formalized a noteworthy partnership with **LinkedIn Learning**, a globally acclaimed provider of online courses. This strategic collaboration aimed to empower employees with **expert-led course videos, fostering skill enhancement in business, technology, and creative professionalism**. LinkedIn Learning offers an extensive library of over 16,000 online courses covering a wide range of topics, including Business, Technology, and Personal Growth.

These courses serve as a valuable resource for employees within the holding, providing opportunities for continuous learning and professional development across diverse fields.

Moreover, NEQSOL Holding's commitment to employee development extends beyond conventional approaches. The **gamification aspects**, such as earning points and badges, provide tangible recognition for achievements, motivating learners to pursue further growth.

This multifaceted approach not only reinforces NEQSOL Holding's dedication to professional development but also establishes a dynamic learning ecosystem that aligns with the evolving needs of its workforce.

NEQSOL Holding has also established a new collaboration with **O'Reilly**, a globally recognized provider of technical training and learning resources, to enrich Learning and Development initiatives through the NEQSOL Academy digital learning platform. A partnership was formed to give our IT personnel access to specialized, the latest knowledge regarding programming, data, cybersecurity, and other relevant fields. As an integral part of this collaboration, our employees at NEQSOL Holding will gain privileged access to O'Reilly's extensive library, boasting over 50,000 e-books, videos, and online courses that cover a spectrum of topics including technology development and data science.

NEQSOL Holding provides two hybrid programs designed to accommodate varying organizational seniority levels. These **Leadership Development Programs** define the specific venue where managers meet up to discuss subjects and exchange knowledge and experiences, as well as individualized online courses with key partners.

The success of NEQSOL Academy's initiatives is evident in the positive impact on user satisfaction, engagement, and well-being. These outcomes are measured through user feedback, completion rates, and participation levels in well-being programs. A comprehensive well-being program has been implemented, offering personalized services such as access to psychologists, fitness programs, hiking clubs, and interest groups. Recognizing the challenge of sustaining online learning, NEQSOL Academy has also introduced a unique approach.

In a strategic move, NEQSOL Academy has partnered with Infosec IQ, a prominent provider of cybersecurity education and awareness solutions. The primary objective of this collaboration is to enhance the cybersecurity readiness of NEQSOL Holding's workforce by deepening their awareness and comprehension of cybersecurity threats and best practices. The program has three major positions and covers a wide range of essential topics, including phishing attack prevention, password security enhancement, and sensitive data protection including:

- **PhishSim:** Infosec IQ's automated phishing simulations to gauge awareness at the moment.
- **AwareEd** offers monthly security awareness training classes that are top-notch and extremely engaging. (5–10-minute films plus brief tests)
- **PhishNotify:** An Outlook button for reporting e-mails that seem suspicious.

This micro-learning initiative enables individuals to reinforce their knowledge in a collaborative and engaging environment.

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services such as access to psychologists, fitness programs, hiking clubs, and interest groups. Recognizing the challenge of sustaining online learning, NEQSOL Academy has also introduced a unique approach. This micro-learning initiative enables individuals to reinforce their knowledge in a collaborative and engaging environment. NEQSOL Holding's leaders are set to benefit from this comprehensive **Leadership Journey Program**, gaining exclusive access to curated content from digital learning experts via the NEQSOL Academy platform.

To maintain NEQSOL Holding's competitive edge and promote higher achievement, the program's goal is to support and encourage our leaders to periodically for self-development. This strategic partnership leverages the expertise of “K2C Danışmanlık” and CrossKnowledge to provide leaders with two group coaching sessions, three modules, and online learning materials. The Leadership Journey Program Alumni Association, which focuses on the ongoing development of executives after graduation, was founded in 2022 and has four groups of seventy individuals who completed the program.



In addition to the many initiatives, NEQSOL Holding has achieved significant acclaim by clinching five esteemed Brandon Hall Group Excellence Awards and four prestigious Gold Stevie Awards, spotlighting the considerable impact of its programs on global employees and organizations. These recognitions spanned diverse categories, including:

- Best Launch of a Corporate Learning University
- Best Use of Mobile Learning
- Best Strategy for a Corporate Learning University
- Best Advance in Leadership Development
- Achievement in Executive Development
- Best Advance in Coaching and Mentoring

Diversity and inclusion

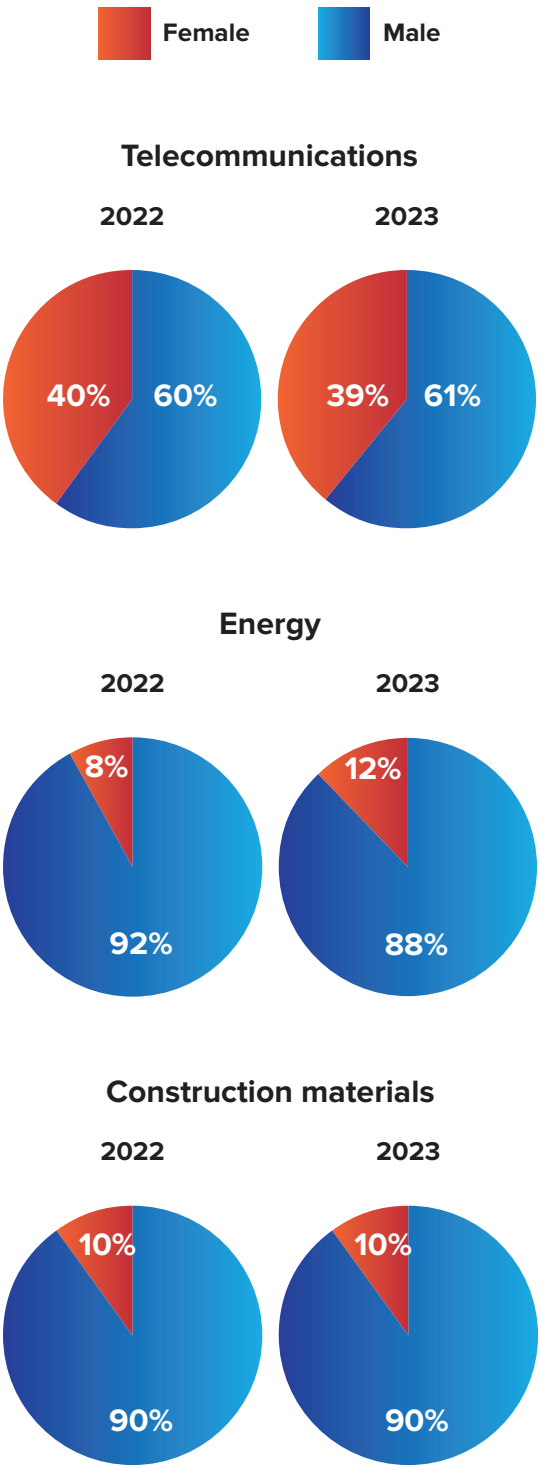


At NEQSOL Holding, we understand the importance of a corporate culture that values and embraces diversity. Our multifaceted and multi-industry business portfolio is committed to providing equal growth opportunities for all employees, regardless of gender, ethnic or religious backgrounds. NEQSOL Holding has taken numerous initiatives such as developing a system to facilitate the reintegration of veterans into the workforce in Ukraine or raising awareness about autism and promoting early treatment and enhanced inclusion of individuals with autism platform. We are aware that female employees continue to be underrepresented in many areas, particularly in top management roles in many countries, particularly in traditionally male-dominated industries such as energy and cement production Figure 18 outlines

the number of employees by gender across telecommunications, energy and construction materials business segments. Through collaborative efforts with industry partners, educational institutions, and community organizations, we aim to build a future where women are empowered to pursue rewarding careers and meaningfully contribute to the growth and success of both our company and the broader economy.

Although female percentage has increased noticeably in the energy industry since 2022, remain predominant in other business segments. Thus, we are actively implementing a variety of programs and initiatives to promote greater inclusion and gender balance among those business segments.

Figure 18.
Employees by business segments, by gender, %



Reflecting on the developments of 2023, a significant number of women employees actively participated in our impactful **“Mentoring Program”** across the Holding. Participants in the mentoring program engaged in one-on-one interactions with seasoned professionals, gaining invaluable insights, personalized advice, and guidance. The tangible outcomes extended beyond individual growth, contributing substantially to our organization by fostering a more diverse and inclusive workforce. The success of our mentoring program has resonated widely, sparking heightened interest and active participation from women across various industries. In this regard, a **Memorandum of Understanding (MoU)** has been formally established between NEQSOL Holding and the Education Development Fund, setting a commitment to foster diversity and empowering women through a comprehensive scholarship program for female students.

The Memorandum of Understanding not only outlines the creation and execution of this long-term initiative but also signifies collaborative efforts to enhance the educational system through various initiatives and programs. In alignment with this project, 50 young women who were chosen out of 600+ candidates will receive a monthly stipend throughout the entire year to support the educational journey of young women. Also, the program offers diverse opportunities like participation in mentorship programs and internships tailored to their respective fields of study.

Azerconnect, a leading player in Azerbaijan's ICT and high-tech sectors, has taken an active role in supporting the monthly gathering of the Sustainable Development and Corporate Impact (SD&CI) Committee organized by the American Chamber of Commerce in Azerbaijan (AmCham).

The recent event was centered around the unveiling of a position paper titled **“Gender Mainstreaming at Workplace,”** a groundbreaking initiative within the local business landscape. NEQSOL Holding, through Azerconnect, actively participates in initiatives that promote gender mainstreaming, equal opportunities, and inclusivity in the workplace, contributing to the advancement of gender equality and women in the business sphere.

At the heart of Azerconnect's commitment to these principles lies its innovative projects “We are all One” and three-stage project, “INSPIRE, LEAD, CREATE”, implemented as part of the overarching framework. Furthermore, Azerconnect has developed a DEIB (Diversity, Equity, Inclusivity, Belonging - DEIB) plan that includes an extensive range of activities designed to evaluate, implement, monitor, and improve best practices in all areas of DEIB. Azerconnect integrates DEIB efforts into its teams' tasks and provides clear metrics and periodic check-ins to empower them to take ownership of the initiatives.

By adapting these leadership strategies, into Azerconnect not only advances its DEIB initiatives but also strengthens its position as a forward-thinking leader in the telecommunications sector in Azerbaijan.

Flexcellence as the first hybrid working strategy in Azerbaijan that embraces the new normality of remote working and turns it into our competitive advantage; includes innovative practices related to well-being and productivity and resulted in very positive progress in significant targeted areas, such as employee retention, employee engagement, and employer branding. It should be noted that in 2023 year for its innovative projects Azerconnect won a coveted multiple Brandon Hall Group Excellence Awards (Gold in the “Future of Work”, Silver in the “Diversity, Equity and Inclusion”, Bronze in the “Human Resources” categories) as well as prestigious Stevie® Awards in multiple categories. The company has received recognition as the Silver Award recipient in Achievement in Diversity and Inclusion for its “Inspire.

Lead.Create:Women Leadership Program” and Achievement in Managing a Remote Workforce for its “FLEXcellence:Hybrid Working Program”, along with the Bronze Award in Best Use of Blended Learning for its “Hybrid Leadership Program”.

These projects are an actual effort to empower women in the business and improve their leadership abilities. Azerconnect took proactive steps by organizing a **Focus Group for IT girls in ADA**, providing a platform for engagement and empowerment. Recognizing the importance of inclusivity, the company hosted “open doors” days on International Girls Day, welcoming girls from diverse social backgrounds. To further inspire our female workforce, several communication materials have been thoughtfully prepared and are ready for dissemination. Additionally, Azerconnect, proudly became a signatory of the **Women's Empowerment Principles (WEP)**, reflecting the shared commitment to advancing gender equality. Azerconnect remains dedicated to creating a workplace that not only champions women's empowerment but also actively engages in initiatives that promote diversity and inclusion.

As a part of this women empowerment, Nobel Energy has launched a **Women Empowerment Programme** that inclusively involved female employees across the entire corporate group. A total of 80 female employees from Nobel Energy have actively participated in the session, where they received valuable guidance on career development and strategies for achieving a work-life balance. Norm, as part of the NEQSOL Holding family, is also dedicated to the personal development and education of women.



This segment often represents a vulnerable community with limited access to self-learning opportunities. The company recognizes the importance of making a positive impact on the lives of these individuals and has been contributing to organizing more than 10 sessions of the **“Bir inciyik” project**. “Bir inciyik” project, attracting up to 100 women per session who are eager to engage and learn. These virtual sessions cover a wide range of carefully selected topics, from psychological health to women's health, mother-child parenting relationships, and goal setting. Norm recognizes that education and personal development are powerful tools for transformation and aims to empower women in these vulnerable communities through these sessions.



Safety at work

NEQSOL Holding and its subsidiaries prioritize establishing a secure work environment as a foundational element for sustained business success. We operate within a strong Occupational Health and Safety Management System (OHSMS) which is certified according to ISO 45001:2019 standard. The OHSMS also ensures the well-being of all employees, including those from third-party organizations working at the Holding's facilities. This obligation to a strict OHSMS emphasizes our dedication to creating a safe and favorable working environment for its staff and partners.

By fostering a safety-conscious culture, we meet regulatory requirements and create an environment where team members confidently contribute to shared business objectives, prioritizing their well-being. Every employee is responsible for adhering to health and safety requirements and reporting concerns promptly. Our goal is to prevent accidents and ensure the safe return of each employee daily. Demonstrating respect for the environment, we systematically manage environmental risks and comply with relevant laws in our operational regions.

The HSE teams at NEQSOL Holding and its subsidiaries play a crucial role in proactively identifying and mitigating workplace risks, aiming to prevent incidents and ensure the well-being of employees. Aligned with the Nobel Energy HSE MS Standard and possessing **ISO 45001 certifications** in each Business Unit, including those of Nobel Energy and Azerconnect, NEQSOL Holding conforms to both global standards and local regulations.



The integration of HSE MS Standards into operations reflects NEQSOL Holding's determined dedication to achieving excellence in health, safety, and environmental practices across its companies. To protect employee health and reduce working hazards, the Holding places a high priority on Occupational Health and Safety (OHS) training and promotes a culture of awareness and preparedness among its workforce. This approach ultimately reduces accidents, enhances productivity, and fosters a safer working environment for all stakeholders.

Addressing security concerns that have intensified with the war, Vodafone Ukraine takes proactive measures to guarantee the safety of its employees through carefully regulated labor protection initiatives. This includes equipped shelters, ammunition provision for at-risk field employees, and

“Strum” training for civilians of Ukraine. Adapting office spaces into shelters, closing parts of the parking lot for emergencies, and ensuring uninterrupted power supply demonstrate a comprehensive strategy to enhance safety and resilience in the face of escalating threats.

In addition to providing direct assistance to its employees, Vodafone Ukraine makes an effort to give its managers the training and tools they need to support their teams morally during war times.



One noteworthy project completed in 2022 was the introduction of an extensive **New Leadership** curriculum designed especially for managers at Vodafone Ukraine. 563 employees of the company acquired valuable skills in providing first aid, by attending the training led by instructors from the State Emergency Service of Ukraine.

Norm has implemented the SLAM (Stop, Look, Assess, Manage) approach to enhance the behavior of both Norm’s direct employees and contractors within the organization. This simple yet effective technique catalyzes cultivating a safety-conscious culture within the workplace. Employees are encouraged to pause and conduct a thorough assessment of potential hazards before embarking on tasks, promoting a heightened awareness of safety considerations.



At Nobel Energy and Norm, a systematic risk management process is upheld through the utilization of **SOC (Safety Observation Card)** reporting. Employees actively identify and document potential hazards by filling out SOC cards and then submitting them to the Health, Safety, and Environment (HSE) department. Depending on the nature of the identified risks, actions may be undertaken by various departments, such as production or cleaning, with responsibility determined collaboratively. This structured approach is facilitated by a standardized template used for reporting risks, emphasizing the commitment of Nobel Energy and Norm, as subsidiaries of NEQSOL Holding, to a comprehensive and uniform risk management system that prioritizes the safety and well-being of employees.

Azerconnect, in turn, places a crucial emphasis on the preparation of comprehensive reports as an integral part of its operational and Health, Safety, and Environment (HSE) responsibilities. Both employees and the dedicated HSE department collaboratively contribute to the creation of detailed reports documenting their work. These reports undergo thorough management reviews, ensuring alignment with current legislative requirements.

07

Investment in development

Impact on communities

NEQSOL Holding recognizes the profound responsibility it bears towards the communities in which it operates, striving to make a positive and lasting impact. The Holding actively engages with local communities, aiming to contribute to their well-being and development. Whether through philanthropic endeavors, skill-building programs, or environmental conservation initiatives, NEQSOL Holding remains dedicated to being a responsible corporate citizen, recognizing that the prosperity of the Holding is intricately linked to the prosperity of the communities it serves.

Through collaborative engagement with local stakeholders, the Holding not only seeks to address community needs but also creates opportunities for sustainable socio-economic development. By investing in local talent and providing skill-building programs, NEQSOL Holding plays a pivotal role in enhancing local employment rates and empowering individuals with the skills needed for economic advancement.

As of 2023, the Holding and its subsidiaries employed more than 10,000 skilled individuals, a testament to its role as a driver of local economic growth. NEQSOL Holding invests in the development of its employees, offering training programs and career advancement opportunities that not only benefit the individual employees but also contribute to the overall socio-economic development of the community.

NEQSOL Academy remains steadfast in its commitment to fostering skills development within the community through a holistic educational approach, as previously outlined in the NEQSOL Academy section. The Academy prioritizes skill-based learning, offering targeted training programs aimed at enhancing practical competencies. Through the provision of 45 learning hours per person and the establishment of conducive learning environments, NEQSOL Academy underscores its dedication to workforce development.



Furthermore, the Holding's presence stimulates economic growth through direct contributions to local economies, fostering entrepreneurship, and supporting small and medium enterprises. This commitment underscores NEQSOL Holding's dedication to responsible corporate citizenship and its recognition of the integral link between community prosperity and sustainable business practices.

In terms of Holding's involvement and consultation methods with local communities, Norm actively seeks input through regular meetings, surveys, and collaborative projects. These engagements serve as vital sources of insight, providing firsthand knowledge of community concerns, preferences, and environmental priorities. This collaboration has led to the endorsement of recycled materials usage and the reduction of our environmental footprint.

Norm also supports community development through a unique initiative named "Ustalar Klubu", or "Club of Master Constructors". This club unites craftsmen, enhancing their skills and knowledge to elevate the construction sector through educational programs while improving the quality of services to the customers.

Aiming to enhance its impact across the industry, Norm played a key role in the establishment of an industrial association which is aligned to the Global Cement and Concrete Association (GCCA). This association is already actively supporting Azerbaijan's net zero acceleration program which was introduced ahead of the COP29 in Baku.

As elaborated in Figure 1 —NEQSOL Holding and its subsidiaries actively participate in philanthropic endeavors, community engagement programs, and environmental conservation efforts. To ensure an aligned roadmap of initiatives with broader goals and

sustainability stakeholder expectations, NEQSOL Holding recognizes the need of a comprehensive CSR strategy that integrates sustainability principles into its core business practices and established regular meetings among the relevant focal points within the Holding and its subsidiaries to exchange learnings, best practices, challenges and generating a constructive dialogue to enhance impact and efficiencies.

By establishing clear goals, guidelines, and performance indicators for CSR initiatives, the Holding aims to enhance the strategic alignment, transparency, and impact of its social and environmental endeavors. This coordination also allows the diverse business segments focus on particular sector-relevant initiatives while the Holding sustains a more holistic perspective of social impact.



This diversified CSR approach is in fact mirroring Holding's diversified investment approach. Throughout our history, we have strategically invested in diverse industries, resulting in a well-rounded portfolio, which offers a key advantage. Even if performance indicators in a specific industry experience fluctuation, the overall financial performance of the Holding remains stable. Reviewing the results for the reporting period, we are pleased to note that financial outcomes across all four main areas align with our budgetary plans.

Investing for a better future – to enhance social and economic impact

Before the onset of the war in Ukraine in 2022 NEQSOL Holding had already approved a 5-year development strategy, which entails venturing into new segments, specifically agriculture, fintech, and mining.

NEQSOL Holding is presently in a phase of pursuing inorganic growth, and we are actively exploring various avenues for business expansion by acquisition of telecommunications companies in Eastern Europe. The focus on connectivity and telecommunications is paramount for both European and Asian nations, and the mega digital infrastructure project, Digital Silk Way, spearheaded by the Holding's subsidiary AzerTelecom, exemplifies their dedication to advancing global connectivity. Launched in 2018, this aspirational project aims to create the most efficient route for digital connectivity between Europe and Asia, surpassing existing options and ensuring security against regional instability.

The Digital Silk Way, spanning East Europe, the Black Sea, Anatolia, Caucasus, and Central Asia, aims to establish the most efficient and advanced route for digital connectivity between Europe and Asia, surpassing existing options through Russia or the Indian Ocean in speed and efficiency.

Comprising of European, Azerbaijani, and Asian segments, the initiative involves building terrestrial and submarine fiber optic cable lines to enhance connectivity services and partnership ties in the broader region.

Additionally, the project targets environmental impact reduction through strategic placement of fiber-optic networks in collaboration with Azerbaijan Railways. This project will also offer a critical opportunity to address the challenge of internet penetration and broadband access in the region, implementing innovative technology for efficient transmission standards during construction.

Green energy represents another focus for future investment perspective of NEQSOL Holding and its subsidiaries. Despite the relatively low profit margins compared to traditional energy investments, NEQSOL view renewable energy investments as a strategic focus for the sustained growth of the business.

To this end, by 2023, Nobel Energy announced two initiatives to build two solar energy facilities in Azerbaijan.

The facility in Nakhchivan region will have 400MW capacity and the generated energy will be exported to the neighboring cities in Türkiye, in addition to the local use in Nakhchivan. In 2024, the announcement of a second 100MW facility to be developed in Jabrayil was made. This facility is instrumental for the sustainable reconstruction of the Karabakh region, which faced economic development challenges over the past three decades until 2020.

We are also exploring opportunities such as the construction of a solar power station in Azerbaijan, with the intent to supply electricity to our Norm cement plant and the data center of our telecom operator.

The implementation of this solar power station is expected to reduce the cement plant's natural gas consumption by 10% annually and decrease CO2 emissions.

Both Norm and Nobel Energy are committed to reducing their environmental impact through proactive measures such as implementing strict safety protocols and leveraging modern technologies in infrastructure projects within the oil and gas industry. Additionally, they have robust Waste Management policies in place to ensure responsible handling of waste generated during their operations.



Building a resilient infrastructure



Across our telecommunications businesses, our efforts have been directed towards improving the resilience of digital infrastructure and increasing network connectivity. By doing this, we enable communities by providing them with dependable and effective communication channels, establishing the groundwork for social cohesion and economic development.

We have included strict safety protocols and modern technologies in our infrastructure projects in the oil and gas industry. This reduces environmental effects while simultaneously ensuring the longevity and dependability of our facilities to mitigating possible hazards and advancing the development of a more sustainable energy landscape.

Our ongoing attempts to integrate the newest technologies, abide by international sustainability standards, and form alliances that promote resilience and innovation highlight our dedication to creating resilient infrastructure.

NEQSOL Holding continues to actively contribute to building resilient infrastructure and maintain operational excellence throughout the changing socio-political environment. Navigating through challenging circumstances, Vodafone Ukraine has demonstrated a steady commitment to maintaining operational consistency. As a result of the war, a portion of Vodafone Ukraine's equipment and infrastructure was lost.

Our contribution to the construction materials industry is the building of environmentally responsible facilities that meet the strictest guidelines for environmental performance. Through the integration of energy efficiency and emissions reduction solutions, we are not only constructing long-lasting buildings but also making a positive impact on the low-carbon economy.

NEQSOL Holding is also committed to the use of circular economy principles by maximizing the use of available resources, cutting down on waste, and encouraging the use of regenerative building and operational techniques.

Consequently, Vodafone Ukraine redirected its attention in 2022 towards the reconstruction of damaged or destroyed infrastructure and to guaranteeing the continuous functionality of the network during widespread power outages. Customers residing in the impacted regions were granted 10 GB of mobile Internet and 1,000 minutes of calls to all operators.

Specialists from Vodafone Ukraine have facilitated network and internet access in various cities across Ukraine, specifically in shelters and bomb shelters. Vodafone Ukraine's national roaming service proved instrumental in assisting citizens during power outages by offering the option to seamlessly transition to the services of an alternative operator. Vodafone Ukraine's persistent dedication and resilience throughout the war played a pivotal role in maintaining essential communication services.

Nobel Upstream has strategically allocated resources towards the exploration and development phase, focusing on drilling, completion, and the initiation of production across a portfolio of 9 wells.

Additionally, investment has been made in the establishment of 1 saltwater disposal well, accompanied by the installation of essential infrastructure including flow lines and manifolds. This concerted effort, undertaken throughout the period spanning 2022 to 2023, highlights Nobel Upstream's commitment to advancing its operational capabilities and enhancing overall production efficiency.

In early 2024, NEQSOL Holding announced its intent to allocate up to 200 million manats (ca. 110 million Euro) towards a range of investment projects aimed at bolstering infrastructure and fostering economic development in Azerbaijan's Karabakh region. The projects include construction of an IT school, a solar power plant, and significant investments for the reconstruction and enhancement of telecommunications infrastructure. Nobel Energy is planning to construct a solar power facility in Jabrayil district with a capacity of 100 MW, generating an estimated 180 million kilowatt-hours of electricity able to annually cater to approximately 58,000 households. Bakcell has already activated over 120 base stations and three service centers, with plans to expand its service center network in the region to 10. In addition to contributing to the economic development, Azerconnect will ramp up investments in telecom infrastructure construction and development within the region.

Technology and innovation

NEQSOL Holding places a strong emphasis on leveraging cutting-edge technologies to enhance sustainability and operational efficiency. The Holding has pioneered initiatives to integrate technologies such as artificial intelligence, data analytics, and renewable energy systems into its operations. NEQSOL Holding's proactive approach to technological advancement not only enhances its operational efficiency but also reinforces its position as a leader in driving positive change through the integration of state-of-the-art solutions across its diverse portfolio.

The necessity to protect our operations and the data entrusted to us grows along with technology. Our cybersecurity efforts make sure that our systems, networks, and private data are protected from new and emerging threats. Throughout the reporting period, there were no instances of data breaches or service downtime incidents.

NEQSOL Academy has forged a strategic alliance with Infosec IQ, a leading expert in cybersecurity education and awareness solutions. Through this partnership, NEQSOL Academy endeavors to cultivate a culture of heightened vigilance and proactive cybersecurity measures among its staff, ensuring robust protection against evolving cyber threats.

Norm's Information Security Policy serves as a cornerstone in safeguarding the integrity, confidentiality, and availability of sensitive data and subsidiaries.

By outlining clear objectives, including the establishment of reasonable security controls, prompt response protocols, defined user responsibilities, and efficient recovery procedures, the policy ensures proactive measures are in place to mitigate the risks associated with information security incidents. Ultimately, adherence to this policy not only protects the company's assets and reputation but also reinforces its commitment to sustainability by safeguarding the interests of stakeholders and ensuring the continuity of operations.

The increase in cyberattacks on government agencies and companies in Ukraine underscores the critical importance of bolstering cybersecurity measures for Vodafone Ukraine. In 2022, Vodafone Ukraine conducted a comprehensive review of its internal information security policies and procedures, ensuring their relevance and effectiveness. Each year, all Vodafone Ukraine personnel undergo mandatory information security training to stay informed about new fraud schemes and best practices for securely handling information. In 2022, Vodafone Ukraine introduced smaller SIM cards, globally known as the "half-sized SIM", which represent a significant leap in technology and design. The company also promotes fully electronic SIM cards (eSIM), eliminating the need for plastic components. This dual approach showcases Vodafone Ukraine's dedication to advancing technology while prioritizing environmental responsibility.

Vodafone Ukraine ensured the continuity of the mobile network during the war by deploying over 670 generators, in addition to stocking more than 24,000 AGM and LiFe batteries, along with a fuel volume exceeding 500 tons. Moreover, the implementation of Gigabit technology, notably GPON, demonstrates a certain level of energy self-sufficiency at connection points, although necessitating energy provision at the core network level. The rapid uptake and enthusiasm for GPON among subscribers markedly increased following the onset of the initial blackout.

During the period of war, Vodafone Ukraine's communication engineers played a pivotal role in restoring 900 base stations and repairing 22 km of damaged fiber optic cable and 112 optical couplings were fixed. These efforts were instrumental in restoring connectivity and enabling the availability of communication services in 750 settlements across the country.

By rapidly restoring essential infrastructure, Vodafone Ukraine ensured that individuals, businesses, and communities remained connected, facilitating communication, information exchange, and emergency response efforts.

Vodafone Ukraine's teams demonstrated their readiness and expertise by promptly addressing various technical issues, network disruptions, and service outages. With about 3,000 repair trips undertaken during the first year of the war, the company's engineers worked tirelessly to restore services, minimize downtime, and maintain seamless connectivity for customers.

Azerconnect acknowledges the transformative power of virtual operations in enhancing efficiency and connectivity but underscores the associated risks of security breaches. Committed to safeguarding customer data, they maintain the highest

international standards through their Internal and Information Security (IIS) team, functioning as a managed security service provider for the entire organization. Compliance with local regulations and GSMA Mobile Privacy Principles is ensured, bolstered by the acquisition of the ISO 27001 Information Security Management certification in 2020. Regular assessments, including quarterly penetration tests since 2018, and mandatory employee training sessions foster a culture of responsible data handling.

Moreover, the company recognizes its social responsibility in protecting minors from online risks, offering technical support for parents, and partnering with organizations like ENINET to educate parents and students on safe internet use.

The provision of a 'Safe Internet' package empowers parents to filter unwanted content, demonstrating the company's proactive stance in promoting cybersecurity and responsible internet usage.



AzerTelecom aims to build fiber optic cable lines across Europe and Asia to cultivate collaboration and connection among the nations from the mentioned regions under the Digital Silk Way initiative. To strengthen the environmental position of the territories and underline the UN's Sustainable Development Goals, the company also partnered with Azerbaijan Railways. The project offers a swift and stable internet connection that lasts for 20 years through the implementation of a hybrid fiber cable network.

Bakcell introduced brand new eSIM cards, as a tech-savvy alternative embedded in smartphones designated to facilitate a smooth transition from one-number utilization to integrating separate numbers simultaneously into a single device. The environmentally friendly aspect of eSIM, outweighs all other features by eliminating the need for producing plastic cards. NEQSOL Holding actively engages in initiatives aimed at fostering digital inclusion. We aim to ensure that all societal sectors benefit from technology innovation by bridging the digital gap through partnerships in education, infrastructure investments, and community engagement activities. Our dedication to digital inclusion is consistent with our overarching goal of promoting fair and sustainable societal development.



08

Environmental footprint

A series of thin, light blue wavy lines that flow from the bottom left towards the top right, creating a sense of movement and depth against the dark blue background.

Sustainable environmental practices

NEQSOL Holding and its subsidiaries are adopting proactive initiatives to mitigate their environmental impact. Given the diversity of the industries in which we are operating, the materiality level of environmental topics varies significantly from one asset to another. Consequently, the environmental initiatives and commitments are tailored to correspond with the specific materiality levels of these topics. By seamlessly integrating our environmental management strategies with the defined materiality of environmental topics for each asset, we address environmental responsibilities and enhance our ability to minimize our ecological footprint effectively, including employees, assets, shareholders, suppliers, contractors, customers, local communities, government and public authorities, NGOs, and the media.

Our subsidiaries collaborate closely with local and national authorities and a broad list of stakeholders, including employees, suppliers, contractors, customers, NGOs, and the media.

For instance, feedback from local communities and NGOs resulted in shaping our construction materials segment's production and waste management practices, promoting the use of recycled materials and minimizing environmental impact.

These engagements have not only fostered a culture of transparency and accountability

but also played a role in our actions to resonate positively with both the environment and our diverse stakeholders.

NEQSOL Holding solidified its commitment to this approach in 2023 through the signing of a Memorandum of Understanding with the Ministry of Ecology and Natural Resources of the Republic of Azerbaijan. Through this partnership, we seek to enhance our operational sustainability and contribute to the preservation of biodiversity and the enhancement of ecosystems.

At the Holding, our commitment to environmental stewardship is reflected in the distinct yet unified environmental policies and procedures across our diverse subsidiaries. Each subsidiary operates under its tailored environmental framework, covering aspects such as resource conservation, energy efficiency, emission, and waste reduction. For instance, within the energy sector, our policy emphasizes the transition to renewable energy sources to reduce our reliance on non-renewable energy. In the construction materials sector, we focus on material recycling and investment in AI-based technology to foster sustainability from the ground up. The telecommunications sector, on the other hand, we apply policies that prioritize the reduction of electronic waste (e-waste) through recycling programs and the deployment of energy-efficient technologies in our network infrastructure.

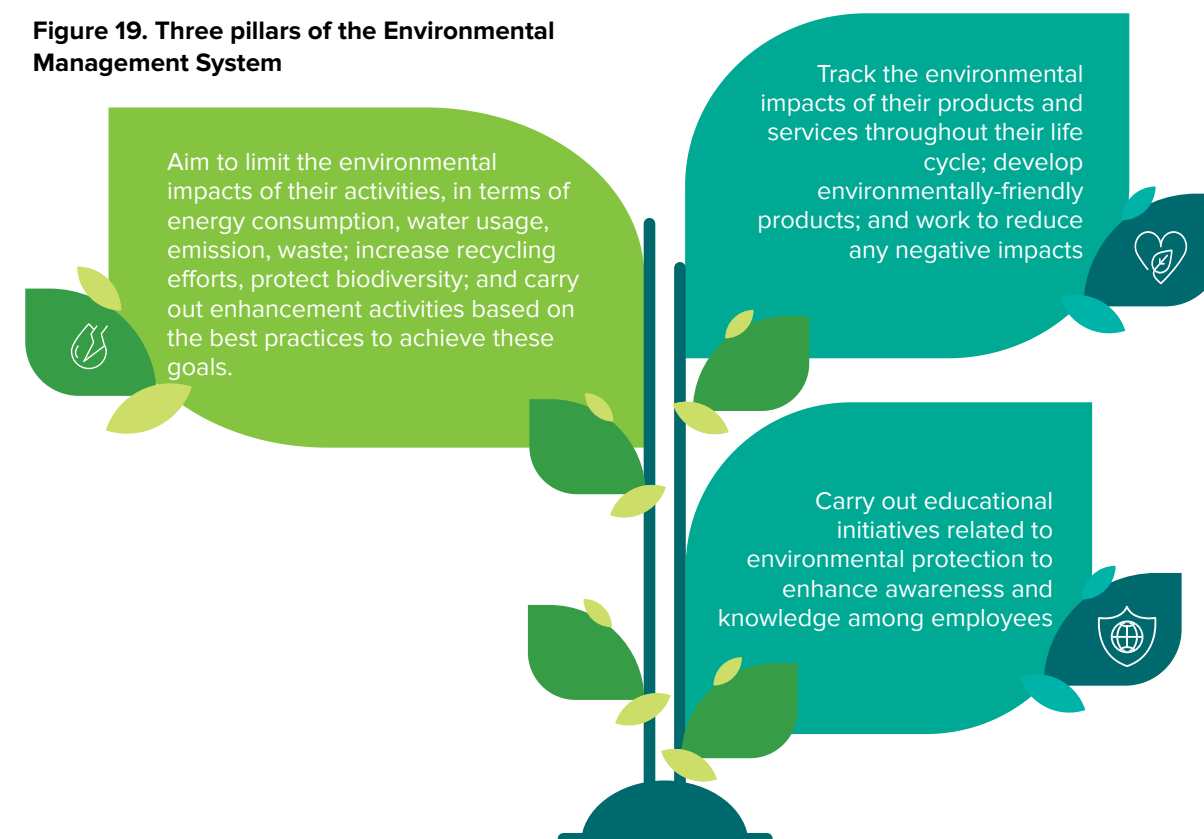
These guidelines underscore our holistic approach to sustainability, ensuring each sector not only adheres to high environmental standards and guidelines that are not limited to but include, the United Nations Global Compact, GCCA, and ISO 14001 as well as contributes to our commitment to responsible business practices across the Holding. The frameworks are designed to minimize the environmental impact of our operations, actively prevent pollution, and foster continuous improvement in operational management.

Understanding our duty to comply with regulatory requirements, we align our environmental management practices throughout the Holding and its subsidiaries with the applicable laws and regulations in the countries where our subsidiaries operate in. To further validate and enhance the integrity of our environmental management practices, most of our subsidiaries, including Vodafone Ukraine, Azerconnect, Bakcell, SOCAR AQS, and Norm conducted third-party audits. It is with great satisfaction that we report the findings from these audits revealed no material misstatements, validating the reliability and accuracy of our reported data and practices. The findings derived from these audits have been incorporated in the sustainability reports of these subsidiaries which are publicly available on their corporate websites.

We begin building a sustainable business with a robust Environmental Management System (EMS) that underpins our decision-making processes. This holding-wide EMS enables us to record and assess performance data, guiding diligent business choices that safeguard our workforce, the environment, and the communities where we operate. There are three main pillars in the environmental management system of NEQSOL Holding and its subsidiaries which are outlined in Figure 19.



Figure 19. Three pillars of the Environmental Management System



The organization of the environmental management starts at the Holding and then spreads to the operational centers of our subsidiaries. To ensure effective oversight and management across various operations of the Holding and its subsidiaries, a range of committees and organizational bodies was established at the corporate level. These assigned bodies are setting long-term environmental management strategies, creating action plans for their implementation, and focus on ensuring full compliance with updated environmental laws and regulations. They also organize training sessions to keep environmental specialists informed about worldwide trends, and monitoring environmental management systems at the Holding level.

Companies within the Holding adopt a comprehensive approach to tracking their environmental footprint by implementing

risk/impact assessments and preventive measures as part of their environmental management practices. Illustrating this approach, Nobel Energy established an environmental impact assessment policy to embed systematic steps into their environmental management practices. Moreover, all our subsidiaries in Azerbaijan go through an approval process with local authorities, including the Ministry of Ecology and Natural Resources, to obtain the necessary permissions for constructing and operating various facilities. In that respect, our subsidiary, Azerconnect, acquired “green passports” for all of its facilities, in recognition of our ongoing initiatives aimed at mitigating the ecological footprint. “Green passports” offer a thorough summary of the environmental impact of that information where prospective environmental repercussions of a product, method, or facility are explained in detail.

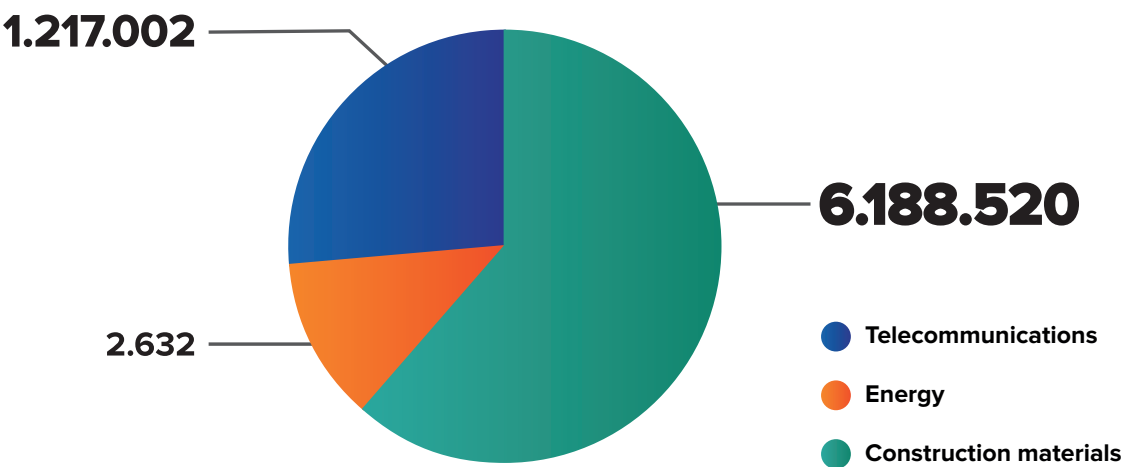
Energy consumption

Energy management is a cornerstone for our diverse portfolio of operations across telecommunications, energy, and construction materials industries. Our Holding prioritizes strategic energy management practices since we recognize the necessity to reduce our carbon footprint.

NEQSOL Holding aims to mitigate environmental impact by leveraging innovative solutions and adhering to efficiency measures while bolstering operational resilience. Our commitment extends beyond just meeting regulatory compliance. We are dedicated to fostering a sustainable future by continually investing in renewable energy sources, reducing energy consumption, and optimizing resource utilization across our diverse range of businesses. Through these proactive measures, we seek to lead by example in the responsible and sustainable management of energy resources within our industries. Reflecting these dedicated efforts, while our intention was to achieve energy savings, our total energy consumption in 2023 saw an increase of 6%. Despite this unexpected outcome, we will continue to explore opportunities for improvement. An overview of the energy consumption of our holding in respective industries is illustrated in Figure 20.

Recognizing the intrinsic link between efficient energy utilization and environmental responsibility, our Holding prioritizes the adoption of a comprehensive Energy Management System across all our diverse business segments. This system serves as our guiding framework, enabling precise monitoring, assessment, and optimization of energy consumption patterns throughout our operations.

Figure 20. Energy consumption by business segments, GJ



As an illustration of our commitment, Norm took a significant step forward in 2023 by establishing an advanced energy management system, which optimizes energy usage while managing energy resources in production processes which leads to a decrease in greenhouse gas emissions and carbon footprint. Currently, Norm is actively pursuing international accreditation, furthering its development in energy management practices.

We explore all available options to enhance our energy management practice and minimize our ecological impact by searching for tools to utilize renewable energy and hybrid technology. In this regard, Nobel Energy entered a memorandum of understanding (MoU) with the Ministry of Energy of the Republic of Azerbaijan, marking a significant stride towards our sustainable energy initiatives. This initiative is part of the government's strategic effort to boost clean energy and decrease carbon emissions by creating 'green energy zones' nationwide. This initiative is particularly significant given that, according to the International Energy Agency, oil and natural

gas transactions account for 90% of the country's export earnings and supply 98% of its primary electricity. These statistics have incentivized the Azerbaijani government to seek alternatives for decarbonizing its industries. The establishment of a 400MW solar power plant in Nakhchivan aims to export electricity to Türkiye while also catering to local energy needs. The solar power plant will utilize advanced solar technology to yield clean and reliable electricity.

The usage of a transparent glass roof, solar lamps, and solar panels is another example of the company's dedication to reduced energy consumption thereby contributing to a 28% reduction in carbon emissions in 2022 and 2023.

In line with our commitment to energy efficiency, Nobel Upstream, has established the connections to the electrical grid to minimize reliance on gas or diesel generators, thereby promoting energy efficiency. In company's US operations, a single diesel generator running for 24 hours consumes between 250 and 260 gallons of

diesel. Connecting a well to the electrical power grid eliminates this diesel consumption and significantly reduces our cash outflow. Additionally, the company has implemented the use of pump-off controllers to optimize pumping operations and reduce unnecessary energy consumption.

Azerconnect utilizes traditional methods to source electricity for its operations. The company primarily relies on the standard power supply provided by Azerenerji, the national electric power Company. Furthermore, when necessary, Azerconnect may resort to using generators to ensure a consistent and reliable power source. This dual approach allows the company to maintain operational continuity and flexibility in response to varying electricity requirements.

In line with these efforts and supported by Azerconnect's initiatives, Bakcell also introduced a hybrid solar system aimed to provide the station with a continuous and wholly sustainable power source. With batteries strategically placed on the property, this system ensures uninterrupted operations even in adverse weather conditions.

Vodafone Ukraine in its turn aims to reduce energy resource consumption and environmental impact by implementing IT solutions and energy-efficient technologies. Such initiatives involved integrating the "Power Saving" system within its base station equipment, alongside adopting the "Freecooling" system and managing power supply modes. Regarding energy derived from renewable sources, Vodafone Ukraine has a base station in the Carpathian Mountains that has been running on renewable energy for several years already. Moreover, the Company is actively advancing its sustainability efforts by incorporating solar power plants into its energy infrastructure.



Currently, three new base stations are in the process of installation which is part of the company's ongoing commitment to harnessing renewable energy. However, in 2022 the necessity for fuel to power generators as alternative sources of electricity surged. This was primarily driven by the imperative to sustain the company's operations amidst ongoing war and the resultant instability in the Ukrainian energy grid.

As it comes to Norm, the company has initiated several feasibility studies exploring the use of the potential utilization of alternative energy sources like alternative fuels or solar energy. Currently, the Company is planning to implement an innovative Waste Heat Recovery (WHR) system to enhance energy efficiency by recycling and repurposing heat that would otherwise be wasted, thereby reducing the overall energy consumption and environmental impact of a facility.

GHG emissions

Understanding the significant impact of GHG (green-house gas) emissions on global climate change, NEQSOL Holding has instituted proactive measures aimed at emissions reduction and management.

Our commitment to diminish our carbon footprint and enhance environmental management is cascaded down throughout our subsidiaries. Nobel Energy's initiative to acquire electric loaders as substitutes for certain diesel-powered counterparts to diminish carbon emissions, is one of the steps to support our approach. Considering the daily utilization of these vehicles in operations, this effort has shown a significant decrease in emissions (down 57%) and environmental discharges at the company past 3 years. Moreover, the utilization of this machinery leads to lower consumption of fuel, oil, filters, radiator fluid, and other resources typically needed for internal combustion engines.

Nobel Upstream in its turn, proactively plans infrastructure ahead of well drilling to reduce or eliminate flaring, thereby cutting greenhouse gas emissions. In company's UK operations, Nobel Upstream maintains its vessels to ensure that any emergency flaring is minimized, and routine flaring remains within regulatory limits.

These initiatives are crucial in our efforts to reduce overall emissions and adhere to our commitment to environmental responsibility.

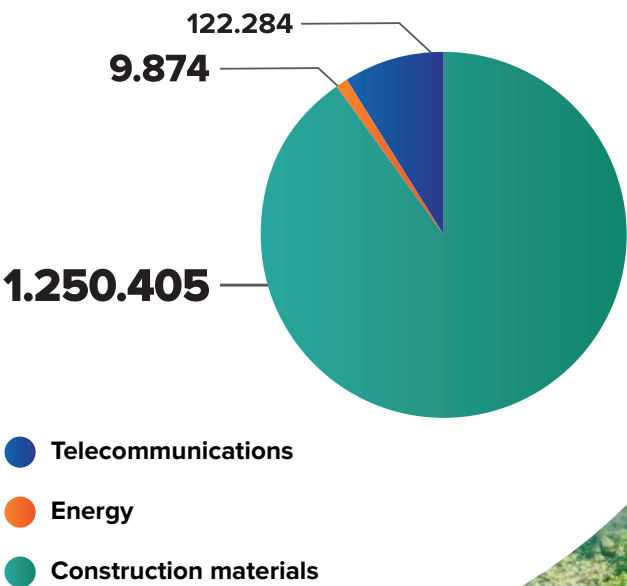
Norm supports the Holding's dedication to reducing emissions and fostering a sustainable future by actively collaborating with a third-party audit provider, AZECOLAB, to annually validate its online emissions analyzer, which is operated as part of an independent chimney emission-monitoring program.

In addition, the Company has invested in AI-based technologies since the beginning of its operations in 2013, enabling Norm to enhance environmental efficiency, and notably reducing carbon emissions. Specifically, in cement operations, AI has revolutionized emission control by optimizing kiln efficiency and raw material utilization, ensuring long-term operational productivity. Despite the current trend of increasing emissions, the ICT sector offers considerable potential to contribute to fighting climate change and enhancing environmental management worldwide.

As one of the ICT leaders, Azerconnect, is dedicated to boosting energy and emission efficiency by shifting towards renewable energy sources instead of traditional sources by 2030.

The Company is committed to creating innovative solutions to lessen its carbon footprint such as switching to LED lightbulbs which use 80% less energy leading to energy and carbon emission efficiency. In addition to the lighting change, the introduction of eco-friendly cars is expected to significantly lower emissions from Company transport activities. Figure 21 illustrates the carbon emissions generated by the Holding's various business sectors in 2023.

Figure 21. Generated GHG emissions by business segments, tons



Waste management

An effective waste management is critical across all the operations of the Holding. Effective waste handling enables us to mitigate environmental impacts, ensuring we safeguard ecosystems and comply with strict regulatory standards, thereby avoiding legal and financial repercussions. Furthermore, this approach also leads to operational efficiencies and cost savings, particularly in material consumption and disposal.

Any residual waste that cannot undergo recycling is responsibly directed to designated landfills through certified and accredited waste management partners. Moreover, the Holding cooperates with an external service provider to ensure that all generated waste is transported, recycled, processed, and disposed of safely. There was a notable 58% decrease in the total waste produced by the subsidiaries over the three years. This decline was closely linked with the several initiatives that we have implemented in 2023, the implementation of more efficient production tools, the adoption of waste-minimizing processes, and a holding-wide commitment towards resource optimization practices. We also invested in innovative waste management technologies that lead to better segregation and recycling, resulting in a reduction in the proportion of generated total waste.

With a strong waste management plan, NEQSOL Holding has addressed its ecological footprint and made significant progress in environmental conservation. Our sustained efforts in waste management not only reflect our dedication to sound corporate practices but also contribute to the broader goal of fostering a more sustainable and eco-friendly business environment.



Aligned with NEQSOL Holding's dedication to responsible waste management, Nobel Energy monitors the entire waste management process, from collection to disposal, through partnerships with qualified waste management companies. The company has implemented measures to categorize and handle its waste streams. In this regard, all waste generated by Nobel Energy is classified as "Controlled Waste", with a color-coded system distinguishing between Non-Hazardous Waste and Hazardous Waste. To ensure effective waste management and uphold compliance with Azerbaijan Regulations, Nobel Energy is in the process of developing a Waste Segregation Chart. This chart, once produced, will be implemented at the company's various sites and projects, with provisions for periodic reviews to accommodate any changes. The Waste Segregation Chart serves as a practical tool in the management of specific generated waste, demonstrating Nobel Energy's commitment to regulatory adherence and environmentally responsible practices.

The "Waste management control procedure" and normative documents serve as the

foundation for our Nobel Energy HSE Management System for waste management. These procedures strictly adhere to relevant local legislation and international standards — Waste Management Law of the Republic of Azerbaijan and ISO 14001:2015. The primary focus of the company's initiatives in waste management revolves around reducing waste generation, increasing the proportion of reuse and recycling, and ensuring the safe disposal of waste.

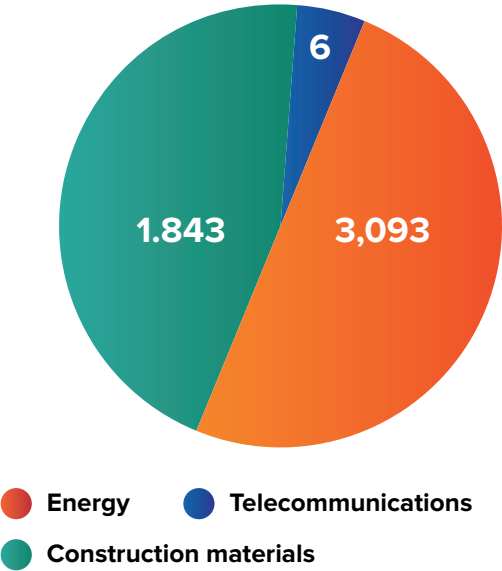
Norm's approach to setting forth regulations for waste management is reflected in the company's internal Waste Management policy, which was formulated based on local legislative frameworks, including the Law on Environmental Protection, the Law on Production and Household Waste, and the Procedure for the Storage of Hazardous Waste, as well as adhering to international standards, specifically ISO 14001. Using SAP's advanced analytics and reporting capabilities, Norm can also track and monitor its waste generation enabling the company to make more informed decisions and identify areas for improvement. Furthermore, Norm provides regular trainings on responsible consumption and waste separation and storage to our employees to raise awareness on our efforts to curb consumption and waste generation.

On top of the company's waste management practices, Norm takes proactive measures to mitigate the potential adverse effects on surrounding communities. By situating its facilities in less populated areas, Norm effectively reduces the direct impact of its operations on residents. In line with its commitment to circular economy, Norm significantly diminishes its environmental footprint by substituting traditional raw materials with waste-derived alternatives.

At NEQSOL Holding, we understand that efficient resource management not only mitigates environmental impact but also enables us to achieving economic sustainability and operational excellence. We strive to integrate resource optimization throughout our operations, advocating for the reduced consumption of raw materials, the elevation of recycling efforts, and the transition towards renewable resources. The company operationalizes the circular economy through practices aimed at retaining the maximum value of materials, effectively 'closing the loop' on resource use.

As every affiliated company within the Holding is committed to minimizing waste generation at its source, they ensure the maximum sorting and recovery of waste and reduction in the volume of waste that requires disposal. The year's operations led to the production of approximately more than 4,500 tons of waste, which is illustrated in Figure 22.

Figure 22.
Waste production by business segments, tons



By seizing the opportunity presented by the COVID-19 outbreak to instigate a lasting transformation in business operations, Bakcell started digitalizing the majority of its internal processes and offering services online. As a pioneer in sustainability efforts, Bakcell distinguished itself by being the first to introduce the incorporation of eSIM technology to replace traditional plastic SIM cards and extend the lifespan of electronic devices. This technological advancement minimizes e-waste while eliminating the necessity for manufacturing plastic cards, leading to a considerable reduction in both plastic use and associated carbon emissions.

Vodafone Ukraine, has also introduced an electronic document management system featuring qualified electronic signatures and archiving, significantly reducing paper consumption. The introduction of this e-document system results in saving over 100 tons of paper annually, with approximately 2 tons recycled. Vodafone Ukraine introduced the use of smaller SIM cards, commonly known as 'half-sized SIMs', and actively encourages the adoption of fully electronic SIM cards (eSIM), eliminating the need for plastic in the process.



Employees are encouraged to adopt eco-friendly practices, and the company supports "green" office programs including battery collection and reducing the usage of paper and plastic. Furthermore, the replacement of hazardous mercury-containing lightbulbs with energy-efficient and safe LED lamps and panels underscores our dedication to sustainable practices.

At Azerconnect, specific information on how hazardous waste produced by businesses is categorized, handled, and disposed of is provided in so-called Hazardous Waste Passports. As a result, they ensure that waste is managed properly and following environmental regulations.



09

Outlook

Outlook

NEQSOL Holding maintains determined commitment to incorporating sustainability principles across all facets of its business operations. Our strategic direction aligned our values encouraging persistent positive outcomes for both our holding and society at large in terms of social responsibility, economic prosperity, and environmental stewardship. This dedication is exemplified by the establishment of a strong sustainable development management framework complemented by regular sustainability reports published by our subsidiaries. We address sustainability leadership under the coordination of a Chief Communications & Sustainability Officer (CCSO) directly reporting to the Holding's CEO. Various ESG and Sustainability managers at our subsidiaries collaborate under the coordination of NEQSOL Holding's CCSO for common topics including the production of an integrated Sustainability Report, key CSR initiatives, and engaging in major conferences, like the COP29 to be held in Baku in 2024.

We aim to drive positive change and shape the future landscape of operating industries through investing in state-of-art technologies and resilient infrastructures.

As a responsible corporate citizen, we are devoted to giving back to our community through impactful corporate social responsibility projects. With the aim of making a lasting impact on the communities we operate through strategic partnerships, philanthropic endeavors, and community engagement programs in terms of social inclusivity, education, and economic empowerment matters.

As a diligent holding operating across various industries, we acknowledge the fact that our business nature is prone to cause harms to our external stakeholders and to the environment. Therefore, our primary objectives in writing this Sustainability Report are to identify further enhancement areas and establish transparent communication channels with our stakeholders. Although there is always room for improvement in our journey to becoming a dominantly sustainable holding, we are dedicated to integrating sustainability into all facets of our operations and optimizing our overall business conduct through persistent efforts.



GRI ¹⁰ content index	Disclosure	Status	Location
GENERAL DISCLOSURES GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	Disclosed	Overview of the Holding
	2-2 Entities included in the organization's sustainability reporting	Disclosed	This sustainability report's boundaries include the Holding and its key assets, whereas the consolidated financial statement includes a full breakdown of each asset structure and their subsidiaries
	2-3 Reporting period, frequency, and contact point	Disclosed	About this report
	2-4 Restatements of information	Disclosed	There are no restatements of information.
	2-5 External assurance	Disclosed	The external assurance statements of Vodafone Ukraine, Azerconnect, Bakcell, SOCAR AQS and Norm can be found in their respective annual sustainability reports.
	2-6 Activities, value chain, and other business relationships	Disclosed	Overview of the Holding, Supply chain responsibility, Stakeholder engagement

10 - The GRI table was compiled based on topics that are material to NEQSOL Holding and its subsidiaries.

Disclosure	Status	Location
2-7 Employees	Disclosed	People at the core, Performance tables
2-8 Workers who are not employees	Not disclosed	
2-9 Governance structure and composition	Disclosed	Corporate structure
2-10 Nomination and selection of the highest governance body	Not applicable	Diversity principles are not disclosed as criteria in the Holding's internal recruitment policies.
2-11 Chair of the highest governance body	Disclosed	Corporate structure
2-12 Role of the highest governance body in overseeing the management of impacts	Partially disclosed	Corporate structure
2-13 Delegation of responsibility for managing impacts	Not disclosed	

Disclosure	Status	Location
2-14 Role of the highest governance body in sustainability reporting	Disclosed	The CEO reviews and approves the Holding's sustainability report and ensures that all material topics are covered.
2-15 Conflicts of interest	Partially disclosed	Corporate structure
2-16 Communication of critical concerns	Disclosed	Compliance and internal control, Workforce relations
2-17 Collective knowledge of the highest governance body	Disclosed	Workforce relations
2-18 Evaluation of the performance of the highest governance body	Not disclosed	
2-19 Remuneration policies	Partially disclosed	Corporate structure, Workforce relations
2-20 Process to determine remuneration	Disclosed	Corporate structure, Workforce relations, Empowerment, and growth

Disclosure	Status	Location
2-21 Annual total compensation ratio	Disclosed	Performance tables
2-22 Statement on sustainable development strategy	Disclosed	CEO's letter, Approach to sustainability
2-23 Policy commitments	Disclosed	Approach to sustainability, Business integrity, Risk management
2-24 Embedding policy commitments	Disclosed	Approach to sustainability, Business integrity
2-25 Processes to remediate negative impacts	Disclosed	Business integrity, Workforce relations
2-26 Mechanisms for seeking advice and raising concerns	Disclosed	Workforce relations
2-27 Compliance with laws and regulations	Disclosed	There were no instances of non-compliance with laws and regulations during the reporting period.

	Disclosure	Status	Location
	2-28 Membership associations	Disclosed	Stakeholder engagement
	2-28 Membership associations	Disclosed	Stakeholder engagement
	2-29 Approach to stakeholder engagement	Disclosed	Stakeholder engagement
	2-30 Collective bargaining agreements	Disclosed	There were no collective bargaining agreements during the reporting period.
	3-1 Process to determine material topics	Disclosed	Materiality assessment
MATERIAL TOPICS GRI 3: MATERIAL TOPICS 2021	3-2 List of material topics	Disclosed	Materiality assessment
ECONOMIC PERFORMANCE GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	Disclosed	Holding's financial performance, Performance tables
	201-2 Financial implications and other risks and opportunities due to climate change	Not disclosed	

	Disclosure	Status	Location
	201-3 Defined benefit plan obligations and other retirement plans	Disclosed	Workforce relations
	201-4 Financial assistance received from the government	Disclosed	During the reporting period, the Holding did not receive any financial assistance from the government.
	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Disclosed	Performance tables The disclosure of this KPI is confidential for Azerconnect, Bakcell, and AzerTelecom.
	202-2 Proportion of senior management hired from the local community	Disclosed	Performance tables
	203-1 Infrastructure investments and services supported	Partially disclosed	Investment in development
MARKET PRESENCE GRI 202: MARKET PRESENCE 2016	203-2 Significant indirect economic impacts	Disclosed	Investment in development

**INDIRECT ECONOMIC IMPACTS GRI 203:
INDIRECT ECONOMIC IMPACTS 2016**

	Disclosure	Status	Location
PROCUREMENT GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	Disclosed	Performance tables
ANTI-CORRUPTION GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Disclosed	All operations are continuously assessed for risks related to corruption. No significant risks related to corruption have been identified during the reporting period.
	205-2 Communication and training about anti-corruption policies and procedures	Disclosed	Performance tables
	205-3 Confirmed incidents of corruption and actions taken	Disclosed	No such incidents occurred during the reporting year.
ANTI-COMPETITIVE BEHAVIOR GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Disclosed	No such incidents occurred during the reporting year.
TAX GRI 207: TAX 2019	207-1 Approach to tax	Disclosed	Holding's financial performance;

	Disclosure	Status	Location
	207-2 Tax governance, control, and risk management	Disclosed	Holding's financial performance;The Company has an internal tax policy and is dedicated to fulfilling its tax obligations in every country where it operates.
	207-3 Stakeholder engagement and management of concerns related to tax	Disclosed	Holding's financial performance; The Company has an internal tax policy and is dedicated to fulfilling its tax obligations in every country where it operates.
	207-4 Country-by-country reporting	Disclosed	Performance tables
MATERIALS GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	Disclosed	Performance tables
	301-2 Recycled input materials used	Not disclosed	
	301-3 Reclaimed products and their packaging materials	Not disclosed	
ENERGY GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Disclosed	Energy consumption, Performance tables

EMISSIONS
GRI 305:
EMISSIONS 2016

Disclosure	Status	Location
302-2 Energy consumption outside of the organization	Not disclosed	
302-3 Energy intensity	Disclosed	Performance tablest
302-4 Reduction of energy consumption	Disclosed	Energy consumption
302-5 Reductions in energy requirements of products and services	Disclosed	Energy consumption
305-1 Direct (Scope 1) GHG emissions	Disclosed	GHG Emissions, Performance tables
305-2 Energy indirect (Scope 2) GHG emissions	Disclosed	Performance tables
305-3 Other indirect (Scope 3) GHG emissions	Not disclosed	
305-4 GHG emissions intensity	Disclosed	Performance tables

WASTE
GRI 306: WASTE 2020

Disclosure	Status	Location
305-5 Reduction of GHG emissions	Disclosed	GHG Emissionst
305-6 Emissions of ozone-depleting substances (ODS)	Not disclosed	
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Disclosed	Performance tables
306-1 Waste generation and significant waste-related impacts	Disclosed	Waste management, Performance tables The breakdown of hazardous/ non-hazardous waste of telecom assets is not disclosed. Waste generation is not disclosed for Vodafone Ukraine as the topic is immaterial for the company.
306-2 Management of significant waste-related impacts	Disclosed	Waste management

Disclosure	Status	Location
306-3 Waste generated	Disclosed	<p>Waste management, Performance tables</p> <p>The breakdown of hazardous/non-hazardous waste of telecom assets is not disclosed.</p> <p>Waste generation is not disclosed for Vodafone Ukraine as the topic is immaterial for the company.</p>
306-4 Waste diverted from disposal	Disclosed	Performance tables
306-5 Waste directed to disposal	Disclosed	<p>Waste management, Performance tables</p> <p>The breakdown of hazardous/non-hazardous waste of telecom assets is not disclosed.</p> <p>Waste generation is not disclosed for Vodafone Ukraine as the topic is immaterial for the company.</p>

SUPPLIER
ENVIRONMENTAL
ASSESSMENT GRI 308:
SUPPLIER
ENVIRONMENTAL
ASSESSMENT 2016

Disclosure	Status	Location
308-1 New suppliers that were screened using environmental criteria	Disclosed	<p>Supply chain responsibility Performance tables</p> <p>NEQSOL Azerbaijan and its subsidiaries, except for Vodafone Ukraine and Norm, do not track or disclose this particular KPI.</p>
308-2 Negative environmental impacts in the supply chain and actions taken	Disclosed	No such impacts were detected during the reporting period.
401-1 New employee hires and employee turnover	Disclosed	Performance tables
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Partially disclosed	Workforce relations
401-3 Parental leave	Disclosed	Performance tables

EMPLOYMENT
GRI 401: EMPLOYMENT
2016

	Disclosure	Status	Location
LABOR/MANAGEMENT RELATIONS GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	Partially disclosed	Performance tables NEQSOL Azerbaijan and its assets, except for Nobel Energy Group, do not track their minimum notice periods.
OCCUPATIONAL HEALTH AND SAFETY GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Disclosed	Safety at work
	403-2 Hazard identification, risk assessment, and incident investigation	Disclosed	Safety at work
	403-3 Occupational health services	Disclosed	Safety at work
	403-4 Worker participation, consultation, and communication on occupational health and safety	Disclosed	Safety at work
	403-5 Worker training on occupational health and safety	Disclosed	Safety at work, Performance tables

	Disclosure	Status	Location
TRAINING AND EDUCATION GRI 404: TRAINING AND EDUCATION 2016	403-6 Promotion of worker health	Disclosed	Safety at work
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosed	Safety at work
	403-8 Workers covered by an occupational health and safety management system	Disclosed	All workers are covered by the occupational health and safety management system.
	403-9 Work-related injuries	Disclosed	Performance tables There were no recorded injuries at the Holding, Telecom subsidiaries, and Norm.
	403-10 Work-related ill health	Disclosed	No such cases were detected during the reporting period.
TRAINING AND EDUCATION GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Disclosed	Performance tables

	Disclosure	Status	Location
DIVERSITY AND EQUAL OPPORTUNITY GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Disclosed	Empowerment and growth, NEQSOL Academy
	404-3 Percentage of employees receiving regular performance and career development reviews	Disclosed	Empowerment and growth
	405-1 Diversity of governance bodies and employees	Disclosed	Diversity and Inclusion, Performance tables
	405-2 Ratio of basic salary and remuneration of women to men	Disclosed	Performance tables The disclosure of this KPI is confidential for Azerconnect, Bakcell, and AzerTelecom.
NON-DISCRIMINATION GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Disclosed	No such incidents occurred during the reporting year.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Disclosed	No such operations have been determined during the reporting year.

	Disclosure	Status	Location
CHILD LABOR GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Disclosed	No such operations have been determined during the reporting year.
FORCED OR COMPULSORY LABOR GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Disclosed	No such operations have been determined during the reporting year.
SECURITY PRACTICES GRI 410: SECURITY PRACTICES 2016	410-1 Security employees trained in human rights policies or procedures	Not disclosed	
RIGHTS OF INDIGENOUS PEOPLES GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1 Incidents of violations involving the rights of indigenous peoples	Disclosed	No such incidents occurred during the reporting year.
LOCAL COMMUNITIES GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Disclosed	Impact on communities
	413-2 Operations with significant actual and potential negative impacts on local communities	Disclosed	Impact on communities

	Disclosure	Status	Location
SUPPLIER SOCIAL ASSESSMENT GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	Disclosed	Supply chain responsibility, Performance tables NEQSOL Azerbaijan and its assets, except for Vodafone Ukraine and Norm, do not track or disclose this particular KPI.
	414-2 Negative social impacts in the supply chain and actions taken	Disclosed	No such impacts were detected during the reporting period.
PUBLIC POLICY GRI 415: PUBLIC POLICY	415-1 Political contributions	Not disclosed	
CUSTOMER HEALTH AND SAFETY GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	Not disclosed	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	No such incidents occurred during the reporting year.
MARKETING AND LABELING GRI 417: MARKETING AND LABELING 2016	417-1 Requirements for product and service information and labeling	Disclosed	Quality products and services

	Disclosure	Status	Location
CUSTOMER PRIVACY GRI 418: CUSTOMER PRIVACY 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	Disclosed	No such incidents occurred during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications	Disclosed	No such incidents occurred during the reporting period.
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Disclosed	No such incidents occurred during the reporting period.

SASB index¹¹
(Oil & Gas – Services, Engineering & Construction Services, Telecommunication Services)

Topic	Code	Accounting Metric	Status	Comment/ location
GREENHOUSE GAS EMISSIONS	EM-MD-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Disclosed	GHG Emissions, Performance tables
	EM-MD-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those target	Partially disclosed	GHG Emissions
AIR QUALITY	EM-MD-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2)SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Disclosed	Performance tables
ECOLOGICAL IMPACTS	EM-MD-160a.1	Description of environmental management policies and practices for active operations	Disclosed	Sustainable environmental practices

11 - The SASB table was compiled based on topics that are material to NEQSOL Holding and its subsidiaries.

Topic	Code	Accounting Metric	Status	Comment/ location
	EM-MD-160a.3	Terrestrial acreage disturbed, percentage of impacted area restored	Not disclosed	
COMMUNITY RELATIONS	EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Disclosed	Diversity and inclusion, Impacts on communities
WORKFORCE HEALTH & SAFETY	EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) direct employees and (b) contract employees	Partially disclosed	Safety at work, Performance tables
	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Disclosed	Risk management, Safety at work

Topic	Code	Accounting Metric	Status	Comment/ location
EMISSIONS REDUCTION SERVICES & FUELS MANAGEMENT	EM-SV-110a.1	Total fuel consumed, percentage renewable, the percentage used in (1) on-road equipment and vehicles and (2) offroad equipment	Partially disclosed	Performance tables
	EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Disclosed	Energy consumption, GHG Emissions
ENVIRONMENTAL IMPACTS OF PROJECT DEVELOPMENT	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Disclosed	There were no recorded incidents of non-compliance with environmental permits, standards, and regulations in the reporting period.
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Disclosed	Energy consumption, GHG Emissions
ENVIRONMENTAL FOOTPRINT OF OPERATIONS	TC-TL-130a.1	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	Partially disclosed	Energy consumption, Performance tables

Topic	Code	Accounting Metric	Status	Comment/ location
DATA PRIVACY	TC-TL-220a.1	Description of policies and practices relating to targeted advertising and customer privacy	Partially disclosed	Technology and innovation; Adtech initiatives are implemented by Telecommunication companies.
	TC-TL-220a.2	Number of customers whose information is used for secondary purposes	Not disclosed	
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Disclosed	There were no monetary losses resulting from legal proceedings associated with customer privacy in the reporting period.
	TC-TL-220a.4	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	Not disclosed	
DATA SECURITY	TC-TL-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	Disclosed	No data breaches were recorded during the reporting period.

Topic	Code	Accounting Metric	Status	Comment/ location
	TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Disclosed	Technology and innovation
MANAGING SYSTEMIC RISKS FROM TECHNOLOGY DISRUPTIONS	TC-TL-550a.1	(1) System average interruption duration, (2) system average interruption frequency, and (3) customer average interruption duration	Not disclosed	
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service disruptions	Disclosed	Technology and innovation



Environment¹²

Telecommunications¹³

Electricity Indicators

	Vodafone Ukraine Group		
	2021	2022	2023 ¹⁴
TOTAL ELECTRICITY CONSUMED, GJ	987,989.34	919,407.87	966,015.32
ELECTRICITY INTENSITY RATIO (PER EMPLOYEE), GJ	290.84	243.55	236.42
ELECTRICITY INTENSITY RATIO (PER PETABYTE), GJ	N/A	N/A	N/A

Fuel Indicators

	Vodafone Ukraine Group		
	2021	2022	2023 ¹⁵
TOTAL FUEL CONSUMPTION, TON, INCLUDING	37,471.88	47,793.04	48,800.06
DIESEL, THS. LITERS	861.29	1,146.24	1,105.21
GASOLINE, THS. LITERS	-	-	7.36
PROPANE, BUTANE FOR VEHICLES (THS. LITERS)	196.6	150.96	211.19
NATURAL GAS FOR BOILERS (THS. M³)	-	47.30	55.33

12 - The Holding does not track the environmental metrics during the reporting period.
13 - Environmental data for AzerTelecom is incorporated into Azerconnect's metrics.
14 - In 2023, the energy consumption indicator increased by 5.07% compared to 2022, due to the joining of the new subsidiary company Freenet LLC to the Group.
15 - Fuel consumption in 2023 increased by 30.23% compared to 2021 and amounted to 48,800.06 GJ. During 2022-2023, a significant use of fuel for generators was observed due to systemic power outages due to the destruction of Ukraine's energy system objects by Russia.

Emission Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
TOTAL EMISSIONS, TCO2 E, INCLUDING:			
SCOPE 2 EMISSIONS, LOCATION-BASED METHOD	90,942.63	85,414.57	118,535.37
SCOPE 2 EMISSIONS, MARKET-BASED METHOD			104,739.88
I. SCOPE 1, TCO2 E	3,056.97	3,615.91	3,692.89
II. INDIRECT CO2 EMISSIONS SCOPE 2, TCO2 E :			
LOCATION-BASED METHOD	87,885.66	81,798.66	77,481.18
MARKET-BASED METHOD			63,685.69
III. INDIRECT CO2 EMISSIONS (SCOPE 3), INCLUDING:			37,361.30
FOR CATEGORIES 1&2. PURCHASE GOODS AND SERVICES			30,271.97
FOR CATEGORY 3. FUEL AND ENERGY RELATED ACTIVITIES			7,089.33
GHG EMISSIONS INTENSITY RATIO (PER EMPLOYEE), TCO2 E	26.77	22.62	29.01
GHG EMISSIONS INTENSITY RATIO (PER PETABYTE), TCO2 E	N/A	N/A	N/A

Electricity Indicators

	Azerconnect			Bakcell		
	2021	2022	2023	2021	2022	2023
TOTAL ELECTRICITY CONSUMED, GJ	842	1,349	1,342	568	692	762
ELECTRICITY INTENSITY RATIO (PER EMPLOYEE), GJ	242,036	243,233	248,614	Not applicable	Not applicable	Not applicable
TOTAL ELECTRICITY CONSUMED, GJ	4.460	5.108	5.623	3.084	3.462	5
ELECTRICITY INTENSITY RATIO (PER EMPLOYEE), GJ	Not applicable	Not applicable	Not applicable	8.348	9.112	-

Fuel Indicators¹⁶

	Azerconnect		
	2021	2022	2023
TOTAL FUEL CONSUMPTION, TON, INCLUDING	1,203,825	2,045,948	3,936,680
DIESEL, TON	842,677	1,310,783	2,755,676
PETROLEUM, TON	361,148	735,165	1,181,004

Emission Indicators

	Azerconnect			Bakcell		
	2021	2022	2023	2021	2022	2023
TOTAL DIRECT GHG EMISSIONS, TCO2 E	17,806	29,223	45,817	162.97	183.14	55.53
I. SCOPE 1, TCO2 E	3,481	14,798	11,693	130	142	9.89
II. SCOPE 2, TCO2 E	14,325	14,426	34,124	34	41	34.64
GHG EMISSIONS INTENSITY RATIO (PER EMPLOYEE), TCO2 E	12.87	18.31	26.97	0.89	0.92	0.37
GHG EMISSIONS INTENSITY RATIO (PER PETABYTE), TCO2 E	Not applicable	Not applicable	Not applicable	2.40	2.41	0.62

Waste Indicators

	Azerconnect			Bakcell		
	2021	2022	2023	2021	2022	2023
TOTAL WEIGHT OF WASTE GENERATED IN METRIC TONS, AND A BREAKDOWN BY COMPOSITION OF THE WASTE, TONS	-	2.33	4.35	175	6.9	1.98

16 - Fuel consumption metrics include Azerconnect, Bakcell and AzerTelecom.

Energy¹⁷

Electricity Indicators

	Azerconnect		
	2021	2022	2023
ELECTRICITY CONSUMED, GJ	8,600	5,967	1,960
ELECTRICITY USED FOR TECHNICAL EQUIPMENT, GJ	N/A	N/A	N/A
NATURAL GAS CONSUMPTION, M3	N/A	N/A	14,663
ELECTRICITY INTENSITY RATIO (PER EMPLOYEE), GJ	1.19	0.47	0.13

Fuel Indicators

	Nobel Energy Group		
	2021	2022	2023
TOTAL FUEL CONSUMPTION, TON, INCLUDING	4,777	3,962	3,215
DIESEL, TON	4,777	3,962	3,137
PETROLEUM, TON	0	0	78

17 - The environmental data includes the three assets of Nobel Energy — SOCAR AQS, Prokon and Glensol. The decreases in environmental metrics across the years are due to updates in the calculation methodology, resulting in more accurate values and observed reductions.

Emission Indicators

	Nobel Energy Group		
	2021	2022	2023
TOTAL DIRECT GHG EMISSIONS IN METRIC TONS, AND A BREAKDOWN BY COMPOSITION OF EMISSIONS, TONS	16,593	13,734	9,874
SCOPE 1, TCO2 E:	N/A	N/A	N/A
I. CARBON DIOXIDE (CO2)	16,593	13,734	9,873.43
II. NITROUS OXIDE (N2O)	N/A	N/A	0.08
III. METHANE (CH4)	N/A	N/A	0.41
GHG EMISSIONS INTENSITY (PER EMPLOYEE), TCO2 E	7.80	6.27	8.83

Waste Indicators

	Nobel Energy Group		
	2021	2022	2023
TOTAL WEIGHT OF WASTE GENERATED IN METRIC TONS, AND A BREAKDOWN BY COMPOSITION OF THE WASTE	10,930	5,861	3,093.4
TOTAL WEIGHT OF NON-HAZARDOUS WASTE GENERATED, TONS	6,279	1,939	1,363
TOTAL WEIGHT OF HAZARDOUS WASTE GENERATED, TONS	4,651	3,922	1,730.4
TOTAL WEIGHT OF RECYCLED WASTE, TONS	N/A	N/A	N/A
TOTAL WEIGHT OF NON-HAZARDOUS WASTE RECYCLED, TONS	N/A	N/A	N/A
TOTAL WEIGHT OF HAZARDOUS WASTE RECYCLED, TONS	N/A	N/A	N/A
TOTAL WEIGHT OF WASTE DIRECTED TO DISPOSAL IN METRIC TONS, AND A BREAK-DOWN BY COMPOSITION OF THE WASTE, TONS	N/A	N/A	N/A
TOTAL WEIGHT OF NON-HAZARDOUS WASTE DIRECTED TO DISPOSAL TO LANDFILL IN METRIC TONS, TONS	N/A	N/A	N/A
TOTAL WEIGHT OF HAZARDOUS WASTE DIRECTED TO DISPOSAL TO LANDFILL IN METRIC TONS, TONS	N/A	N/A	N/A

Nobel Upstream¹⁸

Construction materials

CO2 and Energy
Indicators

	2021	2022	2023
ENERGY CONSUMPTION TOTAL, GJ	5,659,312	5,369,200	6,188,520
THERMAL ENERGY CONSUMPTION, GJ	5,073,595	4,773,723	5,532,804
THERMAL ENERGY CONSUMPTION FOSSIL FUELS (NATURAL GAS), GJ	5,073,595	4,773,723	5,532,804
ELECTRICAL ENERGY CONSUMPTION, GJ	585,717	595,477	655,717
ELECTRICAL ENERGY CONSUMPTION PER TON OF CLINKER, GJ	0.372	0.408	0.378
ELECTRICAL ENERGY CONSUMPTION PER TON OF CEMENT, GJ	0.394	0.385	0.395
NON-RENEWABLE ELECTRICAL ENERGY CONSUMPTION, GJ	585,717	595,477	655,717
TOTAL NATURAL GAS CONSUMPTION, M3	144,564,665	136,248,495	158,389,156
ENERGY INTENSITY RATIO (PER EMPLOYEE), GJ	19,381	18,325	21,414
THERMAL ENERGY INTENSITY OF PRODUCTION, GJ PER TON CLINKER	3.23	3.27	3.19

18 - Nobel Upstream does not track environmental metrics during the reporting period.

CO2 and Energy
Indicators

	2021	2022	2023
TOTAL AMOUNT OF DIRECT CO2 EMISSIONS, METRIC TONS/YEAR	1,131,652	1,054,003	1,250,469
SPECIFIC DIRECT NET CO2 EMISSIONS, KG/TON CEMENTITIOUS PRODUCTION)	563	576.56	580
DUST EMISSION, TON/YEAR	264.8	294.19	277.1
SPECIFIC DUST EMISSION, G/TON CLINKER	169	201.2	159.7
NOX EMISSION, TON/YEAR	1,232.60	1,286.30	1,260
SPECIFIC NOX EMISSION, G/TON CLINKER	786.5	880.5	726
VOC/THC EMISSION, KG/YEAR	266.7	238.8	322
SPECIFIC VOC/THC EMISSION, G/TON CLINKER	0.17	0.163	0.185
HG EMISSION, KG/YEAR	0.13	0.123	0.138
SPECIFIC HG EMISSION, MG/TON CLINKER	0.083	0.084	0.079
HM1 EMISSION, KG/YEAR	0.19	0.091	0.211
SPECIFIC HM1 EMISSION, MG/TON CLINKER	0.121	0.062	0.122
HM2 EMISSION, KG/YEAR	11.83	7.321	13.73
SPECIFIC HM2 EMISSION, MG/TON CLINKER	7.522	5.012	7.912
SOX, TON/YEAR	0.93	0.82	0
GHG EMISSIONS (PER EMPLOYEE), TCO2 E	3,876	3,597	4,327

Waste Indicators

	2021	2022	2023
TOTAL WEIGHT OF WASTE GENERATED IN METRIC TONS, AND A BREAK-DOWN BY COMPOSITION OF THE WASTE	914.86	461.45	1,842.95
TOTAL WEIGHT OF NON-HAZARDOUS WASTE GENERATED	891.77	410.89	1,686.15
TOTAL WEIGHT OF HAZARDOUS WASTE GENERATED	23.09	50.55	156.78
TOTAL WEIGHT OF RECYCLED WASTE	526	0	1296.87
TOTAL WEIGHT OF NON-HAZARDOUS WASTE RECYCLED	503.03	0 ¹⁹	1,254.27
TOTAL WEIGHT OF HAZARDOUS WASTE RECYCLED	23.05	0 ²⁰	42.3
TOTAL WEIGHT OF WASTE DIRECTED TO DISPOSAL IN METRIC TONS, AND A BREAKDOWN BY COMPOSITION OF THE WASTE	389	461	546.37
TOTAL WEIGHT OF NON-HAZARDOUS WASTE DIRECTED TO DISPOSAL TO LANDFILL IN METRIC TONS	388.74	410.89	431.89
TOTAL WEIGHT OF HAZARDOUS WASTE DIRECTED TO DISPOSAL TO LANDFILL IN METRIC TONS	0.04	50.55	114.48

19 -The non-hazardous waste figures decreased significantly in 2022 due to the fact that there were no major recycling and sales stocks during the reporting period. Major non-hazardous waste such as paper, wood and plastics were sold to a third party in 2021. Non-hazardous waste disposed to landfills has been decreased due to disposal of used oil, which was generated by upgrading technical equipment.

20 - Hazardous waste recovered has been increased due to fact that more used oil was utilized in 2022 than in 2021 mainly due to equipment maintenance. The increase in hazardous waste recovered could be attributed to an increase in maintenance activities. In 2022, Norm conducted more regular machinery maintenance, resulting in the production of additional used oil as a by-product. Hazardous waste disposal, on the other hand, has decreased since several fluorescent lamps were disposed in 2021 and were not used in 2022.

SOCIAL

NEQSOL Azerbaijan

Health and Safety
Training Indicators

	2021	2022	2023
NUMBER OF CONDUCTED OHS TRAINING	N/A	35	40
NUMBER OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	80	83
PERCENTAGE OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	90	93
OHS TRAINING HOURS	N/A	N/A	N/A

Employee Indicators,
by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES, BY GENDER AND CATEGORY	49	27	54	28	58	29
EXECUTIVE	6	0	7	0	9	0
SPECIALIST	10	18	13	17	16	20
TECHNICIAN	3	0	3	0	3	0
OTHER	30	9	31	11	30	9
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE	49	27	54	28	58	29
TOTAL NUMBER OF PERMANENT EMPLOYEES	6	6	6	6	11	7
TOTAL NUMBER OF TEMPORARY EMPLOYEES	43	21	48	22	47	22
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT	49	27	54	28	58	29
TOTAL NUMBER OF FULL-TIME EMPLOYEES	33	23	38	24	39	26
TOTAL NUMBER OF PART-TIME EMPLOYEES	16	4	16	4	19	3

Employee Indicators,
by age

	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
TOTAL NUMBER OF EMPLOYEES, BY AGE AND BY CATEGORY	14	58	4	12	63	7	14	64	9
EXECUTIVE	0	6	0	0	6	1	0	6	3
SPECIALIST	13	13	2	11	15	2	14	22	1
TECHNICIAN	0	3	0	0	3	0	0	3	0
OTHER	1	36	2	1	39	4	0	33	5

Ratio of salaries,
by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
ENTRY LEVEL SALARY	N/A	N/A	N/A	N/A	1300	1300
MINIMUM LOCAL SALARY	147	147	176	176	203	203
THE RATIO OF STANDARD ENTRY LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER	N/A	N/A	N/A	N/A	3.77	3.77
THE RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	N/A		N/A		1.00	

Senior management hired
from the local community

	2021	2022	2023
	50	N/A	0
PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY, %			
SENIOR MANAGEMENT HIRED, TOTAL	6	0	1

**Employee hires and turnover
Indicators, by gender**

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF NEW EMPLOYEE HIRES	12	9	8	5	11	6
TOTAL NUMBER OF EMPLOYEE TURNOVER	6	0	3	5	6	6
RATE OF EMPLOYEE TURNOVER, %	12.2	0.0	5.6	17.9	10.3	20.7

**Employee hires and turnover
Indicators, by age**

	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
TOTAL NUMBER OF NEW EMPLOYEE HIRES	6	14	1	5	7	1	3	12	2
TOTAL NUMBER OF EMPLOYEE TURNOVER	1	5	0	2	5	1	4	8	0
RATE OF EMPLOYEE TURNOVER, %	7.1	8.6	0	16.7	7.9	14.3	28.6	12.5	0

**Parental leave Indicators,
by gender**

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	49	27	54	28	58	29
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	1	0	1	2	1	1
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK IN THE REPORTING PERIOD AFTER PARENTAL LEAVE ENDED	1	0	1	0	1	2
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	1	0	1	0	1	2
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER	1	0	1	0	1	2
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	100	0	100	0	100	100
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	100	0	100	0	100	100

Talent Development

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY CATEGORY:	1,562.4	2,004.7	149.7	1,788.1	1,493.3	2,147.8 ²¹
TOP EXECUTIVE	136.9	0	19.8	0	9.4	0
SENIOR MANAGEMENT	598.3	855.2	91.7	852.0	460.6	1,237.9
MANAGEMENT	816.3	1,102.7	15.7	886.7	961.5	826.5
PROFESSIONAL	10.9	46.8	22.5	49.4	61.8	83.3
PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY CATEGORY:	100	100	100	100	100	100
TOP EXECUTIVE, %	100	100	100	100	100	100
SENIOR MANAGEMENT, %	100	100	100	100	100	100
MANAGEMENT, %	100	100	100	100	100	100
PROFESSIONAL, %	100	100	100	100	100	100

21 - The notable increase in training hours is related to the NEQSOL Academy, LIB, and Talent Management projects. These initiatives have played a significant role in providing opportunities for skill development and knowledge enhancement among our workforces.

Diversity of governance bodies,
by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY GENDER	5	0	6	0	7	0

Diversity of governance bodies,
by age

	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY AGE	0	5	0	0	6	0	0	5	2

Diversity of employees,
by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
NUMBER OF EMPLOYEES WITH DISABILITIES	2		3		3	

Non-Discrimination

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION	0		0		0	

Telecommunications

Health & Safety Training Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
NUMBER OF CONDUCTED OHS TRAINING	N/A	N/A	N/A
NUMBER OF EMPLOYEES WHO RECEIVED OHS TRAINING	1,074	986	996
PERCENTAGE OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	N/A	N/A
OHS TRAINING HOURS	2,148	1,972	1,992

Health & Safety Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
NUMBER OF FATALITIES	0	0	0
FATALITY RATE, %	0	0	0
NUMBER OF RECORDABLE INJURIES	0	1	0
INJURY FREQUENCY RATE (PER 200,000 HOURS WORKED), %	0	0.05	0
NUMBER OF LOST TIME INJURIES (LTI)	0	N/A	0
LTI FREQUENCY RATE (LTIFR) (PER 200,000 HOURS WORKED), %	0	N/A	0
NUMBER OF DAYS LOST DUE TO INJURY/ACCIDENT	0	N/A	0
LTI SEVERITY RATE (PER 200,000 HOURS WORKED), %	0	N/A	0
NUMBER OF FATALITIES AS A RESULT OF WORK-RELATED ILL HEALTH	0	N/A	0
NUMBER OF CASES OF RECORDABLE WORK-RELATED ILL HEALTH	0	N/A	0

Employee Indicators,
by gender

	Vodafone Ukraine Group					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES, BY GENDER AND CATEGORY	1,857	1,540	2,166	1,609	2,429	1,657
EXECUTIVE	7	6	8	4	9	5
OTHER	1,850	1,534	2,158	1,605	2,420	1,652
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE	1,857	1,540	2,166	1,609	2,429	1,657
TOTAL NUMBER OF PERMANENT EMPLOYEES	1,851	1,540	2,128	1,531	2,389	1,588
TOTAL NUMBER OF TEMPORARY EMPLOYEES	6	-	38	78	40	69
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT ²²	1,855	1,495	2,164	1,572	2,427	1,622
TOTAL NUMBER OF FULL-TIME EMPLOYEES	1,794	1,407	2,132	1,514	2,383	1,578
TOTAL NUMBER OF PART-TIME EMPLOYEES	61	88	32	58	44	44

22 - The total number of employees by type of employment in 2023 does not match the sum of employees by category, since the number of employees on parental leave includes employees who were on parental leave and were not replaced.

Employee Indicators,
by age

	Vodafone Ukraine Group								
	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
TOTAL NUMBER OF EMPLOYEES, BY AGE AND BY CATEGORY	1,015	2,054	328	921	2,298	556	905	2,464	717
EXECUTIVE	0	11	2	0	11	1	0	9	5
OTHER	1,015	2,043	326	921	2,287	555	905	2,455	712

	VF Ukraine PrJS						VF Retail LLC						ITSF LLC		
	2021		2022		2023		2021		2022		2023		2021		2022
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
	238.22		207.17		183.21		238.22		207.17		183.21		238.22		207.17
	1.90	1.90	1.84	1.84	2.14	2.14	2.00	2.00	2.00	2.00	2.00	2.00	2.00	5.70	5.70
MINIMUM LOCAL SALARY, USD	238.22		207.17		183.21		238.22		207.17		183.21		238.22		207.17
THE RATIO OF STANDARD ENTRY-LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER	1.90	1.90	1.84	1.84	2.14	2.14	2.00	2.00	2.00	2.00	2.00	2.00	2.00	5.70	5.70
THE RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	0.94		0.91		0.98		0.91		0.89		0.77		0.76		0.89

Senior management hired from local communities

	Vodafone Ukraine Group					
	2021		2022		2023	
	100		92		92	
	N/A		N/A		N/A	
PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY	100		92		92	
SENIOR MANAGEMENT HIRED	N/A		N/A		N/A	

Hires and Turnover, by gender

	VF Ukraine PrJS						VF Retail LLC						ITSF LLC		
	2021		2022		2023		2021		2022		2023		2021		2022
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
	7.6	8.7	7.5	12.3	9.1	13.4	30	21.2	16	20.1	42	38	15.5	1.7	6.2
	7.6	8.7	7.5	12.3	9.1	13.4	30	21.2	16	20.1	42	38	15.5	1.7	6.2
RATE OF EMPLOYEE TURNOVER, %	7.6	8.7	7.5	12.3	9.1	13.4	30	21.2	16	20.1	42	38	15.5	1.7	6.2

	ITSF LLC			Farlep-Invest PrJSC						Freenet LLC					
	2022		2023	2021		2022		2023		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	207.17	183.21	183.21	238.22	207.17	183.21	207.17	183.21	238.22	207.17	183.21	207.17	183.21	183.21	183.21
	6.41	6.41	6.65	N/A	N/A	1.19	1.19	1.52	1.52	N/A	N/A	N/A	N/A	1.19	1.19
MINIMUM LOCAL SALARY, USD	207.17	183.21	183.21	238.22	207.17	183.21	207.17	183.21	238.22	207.17	183.21	207.17	183.21	183.21	183.21
THE RATIO OF STANDARD ENTRY-LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER	6.41	6.41	6.65	N/A	N/A	1.19	1.19	1.52	1.52	N/A	N/A	N/A	N/A	1.19	1.19
THE RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	0.89	0.77		N/A	0.82	0.76			N/A	N/A				N/A	

Hires and Turnover, by gender

	Vodafone Ukraine Group ²³					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
	439	488	359	355	440	408
TOTAL NUMBER OF NEW EMPLOYEE HIRES	439	488	359	355	440	408
TOTAL NUMBER OF EMPLOYEE TURNOVER	601	512	382	527	449	518

Hires and Turnover, by gender

	ITSF LLC			Farlep-Invest PrJSC						Freenet LLC					
	2022		2023	2021		2022		2023		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	3.1	0	2.9	-	-	9.2	12.4	10.5	8.1	-	-	-	-	26	18
	3.1	0	2.9	-	-	9.2	12.4	10.5	8.1	-	-	-	-	26	18
RATE OF EMPLOYEE TURNOVER, %	3.1	0	2.9	-	-	9.2	12.4	10.5	8.1	-	-	-	-	26	18

Talent Development

	Vodafone Ukraine Group					
	2021		2022 ²³		2023 ²⁴	
	Male	Female	Male	Female	Male	Female
AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY CATEGORY	12.5	14.9	12.7	20.5	16.5	27.6
EXECUTIVE	7.9	14	3.9	0.0	38.9	30.8
OTHER	12.5	14.9	12.8	20.6	16.1	27.5
PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY CATEGORY	70.2	48.8	83.2	82.5	74.8	70.5
EXECUTIVE	63.6	85.7	100	100	69.2	71.4
OTHER	70.3	48.6	83.1	82.4	76.2	74.0

23 - Vodafone Ukraine Group disclosed consolidated information for the Company and its assets (VF Ukraine PrJS, VF Retail LLC, ITSF LLC, Farlep-Invest PrJSC, Freenet LLC) without the breakdown by companies.
24 - The indicators for 2022-2023 do not take into account the training of employees of VF Retail LLC, as this data was lost during a hacker attack.

Parental Leave Indicators,
by gender

	Vodafone Ukraine Group					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	84	144	64	115	38	68
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	0	114	0	94	1	34
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED, BY GENDER ²¹	46		36		38	
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	89		79		95	
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER ²⁵	5		38		28	
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	52		46		40	
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	13		83		85	

25 - Vodafone Ukraine Group disclosed consolidated information for the Company and its assets (VF Ukraine PrJS, VF Retail LLC, ITSF LLC, Farlep-Invest PrJSC, Freenet LLC) without the breakdown by companies for both genders in general.

**Health and Safety
Training Indicators**

	Azerconnect ²⁶			Bakcell		
	2021	2022	2023	2021	2022	N/A
NUMBER OF CONDUCTED OHS TRAINING	14	16	10	N/A	N/A	N/A
NUMBER OF EMPLOYEES WHO RECEIVED OHS TRAINING	1,483	1,953	309	197	248	N/A
PERCENTAGE OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	N/A	40	N/A	N/A	N/A
OHS TRAINING HOURS	N/A	N/A	1,137	60	60	N/A

26 - Health and Safety training indicators of Azerconnect includes Azertelecom.



Employee Indicators,
by gender

	Azerconnect						Bakcell		
	2021		2022		2023		2021		2022
	Male	Female	Male	Female	Male	Female	Male	Female	Male
TOTAL NUMBER OF EMPLOYEES, BY GENDER AND CATEGORY	935	449	1,097	499	1,136	563	92	92	105
EXECUTIVE	164	62	176	60	147	62	23	7	11
SPECIALIST	463	272	558	320	633	349	68	83	76
TECHNICIAN	0	0	0	0	0	0	0	0	0
OTHER	308	115	363	119	356	152	1	2	1
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE	935	449	1,097	499	1,136	563	92	92	105
TOTAL NUMBER OF PERMANENT EMPLOYEES	935	449	1097	499	1,136	563	92	92	105
TOTAL NUMBER OF TEMPORARY EMPLOYEES	0	0	0	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT	935	449	1097	499	1,136	563	92	92	105
TOTAL NUMBER OF FULL-TIME EMPLOYEES	933	448	1093	496	1,125	555	88	92	99
TOTAL NUMBER OF PART-TIME EMPLOYEES	2	1	4	3	11	8	4	0	6

Employee Indicators,
by gender

	Bakcell			AzerTelecom					
	2022		2023	2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES, BY GENDER AND CATEGORY	95	75	74	2	2	2	2	1	2
EXECUTIVE	7	11	1	2	1	2	1	1	1
SPECIALIST	86	63	71	0	0	0	0	0	0
TECHNICIAN	0	0	0	0	0	0	0	0	0
OTHER	2	1	2	0	1	0	1	0	1
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE	95	75	74	2	2	2	1	1	2
TOTAL NUMBER OF PERMANENT EMPLOYEES	95	75	74	2	2	2	1	1	2
TOTAL NUMBER OF TEMPORARY EMPLOYEES	0	0	0	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT	95	75	74	2	2	2	1	1	2
TOTAL NUMBER OF FULL-TIME EMPLOYEES	95	71	74	2	2	2	1	1	2
TOTAL NUMBER OF PART-TIME EMPLOYEES	0	4	0	0	0	0	0	0	0

Employee Indicators,
by age

	Azerconnect									Bakcell				
	2021			2022			2023			2021			2022	
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50
	344	947	93	452	1,033	111	476	1095	128	43	138	3	54	143
EXECUTIVE	13	189	24	12	200	24	13	178	18	2	27	1	5	30
SPECIALIST	134	555	46	211	610	57	189	436	36	41	109	1	48	112
TECHNICIAN	0	0	0	0	0	0	99	350	59	0	0	0	0	0
OTHER	197	203	23	229	223	30	175	131	15	0	2	1	1	1

Ratio of salaries,
by gender

	Azerconnect						Bakcell		
	2021		2022		2023		2021		2022
	Male	Female	Male	Female	Male	Female	Male	Female	Male
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ENTRY LEVEL SALARY, USD									
MINIMUM LOCAL SALARY, USD	147		176		203		147		176

Employee Indicators,
by age

	Bakcell				AzerTelecom								
	2022	2023			2021			2022			2023		
	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	3	36	106	7	1	3	0	0	4	0	0	3	0
EXECUTIVE	0	2	9	1	0	3	0	0	3	0	0	2	0
SPECIALIST	2	34	95	5	0	0	0	0	0	0	0	0	0
TECHNICIAN	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	1	0	2	1	1	0	0	0	1	0	0	1	0

Ratio of salaries,
by gender

	Bakcell			AzerTelecom					
	2022	2023		2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ENTRY LEVEL SALARY, USD									
MINIMUM LOCAL SALARY, USD	176	203		147		176		203	

Senior management hired
from the local community

	Azerconnect			Bakcell	
	2021	2022	2023	2021	2022
	100	100	75	100	100
PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY					
SENIOR MANAGEMENT HIRED	N/A	N/A	N/A	N/A	N/A

Senior management hired
from the local community

	Bakcell		Azerconnect		
	2022	2023	2021	2022	2023
	100	100	N/A	N/A	N/A
PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY					
SENIOR MANAGEMENT HIRED	N/A	N/A	N/A	N/A	N/A

Hires and Turnover,
by gender

	Azerconnect						Bakcell		
	2021		2022		2023		2021		2022
	Male	Female	Male	Female	Male	Female	Male	Female	Male
TOTAL NUMBER OF NEW EMPLOYEE HIRES	285	97	331	112	266	142	18	17	33
TOTAL NUMBER OF EMPLOYEE TURNOVER	128	73	169	62	227	78	29	17	20
RATE OF EMPLOYEE TURNOVER, %	14	16	15	12	20	14	32	18	19

Hires and Turnover,
by gender

	Bakcell			Azerconnect					
	2022		2023	2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF NEW EMPLOYEE HIRES	15	9	5	0	1	0	0	0	0
TOTAL NUMBER OF EMPLOYEE TURNOVER	12	39	26	1	1	0	0	1	0
RATE OF EMPLOYEE TURNOVER, %	13	52	35	50	50	0	0	100	0

Hires and Turnover,
by age

	Azerconnect									Bakcell				
	2021			2022			2023			2021			2022	
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50
TOTAL NUMBER OF NEW EMPLOYEE HIRES	189	174	19	279	156	8	255	151	2	16	19	0	26	22
TOTAL NUMBER OF EMPLOYEE TURNOVER	92	98	11	127	100	4	162	135	8	11	34	1	8	23
RATE OF EMPLOYEE TURNOVER, %	26,7	10,3	11,8	28,1	9,7	3,6	34,0	12,3	6,3	25,6	24,6	33,3	14,8	16,1

Hires and Turnover,
by age

	Bakcell				AzerTelecom								
	2022		2023		2021			2022			2023		
	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
TOTAL NUMBER OF NEW EMPLOYEE HIRES	0	9	4	1	1	0	0	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEE TURNOVER	1	19	45	1	1	1	0	0	0	0	0	1	0
RATE OF EMPLOYEE TURNOVER, %	33,3	52,8	42,5	14,3	100	33,3	0	0	0	0	0	33,3	0

Talent Development

	Azerconnect						Bakcell					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY CATEGORY	0	0	43,400	27,587	0	0	0	0	0	0	0	0
EXECUTIVE	0	0	9,800	6,287	0	0	0	0	0	0	0	0
SPECIALIST	0	0	33,350	21,300	0	0	0	0	0	0	0	0
TECHNICIAN	0	0	-	-	0	0	0	0	0	0	0	0
OTHER	0	0	250	2	0	0	0	0	0	0	0	0
PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY CATEGORY	0	0	0	0	0	0	0	0	0	0	0	0
EXECUTIVE	0	0	0	0	0	0	0	0	0	0	0	0
SPECIALIST	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	0	0	0	0	0	0	0	0	0	0	0	0



Parental leave Indicators,
by gender

	Azerconnect						Bakcell		
	2021		2022		2023		2021		2022
	Male	Female	Male	Female	Male	Female	Male	Female	Male
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	935	449	1,097	499	1,136	563	92	92	105
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	0	25	0	28	0	20	0	6	0
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED, BY GENDER	0	20	0	29	0	22	0	3	0
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	-	-	0	36	0	36	0	5	0
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER	-	-	0	4	0	1	0	0	0
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	0	0	0	81	0	61.1	0	60	0
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	0	0	0	11	0	2.8	0	0	0

Parental leave Indicators,
by gender

	Bakcell			AzerTelecom					
	2022		2023	2021		2022		2023	
	Female	Male	Female	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	95	75	74	2	2	2	2	1	2
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	5	0	4	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED, BY GENDER	5	0	2	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	4	0	4	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER	0	0	0	0	0	0	0	0	0
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	125	0	50	0	0	0	0	0	0
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	0	0	0	0	0	0	0	0	0

Energy²⁷

Health and Safety Training Indicators

	Nobel Energy Group		
	2021	2022	2023
NUMBER OF CONDUCTED OHS TRAINING	N/A	N/A	N/A
NUMBER OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	N/A	N/A
PERCENTAGE OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	N/A	N/A
OHS TRAINING HOURS ²⁸	78,324	52,699	21,408

27 - The data of all the Health and Safety related indicators includes the assets of Nobel Energy — SOCAR AQS, Prokon, Glensol, SDL, and OGP.
28 - The decrease in Health & Safety training hours correlates with a decrease in operational hours and workforce size.

Health and Safety Indicators

	Nobel Energy Group		
	2021	2022	2023
NUMBER OF HOURS WORKED ²⁹	8,629,483	6,102,211	2,721,882
NUMBER OF FATALITIES	0	0	0
FATALITY RATE, %	0.0	0.0	0.0
NUMBER OF RECORDABLE INJURIES	8	5	5
INJURY FREQUENCY RATE (PER 200,000 HOURS WORKED), %	0.19	0.16	0.37
NUMBER OF LOST TIME INJURIES (LTI)	3	0	1
LTI FREQUENCY RATE (LTIFR) (PER 200,000 HOURS WORKED), %	0.07	0	0.07
NUMBER OF DAYS LOST DUE TO INJURY/ACCIDENT	106	0	32
LTI SEVERITY RATE (PER 200,000 HOURS WORKED), %	2.46	0	2.35
NUMBER OF FATALITIES AS A RESULT OF WORK-RELATED ILL HEALTH	N/A	N/A	N/A
NUMBER OF CASES OF RECORDABLE WORK-RELATED ILL HEALTH	N/A	N/A	N/A

29 - The decrease in hours worked aligns with a reduction in employee numbers due to restructuring in Prokon company.

Employee Indicators,
by gender

	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES, BY GENDER AND CATEGORY	49	17	51	23	46	24	815	90	807	69	698	51
EXECUTIVE	5	0	4	0	6	0	1	0	1	0	1	0
SENIOR MANAGEMENT	11	1	10	1	10	1	10	2	10	2	11	3
SPECIALIST	19	10	18	15	17	16	166	63	160	48	97	27
TECHNICIAN	0	0	0	0	0	0	223	0	207	0	224	0
OTHER	14	6	19	7	13	7	415	25	429	19	365	21
TOTAL NUMBER OF PERMANENT EMPLOYEES BY GENDER	49	17	51	22	46	24	191	15	259	17	419	19
TOTAL NUMBER OF TEMPORARY EMPLOYEES, BY GENDER	0	0	0	1	0	0	638	61	548	52	278	33
TOTAL NUMBER OF FULL-TIME EMPLOYEES, BY GENDER	44	17	46	23	43	23	828	76	807	69	697	52
TOTAL NUMBER OF PART-TIME EMPLOYEES, BY GENDER	5	0	5	0	3	1	1	0	0	0	0	0

Employee Indicators,
by gender

	Prokon						GlenSol					
	2021		2022		2023 ³⁰		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES, BY GENDER AND CATEGORY	1001	647	1073	50	123	18	125	33	155	36	185	46
EXECUTIVE	2	0	1	0	1		1	0	1	0	1	0
SENIOR MANAGEMENT	12	4	11	4	0	0	9	2	9	2	14	2
SPECIALIST	247	25	278	19	69	4	88	29	114	30	137	39
TECHNICIAN	663	24	698	16	0	0	13	0	9	0	10	0
OTHER	77	11	85	11	53	14	14	2	22	4	23	5
TOTAL NUMBER OF PERMANENT EMPLOYEES BY GENDER	7	3	22	3	23	1	123	33	154	35	185	45
TOTAL NUMBER OF TEMPORARY EMPLOYEES, BY GENDER	0	0	1,051	47	100	17	2	0	0	1	0	1
TOTAL NUMBER OF FULL-TIME EMPLOYEES, BY GENDER	989	61	1,073	50	121	18	122	30	145	32	183	43
TOTAL NUMBER OF PART-TIME EMPLOYEES, BY GENDER	0	0	0	0	2	0	3	3	9	4	2	3

30 - The sharp difference in number of employees in 2023 is primarily due to the demobilization process undertaken by Prokon company.

Employee Indicators,
by age

	Nobel Energy									SOCAR AQS								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	25	37	4	21	46	7	19	43	8	136	570	199	132	555	189	105	479	165
	0	5	0	0	4	0	0	6	0	0	1	0	0	1	0	0	1	
EXECUTIVE																		
SENIOR MANAGEMENT	0	10	2	0	10	1	0	9	2	0	10	2	0	10	2	0	11	3
SPECIALIST	18	10	1	13	16	4	14	14	4	51	144	34	47	133	28	45	69	10
TECHNICIAN	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	30	131	62	29	123	55	19	140	65
OTHER	7	12	1	8	16	2	5	14	2	55	284	101	56	288	104	41	258	87

Employee Indicators,
by age

	Prokon									Glensol								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	243	689	117	211	756	156	14	92	17	34	99	25	32	127	31	52	145	33
	0	1	0	0	1	0	0	1	0	0	1	0	0	1	0	0	0	1
EXECUTIVE																		
SENIOR MANAGEMENT	0	12	3	0	12	3	0	0	0	0	10	1	1	8	2	1	9	4
SPECIALIST	33	189	50	56	198	43	9	57	4	30	75	12	36	96	11	42	121	14
TECHNICIAN	153	402	131	145	456	113	5	34	13	2	5	6	2	3	4	3	3	4
OTHER	12	54	23	22	51	23	0	0	0	4	5	7	7	12	7	6	12	11

Ratio of salaries,
by gender

	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	353	353	353	353	353	353	353	353	353	353	353	353
	147	147	176	176	203	203	147	147	176	176	203	203
ENTRY LEVEL SALARY, USD												
MINIMUM LOCAL SALARY, USD												
THE RATIO OF STANDARD ENTRY-LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER	2.4	2.4	2	2	1.02	1.02	2.4	2.4	2	2	3.43	2.6
THE RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	1	1	1	1	1	1	1	1	1	1	1	1

Ratio of salaries,
by gender

	Prokon						Glensol					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	294	294	294	294	294	294	294	294	294	294	294	294
	147	147	176	176	203	203	147	147	176	176	203	203
ENTRY LEVEL SALARY, USD												
MINIMUM LOCAL SALARY, USD												
THE RATIO OF STANDARD ENTRY-LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER	1.02	1.02	1.67	1.67	1.44	1.44	1.02	1.02	1.67	1.67	1.44	1.44
THE RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	1	1	1	1	1	1	1	1	1	1	1	1

Senior Management hired
from the local community

PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	58.33		72.70		63.64		88		91.70		100	

Senior Management hired
from the local community

PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY	Prokon						Glensol					
	2021		2022		2023		2021		2022		2023	
	80		80		100		1		91.70		94	

Hires and Turnover,
by gender

TOTAL NUMBER OF NEW EMPLOYEE HIRES	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	15	11	11	8	6	8	45	14	49	13	56	9
TOTAL NUMBER OF EMPLOYEE TURNOVER	9	8	10	1	10	8	187	32	68	19	173	27
	18	47	20	4	22	33	23	36	8	28	25	53

Hires and Turnover,
by gender

TOTAL NUMBER OF NEW EMPLOYEE HIRES	Prokon						Glensol					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	667	29	1,595	13	21	3	43	21	56	9	43	12
TOTAL NUMBER OF EMPLOYEE TURNOVER	779	49	1,515	20	971	35	22	6	29	6	18	2
	78	77	141	40	154	6	18	18	19	17	10	4

Hires and Turnover,
by age

TOTAL NUMBER OF NEW EMPLOYEE HIRES	Nobel Energy									SOCAR AQS								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	14	12	0	9	7	3	6	7	1	17	32	10	36	17	6	16	40	9
TOTAL NUMBER OF EMPLOYEE TURNOVER	6	10	1	4	5	2	6	8	4	24	134	61	31	45	11	47	114	39

Hires and Turnover,
by age

TOTAL NUMBER OF NEW EMPLOYEE HIRES	Prokon									Glensol								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	191	436	69	577	854	177	4	16	4	24	35	5	20	39	6	25	27	3
TOTAL NUMBER OF EMPLOYEE TURNOVER	242	523	63	356	924	255	294	578	134	8	18	2	13	15	7	5	15	

Parental leave Indicators,
by gender

	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	0	17	0	23	0	24	0	74	0	53	0	52
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	0	1	0	1	0	1	0	10	0	8	0	7
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED, BY GENDER	N/A	0	N/A	1	0	1	0	3	0	1	0	5
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	N/A	1	N/A	0	0	0	0	5	0	3	0	4
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER	N/A	1	N/A	1	0	0	0	3	0	1	0	0
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	N/A	0	N/A	0	0	0	0	60	0	33.3	0	125
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	N/A	100	N/A	100	N/A	100	N/A	80	N/A	75	N/A	86

Parental leave Indicators,
by gender

	Prokon						Glensol					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	N/A	60	N/A	50	N/A	18	0	33	0	36	0	46
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	N/A	2	N/A	2	N/A	1	0	4	0	1	0	2
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED, BY GENDER	N/A	0	N/A	0	N/A	0	0	3	0	1	0	1
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	N/A	0	N/A	0	N/A	0	0	3	0	1	0	1
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER	N/A	0	N/A	0	N/A	0	0	3	0	1	0	2
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	N/A	0	N/A	0	N/A	0	0	100	0	100	0	100
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	N/A	100	N/A	100	N/A	100	N/A	100	N/A	100	N/A	86

Minimum notice periods

A MINIMUM NUMBER OF WEEKS' NOTICE IS TYPICALLY PROVIDED TO EMPLOYEES AND THEIR REPRESENTATIVES PRIOR TO THE IMPLEMENTATION OF SIGNIFICANT OPERATIONAL CHANGES THAT COULD SUBSTANTIALLY AFFECT THEM	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	4		4		4		4		4		4	

Minimum notice periods

A MINIMUM NUMBER OF WEEKS' NOTICE IS TYPICALLY PROVIDED TO EMPLOYEES AND THEIR REPRESENTATIVES PRIOR TO THE IMPLEMENTATION OF SIGNIFICANT OPERATIONAL CHANGES THAT COULD SUBSTANTIALLY AFFECT THEM	Prokon						Glensol					
	2021		2022		2023		2021		2022		2023	
	4		4		4		4		4		4	

Training hours, by gender

AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY CATEGORY	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
EXECUTIVE	15	0	9	0	13	0	34	0	10	0	0	0
SENIOR MANAGEMENT	13	60	30	200	9	15	39	28	16	32	6	14
SPECIALIST	11	11	47	30	24	16	6	2	5	3	2	3
TECHNICIAN	0	0	0	0	0	0	4	0	3	0	3	0
OTHER	0	0	18	21	15	17	4	0	3	0	3	0
PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PER AND CAREER DEVELOPMENT REVIEW, BY CATEGORY	25	20	31	14	32	11	0	0	63	3	0	0
EXECUTIVE	0	0	0	0	0	0	0	0	0	0	0	0
SPECIALIST	15	12	16	10	22	8	0	0	11	2	0	0
OTHER	10	8	16	4	10	3	0	0	52	1	0	0

Training hours, by gender

AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY CATEGORY	Prokon						Glensol					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
EXECUTIVE	0	0	0	0	0	0	545	0	0	0	0	0
SENIOR MANAGEMENT	0	0	0	0	0	0	0	0	19	0	0	145
SPECIALIST	0	0	0	0	0	0	14	1	6	12	18	29
TECHNICIAN	0	0	0	0	0	0	55	0	75	0	60	0
OTHER	0	0	0	0	0	0	0	99	0	0	0	0
PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PER AND CAREER DEVELOPMENT REVIEW, BY CATEGORY	3	0	1	1	0	0	27	7	41	11	54	11
EXECUTIVE	0	0	0	0	0	0	0	0	0	0	0	0
SPECIALIST	2	0	0	0	0	0	24	7	35	10	34	9
OTHER	1	0	1	0	0	0	3	0	6	1	20	2

Diversity of governance bodies,
by gender

	Nobel Energy						SOCAR AQS					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	TOTAL NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY GENDER											
	5	0	4	0	6	0	1	0	1	0	1	0
NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, INCLUDING	0	0	0	0	0	0	0	0	0	0	0	0
WITH DISABILITIES	0	0	0	0	0	0	0	0	0	0	0	0
INTERNALLY DISPLACED	0	0	0	0	0	0	0	0	0	0	0	0
OTHER (PLEASE SPECIFY)	0	0	0	0	0	0	0	0	0	0	0	0

Diversity of governance bodies,
by age

	Nobel Energy									SOCAR AQS								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY AGE																	
	0	5	0	0	4	0	0	6	0	0	1	0	0	1	0	0	1	0
NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, INCLUDING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WITH DISABILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERNALLY DISPLACED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER (PLEASE SPECIFY)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Diversity of governance bodies,
by gender

	Prokon						Glensol					
	2021		2022		2023		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
	TOTAL NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY GENDER											
	1	0	1	0	1	0	1	0	1	0	1	0
NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, INCLUDING	0	0	0	0	0	0	0	0	0	0	0	0
WITH DISABILITIES	0	0	0	0	0	0	0	0	0	0	0	0
INTERNALLY DISPLACED	0	0	0	0	0	0	0	0	0	0	0	0
OTHER (PLEASE SPECIFY)	0	0	0	0	0	0	0	0	0	0	0	0

Diversity of governance bodies,
by age

	Prokon									Glensol								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY AGE																	
	N/A	1	N/A	N/A	1	N/A	N/A	1		0	1	0	0	1	0	0	1	0
NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, INCLUDING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WITH DISABILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERNALLY DISPLACED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER (PLEASE SPECIFY)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Diversity of employees,
by age

	Nobel Energy									SOCAR AQS								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NUMBER OF EMPLOYEES, INCLUDING																		
WITH DISABILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERNALLY DISPLACED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER (PLEASE SPECIFY)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Non-Discrimination

	Nobel Energy			SOCAR AQS		
	2021	2022	2023	2021	2022	2023
TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION	0	0	0	0	0	0

Security Practices

	Nobel Energy			SOCAR AQS		
	2021	2022	2023	2021	2022	2023
PERCENTAGE OF SECURITY PERSONNEL WHO HAVE RECEIVED FORMAL TRAINING IN THE HUMAN RIGHTS POLICIES OR SPECIFIC PROCEDURES AND THEIR APPLICATION TO SECURITY	N/A	N/A	N/A	N/A	N/A	N/A

Diversity of employees,
by age

	Prokon									Glensol								
	2021			2022			2023			2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NUMBER OF EMPLOYEES, INCLUDING																		
WITH DISABILITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTERNALLY DISPLACED	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER (PLEASE SPECIFY)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Non-Discrimination

	Prokon			Glensol		
	2021	2022	2023	2021	2022	2023
TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION	0	0	0	0	0	0

Security Practices

	Prokon			Glensol		
	2021	2022	2023	2021	2022	2023
PERCENTAGE OF SECURITY PERSONNEL WHO HAVE RECEIVED FORMAL TRAINING IN THE HUMAN RIGHTS POLICIES OR SPECIFIC PROCEDURES AND THEIR APPLICATION TO SECURITY	100%	100%	100%	N/A	N/A	N/A

Health & Safety Training Indicators

	Nobel Upstream			Contractors of Nobel Upstream		
	2021	2022	2023	2021	2022	2023
NUMBER OF CONDUCTED OHS TRAININGS	0	0	0	0	0	0
NUMBER OF EMPLOYEES WHO RECEIVED OHS TRAINING	0	0	0	0	0	0
PERCENTAGE OF EMPLOYEES WHO RECEIVED OHS TRAINING	0	0	0	0	0	0
OHS TRAINING HOURS	0	0	0	0	0	0

Health & Safety Training Indicators

	Nobel Upstream			Contractors of Nobel Upstream		
	2021	2022	2023	2021	2022	2023
NUMBER OF HOURS WORKED	N/A	N/A	N/A	N/A	N/A	N/A
NUMBER OF FATALITIES	0	0	0	0	0	0
FATALITY RATE	0	0	0	0	0	0
NUMBER OF RECORDABLE INJURIES	0	0	0	0	0	0
INJURY FREQUENCY RATE (PER 200,000 HOURS WORKED)	0	0	0	0	0	0
NUMBER OF LOST TIME INJURIES (LTI)	0	0	0	0	0	0
LTI FREQUENCY RATE (LTIFR) (PER 200,000 HOURS WORKED)	0	0	0	0	0	0
NUMBER OF DAYS LOST DUE TO INJURY/ACCIDENT	0	0	0	0	0	0
LTI SEVERITY RATE (PER 200,000 HOURS WORKED)	0	0	0	0	0	0
NUMBER OF FATALITIES AS A RESULT OF WORK-RELATED ILL HEALTH	0	0	0	0	0	0
NUMBER OF CASES OF RECORDABLE WORK-RELATED ILL HEALTH	0	0	0	0	0	0

Employee Indicators, by age

	Nobel Upstream								
	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
TOTAL NUMBER OF EMPLOYEES, BY AGE AND BY CATEGORY	0	4	7	0	5	7	0	5	8
EXECUTIVE	0	1	1	0	1	1	0	1	1
SPECIALIST	0	2	5	0	2	5	0	2	5
TECHNICIAN	0	0	0	0	1	0	0	1	1
OTHER	0	1	1	0	1	1	0	1	1

Ratio of salaries, by gender

	Nobel Upstream					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
ENTRY LEVEL SALARY, USD	N/A	N/A	N/A	N/A	N/A	N/A
MINIMUM LOCAL SALARY, USD	N/A	N/A	N/A	N/A	N/A	N/A
THE RATIO OF STANDARD ENTRY LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER	N/A	N/A	N/A	N/A	N/A	N/A
THE RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	N/A		N/A		N/A	
AVERAGE BASIC SALARY	N/A		N/A		N/A	

**Employee hires and turnover
Indicators,by gender**

	Nobel Upstream					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF NEW EMPLOYEE HIRES	0	0	1	0	1	0
TOTAL NUMBER OF EMPLOYEE TURNOVER	0	0	0	0	0	0
RATE OF EMPLOYEE TURNOVER, %	0	0	0	0	0	0

**Senior management hired
from the local community**

	Nobel Upstream					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY, %	0		0		0	
SENIOR MANAGEMENT HIRED, TOTAL	0		0		0	

Training hours, by gender

	Nobel Upstream					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY CATEGORY	N/A	N/A	N/A	N/A	N/A	N/A
PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY CATEGORY	N/A	N/A	N/A	N/A	N/A	N/A

Parental leave Indicators, by gender

	Nobel Upstream					
	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK IN THE REPORTING PERIOD AFTER PARENTAL LEAVE ENDED	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	0	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER	0	0	0	0	0	0
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	0	0	0	0	0	0
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	0	0	0	0	0	0

Construction materials

Health and Safety Training Indicators

	2021	2022	2023
NUMBER OF CONDUCTED OHS TRAINING	N/A	N/A	371
NUMBER OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	N/A	226
PERCENTAGE OF EMPLOYEES WHO RECEIVED OHS TRAINING	N/A	N/A	77.93
OHS TRAINING HOURS	N/A	N/A	1,458

Health and Safety Indicators

	2021	2022	2023
NUMBER OF HOURS WORKED, DIRECT EMPLOYEES	491,627	489,893	491,627
NUMBER OF FATALITIES, DIRECT EMPLOYEES AND CONTRACTORS	0	0	1
NUMBER OF RECORDABLE INJURIES	3	1	0
INJURY FREQUENCY RATE (PER 200,000 HOURS WORKED)	1	0	0

Employee Indicators, by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES, BY GENDER AND CATEGORY	264	28	265	28	259	30
EXECUTIVE	22	1	21	1	21	1
SPECIALIST	54	17	55	16	61	22
TECHNICIAN	27	4	29	6	22	3
OTHER	161	6	160	5	155	4
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE	264	28	265	28	259	30
TOTAL NUMBER OF PERMANENT EMPLOYEES	219	21	214	18	211	15
TOTAL NUMBER OF TEMPORARY EMPLOYEES	45	7	51	10	48	15
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT	264	28	265	28	259	30
TOTAL NUMBER OF FULL-TIME EMPLOYEES CONTRACT	260	28	261	28	257	30
TOTAL NUMBER OF PART-TIME EMPLOYEES	4	0	4	0	2	0

Employee Indicators,
by age

	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
TOTAL NUMBER OF EMPLOYEES, BY AGE AND BY CATEGORY	61	217	14	35	246	12	39	241	9
EXECUTIVE	0	18	5	0	19	3	0	19	3
SPECIALIST	13	55	3	8	60	3	24	57	3
TECHNICIAN	8	22	1	9	24	2	8	17	1
OTHER	40	122	5	18	143	4	7	148	2
PERCENTAGE OF EMPLOYEES, %	21	74	5	12	84	4	13	82	3
NUMBER OF HIRES	9	9	1	9	8	0	17	4	0
NUMBER OF DISMISSALS	2	18	0	5	10	2	5	21	1

Ratio of salaries,
by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
ENTRY LEVEL SALARY, USD	446	446	541	541	566	566
MINIMUM LOCAL SALARY, USD	147	147	176	176	203	203
THE RATIO OF STANDARD ENTRY-LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE, BY GENDER	3.03	3.03	3.06	3.06	2.79	2.79
THE RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN	1.00		1.00		1.00	

Senior management hired
from the local community

	2021	2022	2023
PERCENTAGE OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY	1	0	0
SENIOR MANAGEMENT HIRED, TOTAL	1	0	1

Employee hires and turnover
Indicators, by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
NUMBER OF EMPLOYEES DISMISSED	15	5	1	1	1	0
NUMBER OF EMPLOYEES WHO LEFT VOLUNTARILY	15	4	10	6	22	4
TOTAL NUMBER OF NEW EMPLOYEE HIRES	16	3	11	6	15	6
TOTAL NUMBER OF EMPLOYEE TURNOVER	30	9	11	7	23	4
RATE OF EMPLOYEE TURNOVER, %	11	32	4	25	9	13

Employee hires and turnover
Indicators, by age

	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
TOTAL NUMBER OF NEW EMPLOYEE HIRES	7	4	1	8	5	0	17	4	0
TOTAL NUMBER OF EMPLOYEE TURNOVER	4	16	0	7	10	2	5	21	1

Parental leave Indicators,
by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF EMPLOYEES THAT WERE ENTITLED TO PARENTAL LEAVE, BY GENDER	0	2	0	3	0	2
TOTAL NUMBER OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER	0	2	0	3	0	2
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK IN THE REPORTING PERIOD AFTER PARENTAL LEAVE ENDED	0	1	0	1	0	2
TOTAL NUMBER OF EMPLOYEES DUE TO RETURN TO WORK AFTER TAKING PARENTAL LEAVE, BY GENDER	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL NUMBER OF EMPLOYEES THAT RETURNED TO WORK AFTER PARENTAL LEAVE ENDED THAT WERE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN TO WORK, BY GENDER	0	0	0	0	1	1
RETURN TO WORK RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	N/A	N/A	N/A	N/A	N/A	N/A
RETENTION RATE OF EMPLOYEES THAT TOOK PARENTAL LEAVE, BY GENDER, %	N/A	N/A	N/A	N/A	N/A	1

Training hours, by gender

	2021		2022		2023 ³¹	
	Male	Female	Male	Female	Male	Female
AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES, BY CATEGORY	4,985	398	10,371	782	5,031	661
TOP EXECUTIVE	4.5	0	98	0	98	0
SENIOR MANAGEMENT	2	17	254	48	64	35
MANAGEMENT	45	0	321	0	721	0
PROFESSIONAL	4,933	381	9,698	734	4,148	626
PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PER AND CAREER DEVELOPMENT REVIEW, BY CATEGORY	100%	100%	100%	100%	100%	100%
TOP EXECUTIVE	100%	100%	100%	100%	100%	100%
SENIOR MANAGEMENT	100%	100%	100%	100%	100%	100%
MANAGEMENT	100%	100%	100%	100%	100%	100%
PROFESSIONAL	100%	100%	100%	100%	100%	100%

Diversity of governance bodies,
by gender

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
TOTAL NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY GENDER	6	1	6	1	6	1

31 - The decrease in training hours is due to the expiry of certain mandatory trainings that required completion in 2022.

Diversity of governance bodies,
by age

	2021			2022			2023		
	Under 30	30-50	Over 50	Under 30	30-50	Over 50	Under 30	30-50	Over 50
NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY AGE	0	5	2	0	5	2	0	5	2

Diversity of governance bodies,
by age

	2021	2022	2023
NUMBER OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY AGE	4	4	5

Non-Discrimination

	2021	2022	2023
TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION	0	0	0



Governance

NEQSOL Azerbaijan³²

Economic Indicators, USD

	2021	2022	2023
CAPITAL INVESTMENT	-	-	-
TOTAL ASSETS	2,908,148	2,759,939	-
TOTAL CAPITALIZATION	2,158,729	2,079,095	-
TOTAL REVENUES	1,382,103	1,267,523	-
ECONOMIC VALUE DISTRIBUTED	-	-	-
OPERATING EXPENSES	(7,256)	(16,354)	-
EMPLOYEE WAGES AND BENEFITS	-	-	-
PAYMENTS TO THE STATE BUDGET, INCLUDING	-	-	-
INCOME TAX	(55,456)	(30,886)	-
PROPERTY TAX	-	-	-

Economic Indicators, USD

	2021	2022	2023
WITHHOLDING TAX	-	-	-
LAND TAX	-	-	-
SSPF CHARGES	-	-	-
INTEREST PAYMENTS	-	-	-
COMMUNITY INVESTMENTS, INCLUDING CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	-	-	-
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	-	-	-
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	-	-	-
OTHER EXPENSES	-	-	-
ECONOMIC VALUE RETAINED	-	-	-

32 - The 2023 data has not been disclosed as the Holding's financial audit is still in progress.

Anti-Corruption Indicators

	2021	2022	2023
TOTAL NUMBER OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	100	100	100
EXECUTIVE	20	20	20
SPECIALIST	80	80	80
TECHNICIAN	N/A	N/A	N/A
OTHER	N/A	N/A	N/A
PERCENTAGE OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	100	100	100
EXECUTIVE	100	100	100
SPECIALIST	100	100	100
TECHNICIAN	N/A	N/A	N/A
OTHER	-	-	-

Anti-Corruption Indicators

	2021	2022	2023
TOTAL NUMBER OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	500	500	500
TOTAL NUMBER OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION, BY CATEGORY	100	100	100
EXECUTIVE	20	20	20
SPECIALIST	80	80	80
TECHNICIAN	N/A	N/A	N/A
OTHER	N/A	N/A	N/A

Supply Chain Indicators

	2021	2022	2023
TOTAL NUMBER OF SUPPLIERS	111	79	149
TOTAL NUMBER OF LOCAL SUPPLIERS	104	48	106
TOTAL NUMBER OF FOREIGN SUPPLIERS	7	31	43
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:			
LOCAL SUPPLIERS, %	94	61	71
FOREIGN SUPPLIERS, %	6	39	29
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % FROM TOTAL BUDGET	92	64	78

Telecommunications

Economic Indicators, USD

	Vodafone Ukraine Group		
	2021	2022	2023
CAPITAL INVESTMENT, THOUSANDS	128,346	110,860	154,946
TOTAL ASSETS	1,338,210	1,113,382	884,754
TOTAL CAPITALIZATION	583,331	465,223	230,299
TOTAL REVENUES, THOUSANDS	738,350	612,463	590,850
ECONOMIC VALUE DISTRIBUTED, THOUSAND	597,916	578,469	452,151
OPERATING EXPENSES, THOUSAND	442,203	333,085	295,015
EMPLOYEE WAGES AND BENEFITS, THOUSAND	79,148	78,065	74,664
PAYMENTS TO THE STATE BUDGET, INCLUDING	208,046	51,950	110,349
INCOME TAX, INCLUDING:			
CURRENT INCOME TAX CHARGE	27,549	8,145	21,676
WITHHOLDING TAX CHARGE	1,468	1,279	1,308

Economic Indicators, USD

	Vodafone Ukraine Group		
	2021	2022	2023
DEFERRED TAX CHARGE	6,007	1,092	490
RADIOFREQUENCY USAGE TAX	33,084	30,431	28,153
SOCIAL CONTRIBUTIONS	7,193	6,630	6,008
TAXES OTHER THAN INCOME TAX	5,169	3,560	2,723
INTEREST PAYMENTS (PAYMENTS TO CAPITAL OWNERS), THOUSAND	127,575	813	49,991
COMMUNITY INVESTMENTS, INCLUDING			
CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	174	3,261	1,330
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	N/A	N/A	N/A
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	N/A	N/A	N/A
OTHER EXPENSES (NOT SPECIFIED), THOUSANDS	76,622	168,162	93,660
ECONOMIC VALUE RETAINED, THOUSANDS	140,541	34,166	137,832

Governance Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
TOTAL AMOUNT OF MONETARY LOSSES AS A RESULT OF LEGAL PROCEEDINGS ASSOCIATED WITH ANTI-COMPETITIVE BEHAVIOR REGULATIONS (USD)	0	0	0
TOTAL NUMBER OF SIGNIFICANT INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS, INCLUDING	1	0	1
INSTANCES FOR WHICH FINES WERE INCURRED	1	0	1
INSTANCES FOR WHICH NON-MONETARY SANCTIONS WERE INCURRED	0	0	0
THE TOTAL MONETARY VALUE OF FINES FOR INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS THAT WERE PAID DURING THE REPORTING PERIOD (USD)	0	55,457.97	1,859.19
NUMBER OF LEGAL ACTIONS PENDING REGARDING ANTI-COMPETITIVE BEHAVIOR AND VIOLATIONS OF ANTI-TRUST AND MONOPOLY LEGISLATION	0	0	0
NUMBER OF LEGAL ACTIONS COMPLETED DURING THE REPORTING PERIOD REGARDING ANTI-COMPETITIVE BEHAVIOR AND VIOLATIONS OF ANTI-TRUST AND MONOPOLY LEGISLATION	0	0	0

Governance Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
TOTAL NUMBER OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR HUMAN RIGHTS IMPACT ASSESSMENTS	N/A	N/A	N/A
PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR HUMAN RIGHTS IMPACT ASSESSMENTS	0	0	0
A TOTAL NUMBER OF COMPLAINTS REGARDING DATA PRIVACY RECEIVED FROM:	0	0	0
THIRD PARTIES	0	0	0
REGULATORY BODIES	0	0	0
TOTAL NUMBER OF IDENTIFIED LEAKS, THEFTS, OR LOSSES OF CUSTOMER DATA	0	0	0

Anti-Corruption Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	7	7	7
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	100	100	100
TOTAL NUMBER OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY ³³	769	658	1,089
EXECUTIVE	N/A	N/A	N/A
OTHER	N/A	N/A	N/A
PERCENTAGE OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	41	37	47
EXECUTIVE	N/A	N/A	N/A
OTHER	N/A	N/A	N/A

33 - Vodafone Ukraine disclosed that all top managers have been briefed on anti-corruption policies and procedures. No other information was provided.

Anti-Corruption Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
TOTAL NUMBER OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	238	190	212
PERCENTAGE OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	1	1	1
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	0	0	0
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION, BY CATEGORY	769	658	1,089
TECHNICIAN	N/A	N/A	N/A
OTHER	N/A	N/A	N/A
PERCENTAGE OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	41	37	47
TECHNICIAN	N/A	N/A	N/A
OTHER	N/A	N/A	N/A

Supply Chain Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
TOTAL NUMBER OF SUPPLIERS	401	543	1031
TOTAL NUMBER OF LOCAL SUPPLIERS	366	512	996
TOTAL NUMBER OF FOREIGN SUPPLIERS	35	31	35
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:			
LOCAL SUPPLIERS, %	91.27	94.29	96.61
FOREIGN SUPPLIERS, %	8.73	5.71	3.39
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % FROM TOTAL BUDGET	61	66	74
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	100	100	100
NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS	N/A	N/A	N/A
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	100	100	100
NUMBER OF SUPPLIERS ASSESSED FOR SOCIAL IMPACT	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS	N/A	N/A	N/A

Supply Chain Indicators

	Vodafone Ukraine Group		
	2021	2022	2023
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:			
LOCAL SUPPLIERS, %	91.27	94.29	96.61
FOREIGN SUPPLIERS, %	8.73	5.71	3.39
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % FROM TOTAL BUDGET	61	66	74
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	100	100	100
NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS	N/A	N/A	N/A
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	100	100	100
NUMBER OF SUPPLIERS ASSESSED FOR SOCIAL IMPACT	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS	N/A	N/A	N/A

Economic Indicators, USD

	Azerconnect			Bakcell	
	2021	2022	2023	2021	2022
CAPITAL INVESTMENT	N/A	N/A	N/A	N/A	N/A
TOTAL ASSETS	N/A	N/A	N/A	N/A	N/A
TOTAL CAPITALIZATION	N/A	N/A	N/A	N/A	N/A
TOTAL REVENUES	121,915	153,202	173,458	165,952	176,451
ECONOMIC VALUE DISTRIBUTED	28,444	29,988	35,591	22,630	29,046
OPERATING EXPENSES	N/A	N/A	N/A	N/A	N/A
EMPLOYEE WAGES AND BENEFITS	N/A	N/A	N/A	N/A	N/A
PAYMENTS TO THE STATE BUDGET, INCLUDING	28,444	29,988	35,591	22,630	29,046
INCOME TAX	N/A	N/A	N/A	N/A	N/A
PROPERTY TAX	N/A	N/A	N/A	N/A	N/A

Economic Indicators, USD

	Bakcell		AzerTelecom		
	2022	2023	2021	2022	2023
CAPITAL INVESTMENT	N/A	N/A	N/A	N/A	N/A
TOTAL ASSETS	N/A	N/A	N/A	N/A	N/A
TOTAL CAPITALIZATION	N/A	N/A	N/A	N/A	N/A
TOTAL REVENUES	176,451	192,834	13,329	15,377	192,834
ECONOMIC VALUE DISTRIBUTED	29,046	15,701	2,193	1,633	15,701
OPERATING EXPENSES	N/A	N/A	N/A	N/A	N/A
EMPLOYEE WAGES AND BENEFITS	N/A	N/A	N/A	N/A	N/A
PAYMENTS TO THE STATE BUDGET, INCLUDING	29,046	15,701	2,193	1,633	15,701
INCOME TAX	N/A	N/A	N/A	N/A	N/A
PROPERTY TAX	N/A	N/A	N/A	N/A	N/A

Economic Indicators, USD³⁴

	Bakcell		
	2021	2022	2023
CAPITAL INVESTMENT	N/A	N/A	N/A
TOTAL ASSETS	N/A	N/A	N/A
TOTAL CAPITALIZATION	N/A	N/A	N/A
TOTAL REVENUES	165,952	176,451	192,834
ECONOMIC VALUE DISTRIBUTED	22,630	29,046	15,701
OPERATING EXPENSES	N/A	N/A	N/A
EMPLOYEE WAGES AND BENEFITS	N/A	N/A	N/A
PAYMENTS TO THE STATE BUDGET, INCLUDING	22,630	29,046	15,701
INCOME TAX	N/A	N/A	N/A
PROPERTY TAX	N/A	N/A	N/A
WITHHOLDING TAX	N/A	N/A	N/A
LAND TAX	N/A	N/A	N/A
SSPF CHARGES	N/A	N/A	N/A
INTEREST PAYMENTS	N/A	N/A	N/A
COMMUNITY INVESTMENTS, INCLUDING	0	0	0
CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	0	0	0
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	0	0	0
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	0	0	0
OTHER EXPENSES	N/A	N/A	N/A
ECONOMIC VALUE RETAINED	143,322	147,405	177,132

Economic Indicators, USD³⁴

	AzerTelecom		
	2021	2022	2023
CAPITAL INVESTMENT	N/A	N/A	N/A
TOTAL ASSETS	N/A	N/A	N/A
TOTAL CAPITALIZATION	N/A	N/A	N/A
TOTAL REVENUES	13,329	15,377	192,834
ECONOMIC VALUE DISTRIBUTED	2,193	1,633	15,701
OPERATING EXPENSES	N/A	N/A	N/A
EMPLOYEE WAGES AND BENEFITS	N/A	N/A	N/A
PAYMENTS TO THE STATE BUDGET, INCLUDING	2,193	1,633	15,701
INCOME TAX	N/A	N/A	N/A
PROPERTY TAX	N/A	N/A	N/A
WITHHOLDING TAX	N/A	N/A	N/A
LAND TAX	N/A	N/A	N/A
SSPF CHARGES	N/A	N/A	N/A
INTEREST PAYMENTS	N/A	N/A	N/A
COMMUNITY INVESTMENTS, INCLUDING	0	0	0
CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	0	0	0
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	0	0	0
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	0	0	0
OTHER EXPENSES	N/A	N/A	N/A
ECONOMIC VALUE RETAINED	11,136	13,743	16,019

Anti-corruption Indicators³⁵

	Azerconnect			Bakcell		
	2021	2022	2023	2021	2022	2023
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	100	100	100	100	100	100
TOTAL NUMBER OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	N/A	1,596	1,699	205	200	149
EXECUTIVE	N/A	6	10	0	2	1
SPECIALIST	N/A	907	1,181	138	179	144
TECHNICIAN	N/A	N/A	N/A	N/A	N/A	N/A
OTHER	N/A	683	508	67	19	3
PERCENTAGE OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	100	100	100	100	100	100
EXECUTIVE	100	100	100	100	100	100
SPECIALIST	100	100	100	100	100	100
TECHNICIAN	100	100	100	100	100	100
OTHER	100	100	100	100	100	100
PERCENTAGE OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	100	100	100	100	100	100

34 - Azerconnect's data is excluded from the chart due to confidentiality.
35 - The anti-corruption indicators of Azertelecom are included in Azerconnect's metrics.



Supply Chain Indicators

	Azerconnect			Bakcell	
	2021	2022	2023	2021	2022
TOTAL NUMBER OF SUPPLIERS	303	376	411	171	190
TOTAL NUMBER OF LOCAL SUPPLIERS	250	311	337	150	165
TOTAL NUMBER OF FOREIGN SUPPLIERS	53	66	74	21	25
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:					
LOCAL SUPPLIERS, %	83	83	82	88	87
FOREIGN SUPPLIERS, %	17	18	18	12	13
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % FROM TOTAL BUDGET	68	68	73	95	92

Supply Chain Indicators

	Bakcell		AzerTelecom		
	2022	2023	2021	2022	2023
TOTAL NUMBER OF SUPPLIERS	190	209	0	0	99
TOTAL NUMBER OF LOCAL SUPPLIERS	165	189	0	0	64
TOTAL NUMBER OF FOREIGN SUPPLIERS	25	20	0	0	35
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:					
LOCAL SUPPLIERS, %	87	90	0	0	65
FOREIGN SUPPLIERS, %	13	10	0	0	35
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % FROM TOTAL BUDGETL	92	97	0	0	35

Supply Chain Indicators

	Azerconnect			Bakcell	
	2021	2022	2023	2021	2022
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS	N/A	N/A	N/A	N/A	N/A
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS ASSESSED FOR SOCIAL IMPACTS	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS	N/A	N/A	N/A	N/A	N/A

Supply Chain Indicators

	Bakcell		AzerTelecom		
	2022	2023	2021	2022	2023
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS	N/A	N/A	N/A	N/A	N/A
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS ASSESSED FOR SOCIAL IMPACTS	N/A	N/A	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS	N/A	N/A	N/A	N/A	N/A

Energy

Economic Indicators, USD

	Nobel Energy			SOCAR AQS		
	2021	2022	2023	2021	2022	2023
CAPITAL INVESTMENT	1,142	26,460	42,924	0,599	4,607	478,632
TOTAL ASSETS	4,522	4,436	10,915	309,842	254,298	257,770
TOTAL CAPITALIZATION	1,212	0,876	3,253	100,516	107,023	81,449
TOTAL REVENUES	4,399	7,005	8,268	90,197	52,745	55,884
ECONOMIC VALUE DISTRIBUTED	5,279	8,214	1,061	92,145	62,719	35,783
OPERATING EXPENSES	4,538	7,028	114,072	78,768	58,188	31,703
EMPLOYEE WAGES AND BENEFITS	2,619	3,873	2,879	16,888	18,825	16,401
PAYMENTS TO THE STATE BUDGET, INCLUDING	0,741	1,187	0,947	13,373	4,521	4,034
INCOME TAX	25,872	92,316	92,316	8,537	0	0
PROPERTY TAX	1,764	3,528	2,940	0,659	493,332	449,232
WITHHOLDING TAX	1,176	26,460	36,456	380,436	104,664	91,728

Economic Indicators, USD

	Prokon			Glensol		
	2021	2022	2023	2021	2022	2023
CAPITAL INVESTMENT	1,844	0,719	49,980	445,704	323,988	249,900
TOTAL ASSETS	75,828	64,163	28,143	49,860	65,111	109,667
TOTAL CAPITALIZATION	9,792	9,214	15,791	18,571	13,622	39,962
TOTAL REVENUES	105,392	59,479	19,182	29,544	37,152	64,988
ECONOMIC VALUE DISTRIBUTED	87,482	55,695	6,650	18,306	24,444	34,344
OPERATING EXPENSES	83,949	52,370	5,301	16,603	22,103	30,744
EMPLOYEE WAGES AND BENEFITS	17,204	15,294	6,330	4,460	6,311	9,463
PAYMENTS TO THE STATE BUDGET, INCLUDING	3,335	3,325	1,349	1,702	2,341	3,600
INCOME TAX	32,340	28,812	17,640	0,683	0,997	1,493
PROPERTY TAX	62,328	60,564	60,564	11,760	12,348	12,348
WITHHOLDING TAX	366,324	71,736	117,600	77,616	35,280	119,952

Economic Indicators, USD

	Nobel Energy			SOCAR AQS		
	2021	2022	2023	2021	2022	2023
LAND TAX	0	0	0	0	0	0
SSPF CHARGES	0,711	1,064	0,816	3,703	3,890	3,490
INTEREST PAYMENTS	0	0	0	93,492	33,516	4,116
COMMUNITY INVESTMENTS, INCLUDING	0	0	0	4,116	9,996	22,932
CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	0	0	0	0	62,719	0
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	0	0	0	0	0	0
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	0	0	0	4,116	9,996	0
OTHER EXPENSES	0	0	0	0	0	22,932
ECONOMIC VALUE RETAINED	-0,880	-1,209	7,207	-1,948	-9,974	20,100

Economic Indicators, USD

	Prokon			Glensol		
	2021	2022	2023	2021	2022	2023
LAND TAX	1,764	1,764	1,764	0	0	0
SSPF CHARGES	2,764	3,042	1,108	0,930	1,297	1,936
INTEREST PAYMENTS	108,192	119,952	43,512	0	0	38,808
COMMUNITY INVESTMENTS, INCLUDING	197,568	0	0	0	0	0
CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	0	0	0	0	0	0
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	197,568	0	0	0	0	0
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	0	0	0	0	0	0
OTHER EXPENSES	0	0	0	0	0	0
ECONOMIC VALUE RETAINED	17,910	3,784	12,532	11,238	12,708	30,643

Anti-corruption Indicators

	Nobel Energy			SOCAR AQS		
	2021	2022	2023	2021	2022	2023
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	N/A	73	61	N/A	870	104
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	100	100	100	100	100	20
PERCENTAGE OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	100	100	100	100	100	100
EXECUTIVE	N/A	N/A	N/A	N/A	N/A	N/A
SPECIALIST	N/A	N/A	N/A	N/A	N/A	N/A
TECHNICIAN	N/A	N/A	N/A	N/A	N/A	N/A
OTHER	N/A	N/A	N/A	N/A	N/A	N/A

Anti-corruption Indicators

	Prokon			Glensol		
	2021	2022	2023	2021	2022	2023
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	N/A	1116	58	N/A	247	107
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	100	100	100	100	100	50
PERCENTAGE OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	100	100	100	100	100	100
EXECUTIVE	N/A	N/A	N/A	N/A	N/A	N/A
SPECIALIST	N/A	N/A	N/A	N/A	N/A	N/A
TECHNICIAN	N/A	N/A	N/A	N/A	N/A	N/A
OTHER	N/A	N/A	N/A	N/A	N/A	N/A

Anti-corruption Indicators

	Nobel Energy			SOCAR AQS		
	2021	2022	2023	2021	2022	2023
TOTAL NUMBER OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	6	69	65	3	115	83
PERCENTAGE OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	100	100	100	100	100	100
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	N/A	73	61	N/A	870	104
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	100	100	100	100	100	100
PERCENTAGE OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	100	100	100	100	100	100
EXECUTIVE	N/A	N/A	N/A	N/A	N/A	N/A
SPECIALIST	N/A	N/A	N/A	N/A	N/A	N/A
TECHNICIAN	N/A	N/A	N/A	N/A	N/A	N/A
OTHER	N/A	N/A	N/A	N/A	N/A	N/A

Anti-corruption Indicators

	Prokon			Glensol		
	2021	2022	2023	2021	2022	2023
TOTAL NUMBER OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	11	347	158	31	303	258
PERCENTAGE OF BUSINESS PARTNERS (E.G. SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	100	100	100	100	100	100
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	N/A	1116	58	N/A	247	107
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	100	100	100	100	100	100
PERCENTAGE OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	100	100	100	100	100	100
EXECUTIVE	N/A	N/A	N/A	N/A	N/A	N/A
SPECIALIST	N/A	N/A	N/A	N/A	N/A	N/A
TECHNICIAN	N/A	N/A	N/A	N/A	N/A	N/A
OTHER	N/A	N/A	N/A	N/A	N/A	N/A

Supply Chain Indicators³⁶

	Nobel Energy Group		
	2021	2022	2023
TOTAL NUMBER OF SUPPLIERS	775	692	613
TOTAL NUMBER OF LOCAL SUPPLIERS	682	543	463
TOTAL NUMBER OF FOREIGN SUPPLIERS	93	149	150
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:			
LOCAL SUPPLIERS, %	88	78	76
FOREIGN SUPPLIERS, %	12	22	24
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % FROM TOTAL BUDGET	79	68	73
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	N/A	N/A	N/A
NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS	N/A	N/A	N/A
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	N/A	N/A	N/A
NUMBER OF SUPPLIERS ASSESSED FOR SOCIAL IMPACTS	N/A	N/A	N/A
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS	N/A	N/A	N/A

36 - Supply Chain indicators include the three assets of Nobel Energy — SOCAR AQS, Prokon and Glensol.



Economic Indicators, USD

	Nobel Upstream		
	2021	2022	2023
CAPITAL INVESTMENT	31,635	52,041	46,082
TOTAL ASSETS	797,781	898,026	948,160
TOTAL CAPITALIZATION	728,436	814,791	870,143
TOTAL REVENUES	56,916	100,583	72,405
ECONOMIC VALUE DISTRIBUTED	35,833	54,226	57,437
OPERATING EXPENSES	35,583	53,950	53,777
EMPLOYEE WAGES AND BENEFITS	2,117	2,652	1,865
PAYMENTS TO THE STATE BUDGET, INCLUDING	250	276	3,660
INCOME TAX	0	0	3,520
PROPERTY TAX	0	0	0

Economic Indicators, USD

	Nobel Upstream		
	2021	2022	2023
WITHHOLDING TAX	0	0	0
LAND TAX	0	0	0
SSPF CHARGES	250	276	140
INTEREST PAYMENTS	0	0	0
COMMUNITY INVESTMENTS, INCLUDING	0	0	0
CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	0	0	0
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	0	0	0
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	0	0	0
OTHER EXPENSES	0	0	0
ECONOMIC VALUE RETAINED	21,083	46,357	14,968

Governance Indicators

	Nobel Upstream		
	2021	2022	2023
TOTAL NUMBER OF SIGNIFICANT INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS, INCLUDING	0	0	0
INSTANCES FOR WHICH FINES WERE INCURRED	0	0	0
INSTANCES FOR WHICH NON-MONETARY SANCTIONS WERE INCURRED	0	0	0
TOTAL MONETARY VALUE OF FINES FOR INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS THAT WERE PAID DURING THE REPORTING PERIOD (USD)	0	0	0

Governance Indicators

	Nobel Upstream		
	2021	2022	2023
NUMBER OF LEGAL ACTIONS PENDING REGARDING ANTI-COMPETITIVE BEHAVIOR AND VIOLATIONS OF ANTI-TRUST AND MONOPOLY LEGISLATION	0	0	0
NUMBER OF LEGAL ACTIONS COMPLETED DURING THE REPORTING PERIOD REGARDING ANTI-COMPETITIVE BEHAVIOR AND VIOLATIONS OF ANTI-TRUST AND MONOPOLY LEGISLATION	0	0	0
TOTAL NUMBER OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR HUMAN RIGHTS IMPACT ASSESSMENTS	0	0	0
PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR HUMAN RIGHTS IMPACT ASSESSMENTS	0	0	0
TOTAL NUMBER OF COMPLAINTS REGARDING DATA PRIVACY RECEIVED FROM:	0	0	0
I. THIRD PARTIES	0	0	0
II. REGULATORY BODIES	0	0	0
III. TOTAL NUMBER OF IDENTIFIED LEAKS, THEFTS, OR LOSSES OF CUSTOMER DATA	0	0	0

Governance Indicators

	Nobel Upstream		
	2021	2022	2023
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	0	0	0
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	0	0	0
EXECUTIVE	0	0	0
SPECIALIST	0	0	0
TECHNICIAN	0	0	0
OTHER	0	0	0
PERCENTAGE OF EMPLOYEES THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO, BY CATEGORY	0	0	0
EXECUTIVE	N/A	N/A	N/A
SPECIALIST	N/A	N/A	N/A
TECHNICIAN	N/A	N/A	N/A
OTHER	N/A	N/A	N/A

Governance Indicators

	Nobel Upstream		
	2021	2022	2023
TOTAL NUMBER OF BUSINESS PARTNERS (E.G., SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	N/A	N/A	N/A
PERCENTAGE OF BUSINESS PARTNERS (E.G., SUPPLIERS) THAT THE ORGANIZATION'S ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED TO	N/A	N/A	N/A
TOTAL NUMBER OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	0	0	0
PERCENTAGE OF GOVERNANCE BODY MEMBERS THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION, BY CATEGORY	0	0	0
TOTAL NUMBER OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION, BY CATEGORY	0	0	0
EXECUTIVE	0	0	0
SPECIALIST	0	0	0
TECHNICIAN	0	0	0
OTHER	0	0	0
PERCENTAGE OF EMPLOYEES THAT HAVE RECEIVED TRAINING ON ANTI-CORRUPTION	0	0	0
EXECUTIVE	0	0	0
SPECIALIST	0	0	0
TECHNICIAN	0	0	0
OTHER	0	0	0

Supply Chain Indicators

	Nobel Upstream		
	2021	2022	2023
TOTAL NUMBER OF SUPPLIERS	551	586	784
TOTAL NUMBER OF LOCAL SUPPLIERS	386	428	573
TOTAL NUMBER OF FOREIGN SUPPLIERS	165	158	211
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:			
LOCAL SUPPLIERS, %	70	73	73
FOREIGN SUPPLIERS, %	30	27	27
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % OF TOTAL BUDGET	85	85	88
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	N/A	N/A	5
NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS	N/A	N/A	9
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS	N/A	N/A	0
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	N/A	N/A	0
NUMBER OF SUPPLIERS ASSESSED FOR SOCIAL IMPACTS	N/A	N/A	0
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS	N/A	N/A	0

Construction materials

Economic Indicators, USD

	2021	2022	2023
CAPITAL INVESTMENT	-	-	-
TOTAL ASSETS	79,195	106,458	194,331
TOTAL CAPITALIZATION	103,397	106,458	194,331
TOTAL REVENUES	59,075	70,453	132,934
ECONOMIC VALUE DISTRIBUTED	49,257	56,795	101,971
OPERATING EXPENSES	42,578	50,019	93,141
EMPLOYEE WAGES AND BENEFITS	6,243	6,704	12,894
PAYMENTS TO THE STATE BUDGET, INCLUDING	2,377	5,240	10,747
INCOME TAX	2,817	3,990	8,422
PROPERTY TAX	435	352	583

Economic Indicators, USD

	Nobel Upstream		
	2021	2022	2023
WITHHOLDING TAX	44	66	152
LAND TAX	82	128	218
SSPF CHARGES	664	703	1,372
INTEREST PAYMENTS	-	-	-
COMMUNITY INVESTMENTS, INCLUDING	1,927	978	1,248
CONTRIBUTIONS TO CHARITIES, NGOS, AND RESEARCH INSTITUTES (UNRELATED TO THE ORGANIZATION'S COMMERCIAL RESEARCH AND DEVELOPMENT)	1,927	978	1,248
FUNDS TO SUPPORT COMMUNITY INFRASTRUCTURE, SUCH AS RECREATIONAL FACILITIES	-	-	-
DIRECT COSTS OF SOCIAL PROGRAMS, INCLUDING ARTS AND EDUCATIONAL EVENTS	-	-	-
OTHER EXPENSES	710	559	-3,165
ECONOMIC VALUE RETAINED	9,818	13,657	30,963

Governance Indicators

	2021	2022	2023
TOTAL AMOUNT OF MONETARY LOSSES AS A RESULT OF LEGAL PROCEEDINGS ASSOCIATED WITH ANTI-COMPETITIVE BEHAVIOR REGULATIONS (USD)	N/A	N/A	0
TOTAL NUMBER OF SIGNIFICANT INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS, INCLUDING	0	0	3
INSTANCES FOR WHICH FINES WERE INCURRED	N/A	N/A	3
INSTANCES FOR WHICH NON-MONETARY SANCTIONS WERE INCURRED	N/A	N/A	0
THE TOTAL MONETARY VALUE OF FINES FOR INSTANCES OF NON-COMPLIANCE WITH LAWS AND REGULATIONS THAT WERE PAID DURING THE REPORTING PERIOD (USD)	N/A	N/A	726

Supply Chain Indicators

	2021	2022	2023
TOTAL NUMBER OF SUPPLIERS	551	586	784
TOTAL NUMBER OF LOCAL SUPPLIERS	386	428	573
TOTAL NUMBER OF FOREIGN SUPPLIERS	165	158	211
PROPORTION OF SUPPLIERS BY LOCATION, % FROM TOTAL:			
LOCAL SUPPLIERS, %	70	73	73
FOREIGN SUPPLIERS, %	30	27	27
SHARE OF THE PROCUREMENT BUDGET THAT IS SPENT ON LOCAL SUPPLIERS/CONTRACTORS, % FROM TOTAL BUDGET	85	85	88
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	N/A	N/A	5
NUMBER OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS	N/A	N/A	9
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS	N/A	N/A	0
PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	N/A	N/A	0
NUMBER OF SUPPLIERS ASSESSED FOR SOCIAL IMPACTS	N/A	N/A	0
NUMBER OF SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS	N/A	N/A	0

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