

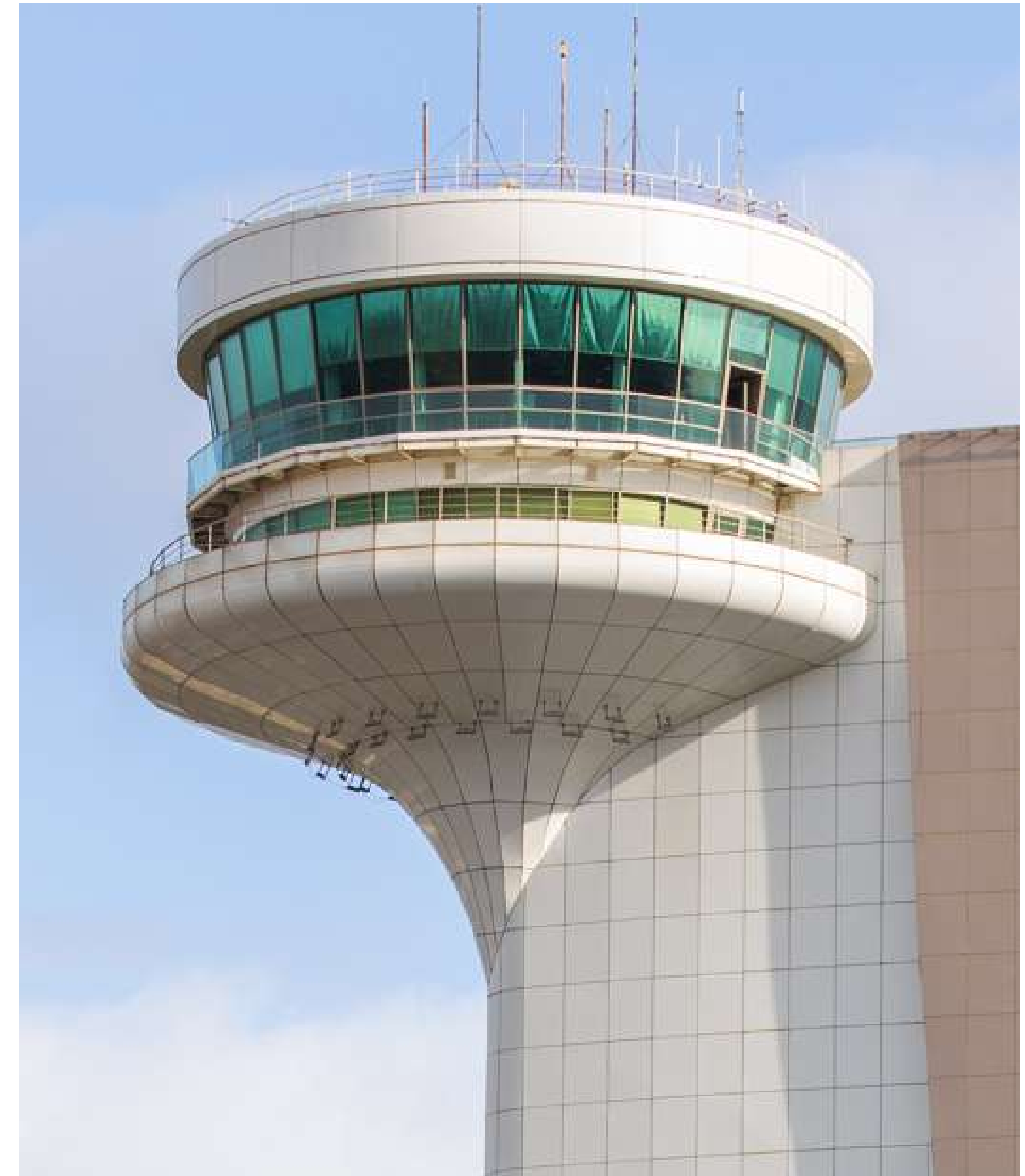


SUSTAINABILITY REPORT 2024



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ABBREVIATIONS AND ACRONYMS

ADS-B	Automatic Dependent Surveillance–Broadcast	DFS	Deutsche Flugsicherung	NAS	National Airspace Strategy
AI	Artificial Intelligence	EASA	European Union Aviation Safety Agency	NATS	National Air Traffic Services Provider of UK
ANSP	Air Navigation Service Provider	EMP	Environmental Management Plan	NDC	Nationally Determined Contribution
ASEC	Airspace Supervision & Efficiency Center	EPM	Enterprise Performance Management	NGFW	Next-Generation Firewall
ATC	Air Traffic Control	ESG	Environmental, Social, and Governance	NSP	Navigation Service Provider
ATM	Air Traffic Management	EUROCONTROL	European Organization for the Safety of Air Navigation	OHS	Occupational Health and Safety
ATS	Air Traffic Services	FIR	Flight Information Region	PAM	Privileged Access Management
AWOS	Automated Weather Observing System	FIS	Flight Information Service	PBN	Performance-Based Navigation
AZAL	Azerbaijan Airlines	FRMS	Fatigue Risk Management System	PDCA	Plan–Do–Check–Act
AZANS	Azerbaijan Air Navigation Services	GAIN	Green Aviation Insights platform	PPE	Personal Protective Equipment
CAAM	Civil Aviation Authority of Malaysia	GDPR	General Data Protection Regulation	PSS	Passenger Service System
CAPAN	Capacity Analysis	GHG	Greenhouse Gas	RBAC	Role-Based Access Control
CAPEX	Capital Expenditures	GJ	Gigajoule	RNAV	Area Navigation
CANSO	Civil Air Navigation Services Organization	GRI	Global Reporting Initiative	RNP	Required Navigation Performance
CCO	Continuous Climb Operations	HSE / HSEQ	Health, Safety, Environment / + Quality	SDG	Sustainable Development Goal
CDA / CDO	Continuous Descent Approach / Continuous Descent Operations	HR	Human Resources	SMS	Safety Management System
CIS	Commonwealth of Independent States	HVAC	Heating, Ventilation, and Air Conditioning	SRM	Safety Risk Management
CJSC	Closed Joint-Stock Company	IATA	International Air Transport Association	SITA	Société Internationale de Télécommunications Aéronautiques
CO₂	Carbon Dioxide	ICAO	International Civil Aviation Organization	UN	United Nations
COBIT	Control Objectives for Information and Related Technologies	IEC	International Electrotechnical Commission	UNEC	Azerbaijan State University of Economics
COP	Conference of the Parties	IP	Internet Protocol	VIP	Very Important Person
COP29	29th United Nations Climate Change Conference	IPCC	Intergovernmental Panel on Climate Change	VVIP	Very Very Important Person
CPDLC	Controller–Pilot Data Link Communications	IRENA	International Renewable Energy Agency	XSIAM	Extended Security Intelligence and Automation Management (Cortex)
CSR	Corporate Social Responsibility	ISACA	Information Systems Audit and Control Association		
D-ATIS /	Digital Automatic Terminal Information Service /	ISMS	Information Security Management System		
D-VOLMET	Digital VOLMET	ISO	International Organization for Standardization		
DCL	Departure Clearance	LED	Light-Emitting Diode		
DCT	Direct Routing	MFA	Multi-Factor Authentication		

LETTER FROM AZAL PRESIDENT

Dear Stakeholders,

In 2024, Azerbaijan Air Navigation Services (AZANS) demonstrated not only the resilience of its systems but also its capacity for transformation, innovation, and leadership in global aviation. Amid rising geopolitical tensions and unprecedented air traffic growth, AZANS upheld the highest standards of operational safety, environmental stewardship, and technological advancement, securing its position as a trusted and forward-looking air navigation service provider.

AZANS reached a historic milestone in 2024, managing over 309,000 flights. This remarkable growth underscores Azerbaijan's strategic importance as a vital transit hub between Europe and Asia, and AZANS' proven ability to manage increasingly complex airspace demands with precision and agility. Our reputation as a reliable partner was further elevated when we proudly hosted the CANSO Global ATM Summit and 28th Annual General Meeting, one

of the first CANSO Global events held around the world, and the first in the CIS region, bringing together more than 400 aviation leaders from over 100 countries to Baku.

We recognize that operational excellence must go hand in hand with environmental and social responsibility. That is why we remain committed to the United Nations Sustainable Development Goals. Whether through smarter air traffic flows, inclusive talent development, or international cooperation, we are proud to contribute to a more sustainable, equitable, and connected future. This year also marked a leap forward in our digital and environmental transformation. We became an active member of the CANSO Green ATM and GAIN initiatives, further embedding sustainability into the core of our operations. We reduced total carbon emissions by 2.6%, and improved emissions intensity per flight by 27% in comparison to the previous year, all while managing record-breaking flight volumes. Internally, we continued investing in people, the heart of our success. We expanded

our workforce with a focus on youth and gender diversity, launched 127 training programs, and almost doubled training hours year-over-year.

From a financial standpoint, AZANS posted a 36% increase in total revenue, driven by airspace capacity expansion, improved asset utilization, and prudent financial management. We reinvested a significant share of our earnings into modernization projects and capacity-building, ensuring that our growth translates into long-term value for Azerbaijan and the broader region.

We will continue modernizing our infrastructure with cutting-edge surveillance, performance-based navigation, and energy-efficient systems. Guided by our Environmental Management Plan 2025–2030, we aim to reduce aviation-related environmental impacts by enhancing flight efficiency and reducing fuel burn. Specifically, we target a 10% improvement in operational efficiency, measured by metrics such as reduced emissions per flight, optimized routing, and minimized holding times, by 2028.

These outcomes will be supported by advanced airspace design, regional coordination, and implementation of performance-based navigation. Through its engagement in SOCEA, the Regional Air Navigation Safety Coordination Platform, AZANS contributes to shaping a common approach to aviation safety across Europe and Central Asia. The platform unites ANSPs to synchronize air traffic flows, design and apply regional safety strategies, and strengthen collaboration in air navigation, ensuring smoother and safer implementation of ATM initiatives in the region. To our employees, partners, regulators, and the flying public: thank you for your trust, collaboration, and support. Together, we are not just navigating the skies - we are shaping the future of aviation in Azerbaijan and beyond.

Sincerely,
Samir Rzayev
President of "Azerbaijan
Airlines" CJSC



REPORT OVERVIEW



01



REPORT OVERVIEW

AZANS, the national provider of air navigation services in Azerbaijan and hereinafter referred to as “the Organization,” is pleased to share its 2024 Sustainability Report.

It reflects the Organization’s commitment to responsible air navigation services and continuous improvement.

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Developed in line with established reporting standards and informed by stakeholder input, the Report supports transparency and provides a structured view of AZANS’ sustainability journey.

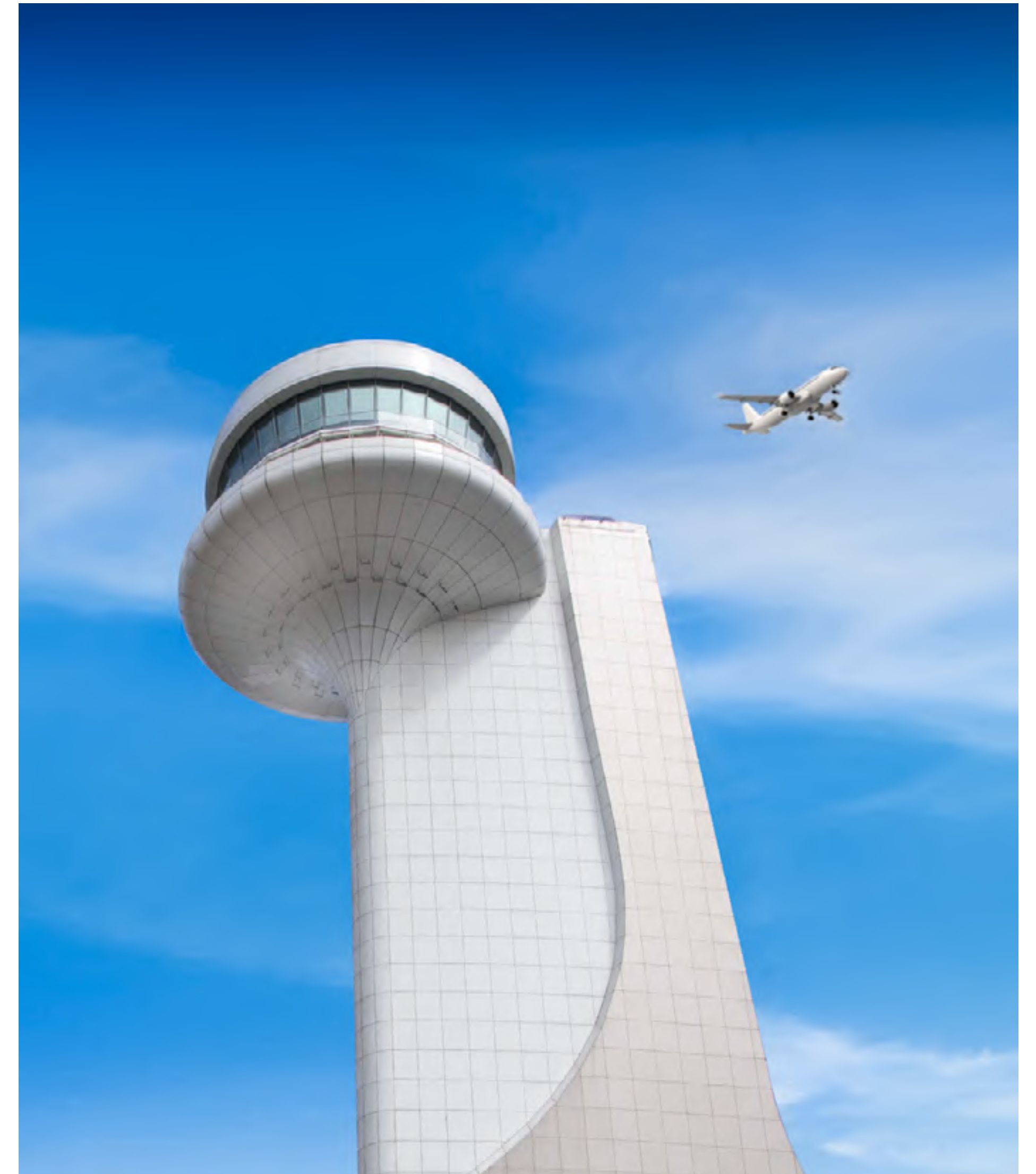
To enhance credibility, the Report follows best practices in data collection,

SCOPE AND METHODOLOGY	
About the Report	The Sustainability Report provides an overview of AZANS’ operational and sustainability performance, hereinafter referred to as “the Report”. It highlights the Organization’s core functions, including air traffic management, navigation services, and operational safety, while also outlining key environmental initiatives. The Report covers only AZANS’ directly controlled activities within Azerbaijani airspace and its air traffic control centers. All information presented reflects AZANS’ performance throughout 2024.
Reporting Cycle	Annual
Reporting Period	1 January 2024 – 31 December 2024
Reporting Boundary	AZANS
Headquarters	Baku, Azerbaijan
Reporting Frameworks	<ul style="list-style-type: none"> The report is written in accordance with the Global Reporting Initiative (GRI) Standards 2021. United Nations Sustainable Development Goals (SDGs).
Available Languages	English, Azerbaijani

Table 1. Coverage and Methodological Framework

validation, and disclosure, aligning with international aviation regulations, environmental policies, and international reporting standards. This approach ensures that AZANS’ sustainability

performance is measurable, comparable, and aligned with industry expectations.



ENGAGEMENT WITH STAKEHOLDERS

AZANS maintains active engagement with stakeholders, including regulatory authorities, employees, airspace users, partner organizations, and the aviation community. Through regular consultations, collaborative initiatives, and structured feedback mechanisms, AZANS ensures that its sustainability approach addresses stakeholder concerns and industry challenges.

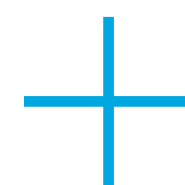
Stakeholder input plays a crucial role in shaping AZANS' sustainability priorities guiding the Organization's efforts.

Stakeholder input plays a crucial role in shaping AZANS' sustainability priorities, guiding the Organization's efforts to improve operational efficiency, environmental impact, and corporate governance.

STAKEHOLDER GROUP	KEY INTERESTS & CONCERNS	ENGAGEMENT METHODS
National and international regulatory bodies	Compliance with air navigation regulations, airspace management policies, safety standards, and environmental commitments.	<ul style="list-style-type: none"> Regular oversight audits & compliance reporting Policy collaboration on air traffic management (ATM) and emissions reduction Participation in ICAO, EUROCONTROL, and CANSO working groups Communication frequency: Timely manner
Airspace Users (Airlines, Pilots, Aviation Operators)	Flight safety, efficiency in air traffic management, navigation fees, operational predictability, and digital transformation.	<ul style="list-style-type: none"> Operational coordination meetings Airspace optimization discussions Feedback sessions on ATM improvements Communication frequency: Daily basis
Employees and Workforce	Workplace safety, career growth, technical training, fair compensation, and job stability.	<ul style="list-style-type: none"> Employee training and capacity-building programs Internal communication platforms Engagement surveys & workforce well-being initiatives Communication frequency: Daily basis
Business and Industry Partners	Collaboration on airspace modernization, digital ATM solutions, and environmental sustainability initiatives.	<ul style="list-style-type: none"> Strategic partnerships with ATM technology providers Joint sustainability and airspace efficiency projects Participation in international aviation conferences Communication frequency: Annual basis
Investors and Financial Institutions	Financial sustainability, technological investments, ESG risk management, and the economic impact of airspace services.	<ul style="list-style-type: none"> Transparent financial reporting & sustainability disclosures Stakeholder briefings on AZANS' modernization projects Green financing and investment in sustainable air traffic initiatives Communication frequency: Semi-annual basis
Local Communities and Environmental Organizations	Noise pollution, carbon emissions from air traffic, community safety, and sustainable aviation initiatives.	<ul style="list-style-type: none"> Environmental impact reports & public consultations Engagement in sustainable airspace projects Collaboration on carbon offset initiatives Communication frequency: Quarterly basis

Table 2. Stakeholder Outreach

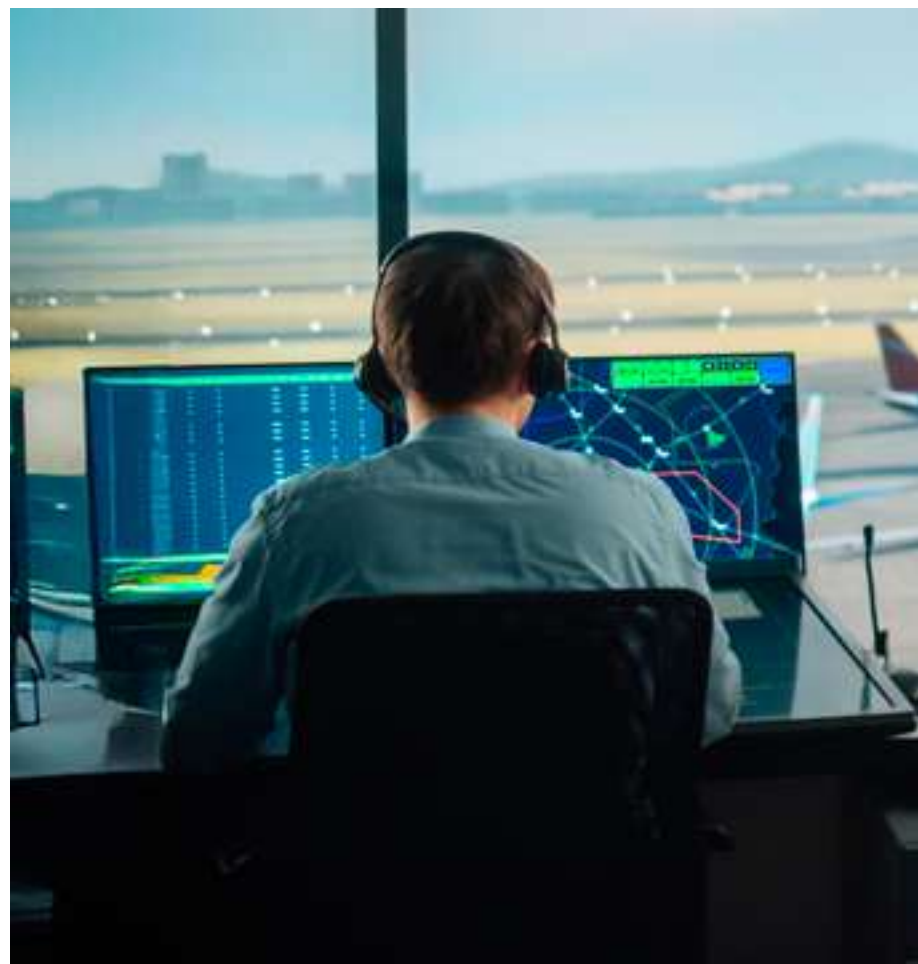
AZANS AT A GLANCE



AZANS AT A GLANCE

Established in 1996, AZANS is the national air navigation service provider (ANSP) responsible for managing and controlling the airspace of the Republic of Azerbaijan.

Operating under the umbrella of “Azerbaijan Airlines” CJSC, AZANS ensures the safe and efficient movement of aircraft within Azerbaijani airspace, which spans approximately 165,400 square kilometers, including 86,600 square kilometers over land and 78,800 square kilometers above the Caspian Sea.



AZANS HIGHLIGHTS OF 2024



Figure 1. Key Achievements of 2024

With a route network totaling around 12,600 kilometers, AZANS plays a pivotal role in facilitating both national and international air traffic, positioning Azerbaijan as a strategic hub connecting Europe and Asia. AZANS solidified its role on the global aviation stage by hosting the CANSO Global ATM Summit and 28th Annual General Meeting in Baku in June 2024.

We have made history as the first air navigation service provider from the Commonwealth of Independent States (CIS) region to organize the event, which drew approximately 400 industry leaders representing more than 100 countries. CANSO Global, being one of the first of its kind around the globe,

focused on environmental sustainability and innovative air traffic management technologies. At the summit, AZANS and Aireon signed agreements to deploy two advanced satellite-based surveillance and safety tool, Aireon Locate and the Aireon Safety Dashboard.

Aireon Locate provides real-time aircraft tracking to support rapid search-and-rescue responses, while the Safety Dashboard allows continuous monitoring of safety indicators and benchmarking against global best practices.

We have managed 176,578 flight hours and 309,655 flights, supported by a workforce of 771 employees, including 602 men and 169 women.

TOTAL NUMBER OF EMPLOYEES

602

MALE

169

FEMALE

Lower emissions per flight compared to previous year



2.6%

Total CO₂ emissions reduced in 2024



27%

Emission per managed flight

Figure 3. Emission reduction



100%
ON-TIME FLIGHT COORDINATION RATE

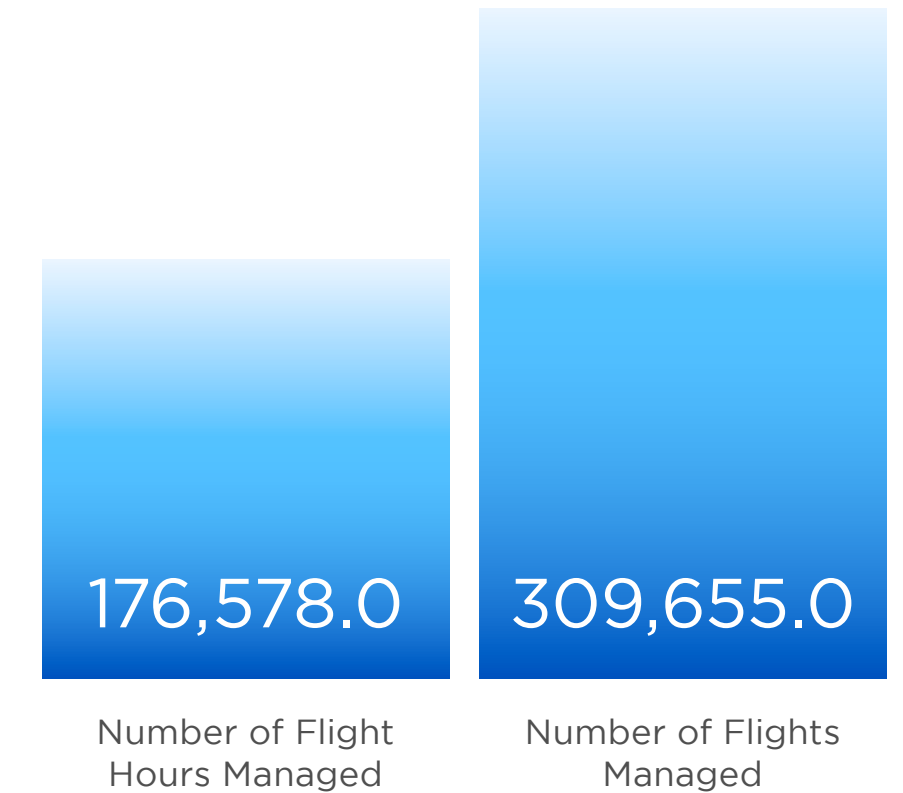
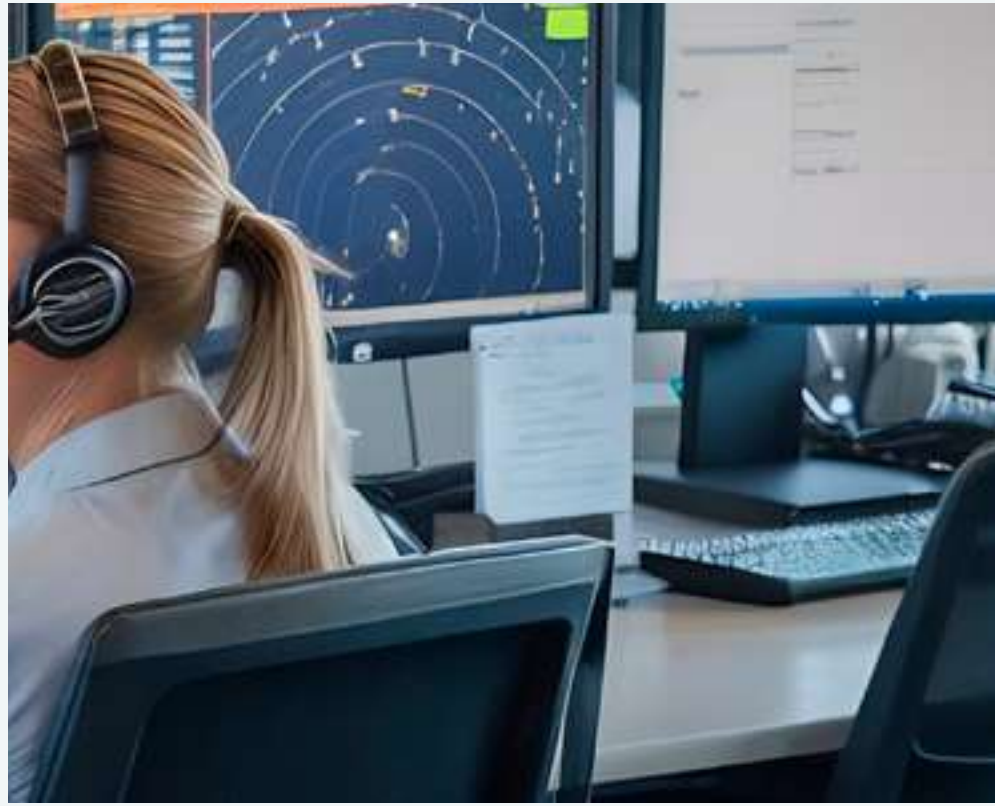


Figure 2. Operational and Workforce Highlights for 2024

These achievements were delivered with a 100% on-time flight coordination rate, underscoring our operational excellence, effective resource management, and commitment to maintaining the highest standards in air traffic services (Figure 2). As part of our commitment to operational efficiency and environmental responsibility, AZANS achieved a 2.7% reduction in total carbon emissions in 2024. Furthermore, we improved emissions intensity per flight by 27%, reflecting our progress toward more sustainable air navigation services and fuel-efficient operations. These improvements were driven by optimized air traffic flow, technological investments, and enhanced coordination across the aviation ecosystem (Figure 3).

FOCUSING ON WHAT MATTERS



FOCUSING ON WHAT MATTERS

The prioritized approach to sustainability begins with understanding which ESG issues are most relevant to both our operations and the people we affect. To guide this approach, we conduct a structured materiality assessment that helps prioritize ESG topics based on their potential impact on business performance and stakeholder expectations. The assessment follows a six-step process designed to be both thorough and inclusive.

Materiality assessment begins with defining the scope and context, followed by a review of industry trends and peer practices. Potential ESG topics are identified and refined through engagement with internal and external stakeholders. The process concludes with validation of findings and integration of the most material issues into our broader ESG reporting framework (Figure 4).

Through this detailed process, we engaged with a wide range of stakeholders to understand their perspectives on the importance of various sustainability topics to AZANS and to

Develop a materiality matrix to begin integrating and acting upon the identified material issues and themes.

6

Actively manage interactions, facilitate discussions, and solicit feedback on the materiality assessment methods and findings.

5

Collect information, data, and diverse viewpoints from both internal personnel and external parties who are impacted by or have an interest in the organization's activities.

4

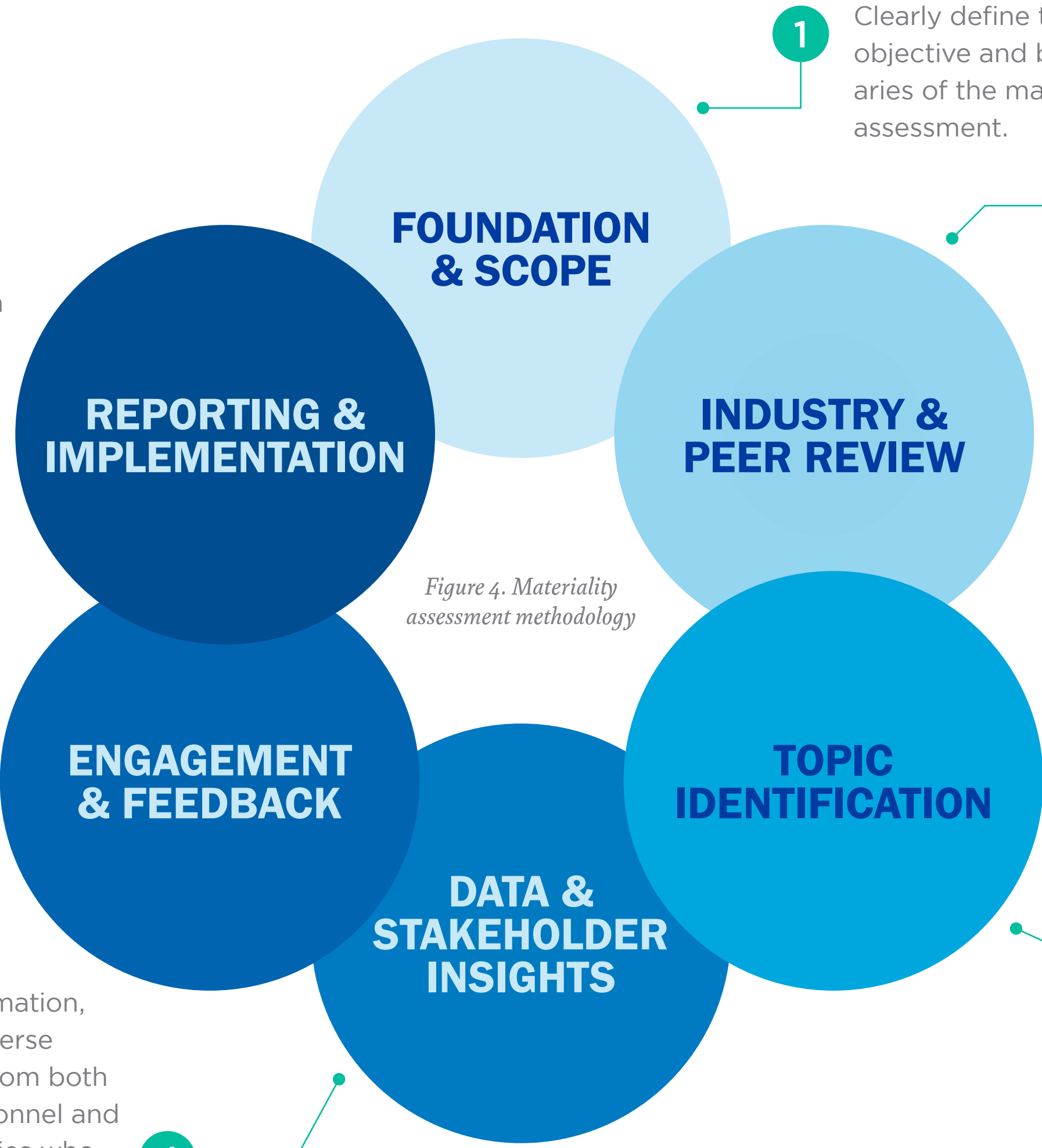


Figure 4. Materiality assessment methodology

1 Clearly define the objective and boundaries of the materiality assessment.

2 Analyze best practices and benchmark against their ESG performance.

3 Identify and categorize a comprehensive list of potential ESG topics and themes that could be significant.

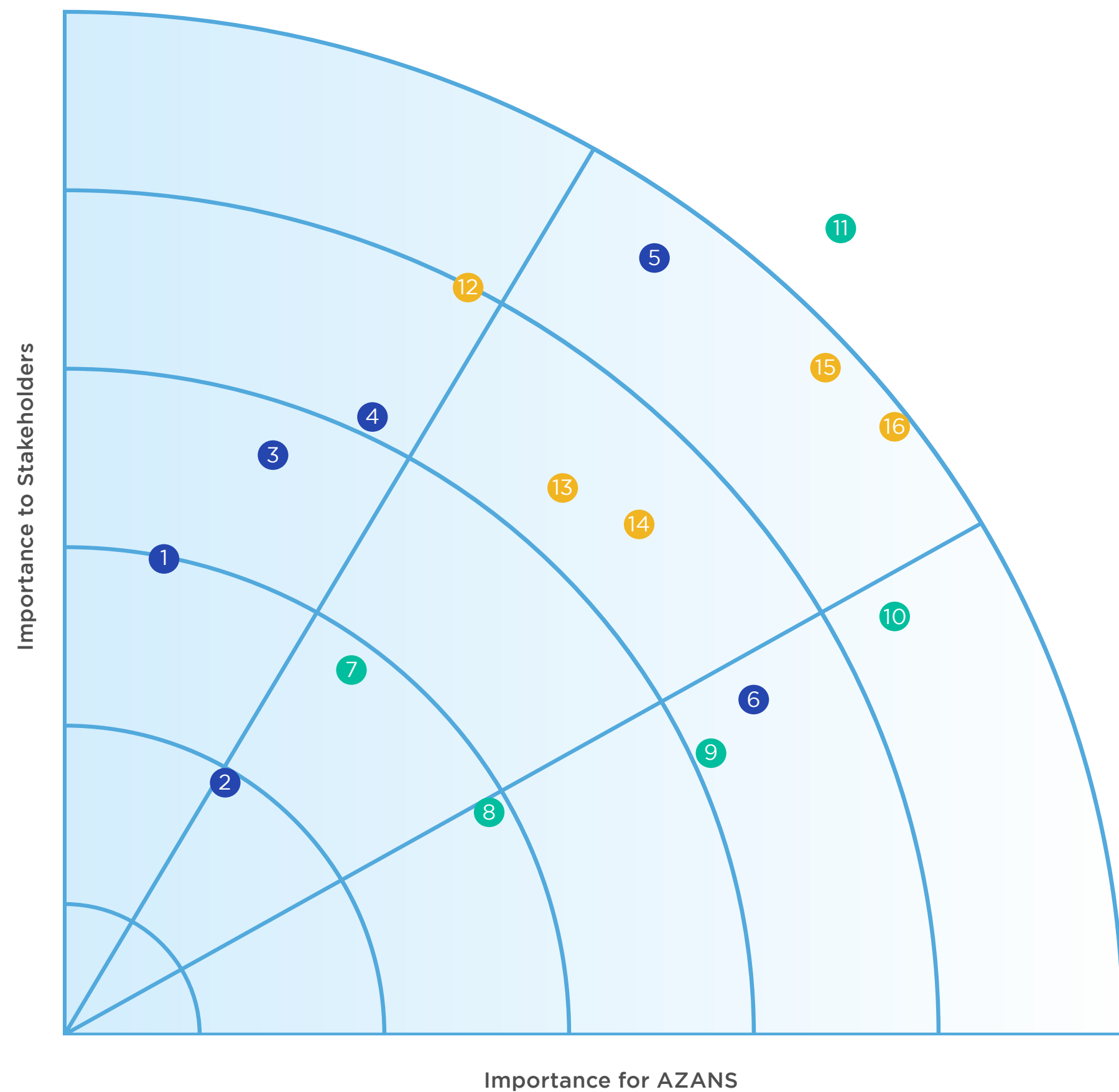
them. This dual perspective is critical for creating a holistic view of our material issues. The outcome of this assessment is graphically represented in our Materiality Matrix.

This matrix plots identified topics based on their importance to AZANS and stakeholders, with topics in the upper right quadrant signifying the highest materiality (Figure 5). Our analysis revealed key material topics, highlighting areas where our operations intersect most significantly with sustainability considerations.



Figure 5. Materiality Matrix

- Governance
- Environment
- Social



- 1 Infrastructure & Technology Development
- 2 Logistics Optimization
- 3 Anti-corruption
- 4 Risk Management
- 5 Regulatory Compliance
- 6 Cybersecurity & Data Protection
- 7 Waste Management
- 8 Biodiversity
- 9 Noise Management & Air Quality
- 10 Greenhouse Gas Emissions
- 11 Energy & Resource Management
- 12 Human Rights, Diversity & Inclusion
- 13 Emergency Preparedness & Resilience
- 14 Development & Training
- 15 Occupational Health & Safety
- 16 Passenger Experience & Accessibility

Each of the selected material topics represents a significant focus for AZANS in our ongoing sustainability journey. This includes a concise outline of the specific sustainability areas, their direct relevance and impact on AZANS' business operations, their significance within our broader value chain, and the defined boundaries of each topic (Table 3).

Each of the selected material topics represents a significant focus for AZANS in our ongoing sustainability journey.

We aim to enhance our positive contributions to society and the environment while mitigating potential risks and strengthening our long-term resilience as an aeronavigation company.

This assessment forms the foundation for our sustainability vision, guiding our initiative directions and reporting efforts in the coming years.





	MATERIAL TOPICS	MATERIALITY ASPECTS FOR AZANS	MATERIAL IN THE VALUE CHAIN
GOVERNANCE	Operational Efficiency & Flight Optimization	Airspace efficiency, delay reduction, and trajectory-based operations are critical for cost savings, fuel burn, and sustainability.	Core operations, ATM procedures, and collaboration with airlines
	Safety & Operational Resilience	Maintaining uninterrupted, secure air navigation services and safety oversight in normal and emergency conditions.	Entire service delivery, infrastructure management
	Cybersecurity & Data Protection	Increasing digitization requires secure handling of critical systems and flight data (e.g., SWIM, CNS infrastructure).	Digital infrastructure, control systems
	Regulatory Compliance	AZANS must align with national, regional (EU), and global (ICAO) regulations related to aviation, environmental protection, safety, and operational performance to ensure compliance, enhance flight safety, and maintain access to international cooperation and funding opportunities.	Legal, safety, operational management
ENVIRONMENT	Environmental Governance & Compliance	Ensures adherence to ISO standards, ICAO requirements and best practice, EU regulations; supports trust, funding eligibility, and audit readiness.	Entire organization
	Energy Management & Facility Footprint	Energy use in CNS/ATM facilities, control centers, and vehicles; contributes to cost and environmental efficiency targets.	Internal operations and facility management
	GHG Emissions Management	ANSP has influence over flight efficiency (Scope 3), and facility-related emissions (Scope 1-2); relevant under decarbonization policies.	Internal operations, flight trajectory design
SOCIAL	Talent & Workforce Development	Safety-critical workforce (e.g., ATCOs) requires long-term training, high retention, and succession planning.	HR processes, capacity-building and specialized training provision in ATM and CNS domains, ATCOs licensing support
	Stakeholder & Community Engagement	Transparent collaboration with communities, airports, and airlines fosters trust and mitigates operational resistance.	Flight procedure design, communication practices
	Human & Labor Rights	Ensuring non-discrimination, freedom of association, fair working conditions, and equal opportunities, especially in a regulated public sector environment.	HR, hiring, management practices

Table 3. Material Topics

ALIGNMENT WITH UN SDGS

At AZANS, our mission goes beyond managing air traffic; we are entrusted with shaping the future of aviation in a way that is safe, efficient, and sustainable. As we navigate this responsibility, we recognize the importance of aligning our efforts with the global ambitions set out in the United Nations Sustainable Development Goals (UN SDGs).

These goals provide a universal framework for advancing human well-being, environmental integrity, and institutional accountability.

This year, we selected SDGs that align closely with our role as a critical infrastructure provider, responsible employer, and sustainability leader in the aviation sector.

These goals reflect our commitment to environmental responsibility, inclusive and safe workplaces, innovation-driven infrastructure, and strong partnerships that advance resilient and transparent air navigation services. In 2024, our operations, from airspace innovations to inclusive workforce practices, have contrib-

uted meaningfully to several of these global objectives.

Whether by reducing emissions through smarter air traffic flows, investing in the next generation of aviation professionals, or fostering partnerships that transcend borders, each of our initiatives reflects a deep commitment to responsible growth and global collaboration (Figure 6).

In 2024, our operations, from airspace innovations to inclusive workforce practices, have contributed meaningfully to several of these global objectives.



Figure 6. Our Contributions to UN SDGs

ALIGNMENT WITH UN SDGS

AZANS is strategically aligned with 8 of the United Nations Sustainable Development Goals, recognizing its pivotal role in shaping a more sustainable future for the aviation sector.



United Nations
Global Compact



AZERBAIJAN
AIRLINES



Azerbaijan Airlines supports the Sustainable Development Goals and aligns its operations with the principles of the United Nations Global Compact.



Supports employee health through medical care and safety programs.



Promotes gender equality through inclusive policies and initiatives.



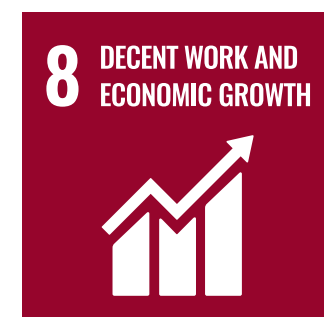
Invests in smart, sustainable air navigation infrastructure.



Cuts emissions and strengthened climate action efforts.



Expands training to build skills and aviation expertise.



Contribution to productivity, passenger growth, and aviation sector development. Job creation and workforce empowerment.



Reduce waste and improves resource efficiency.

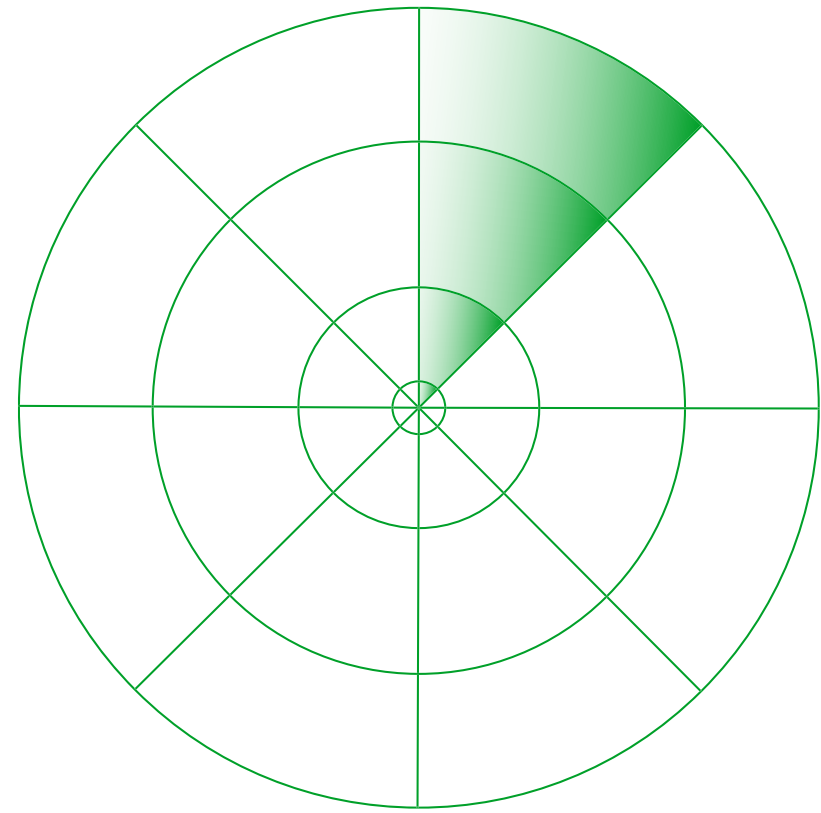


Strengthen partnerships for sustainable aviation.



GOAL 3

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES



Business theme goals

Promote the physical and mental well-being of all employees.

Ensure safe and healthy working conditions.

Provide mental health support and reduce stigma around psychological well-being.

What is in the plan

Continue improving workplace health and safety systems.

Actions taken

Full medical insurance for all employees.

Established a Fatigue Risk Management System for shift-based staff, aligned with ICAO and EASA standards.

Implementation of the VIBE rostering system to centralize ATCO workforce management, optimize duty allocation, embed training and compliance tracking, and proactively manage fatigue risks to support controller well-being and operational safety.

Targets covered

3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services, and access to safe, effective, quality and affordable essential medicines and vaccines for all.

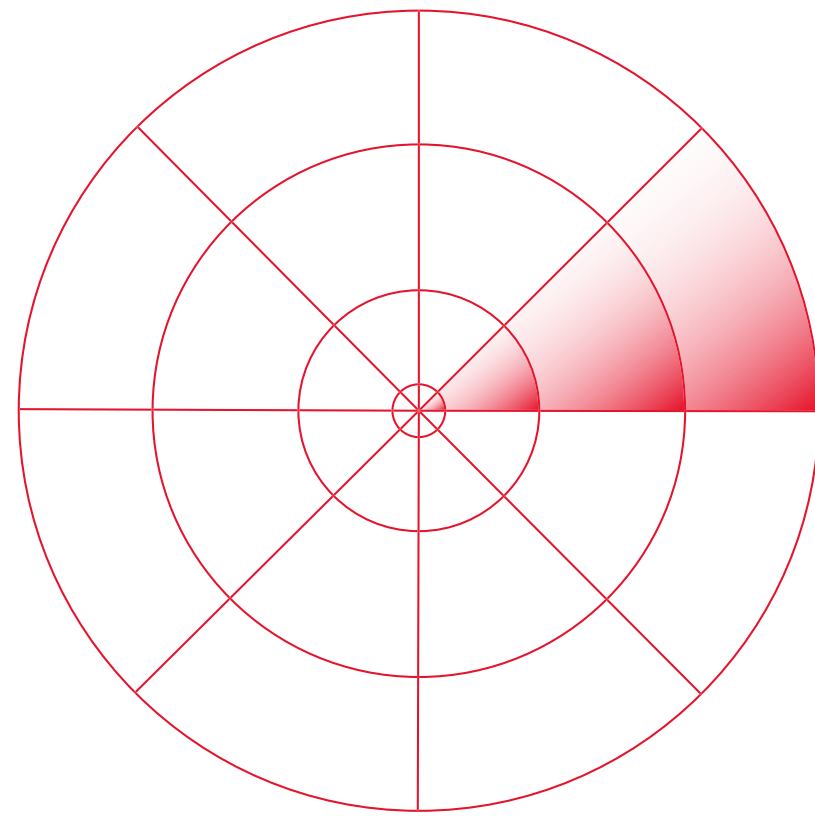
3 GOOD HEALTH AND WELL-BEING



GOAL 4

ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION

PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL



Business theme goals

Strengthen aviation workforce through technical and vocational training.

Upskill current and future employees with international certifications.

What is in the plan

Conduct structured training for ATCOs and ATSEPs.

Establish long-term HR development strategies including forecasting, licensing, and recruitment planning

Actions taken

Delivered 127 training programs in 2024, nearly doubling training hours year-over-year.

Mandatory induction, refresher, and high-risk operation safety trainings implemented for all staff.

Partnered with DFS Academy and National Aviation Academy to strengthen aviation education in Azerbaijan.

In 2024 hosted Swiss university students to promote global knowledge exchange and awareness of Azerbaijan's aviation advancements.

Targets covered

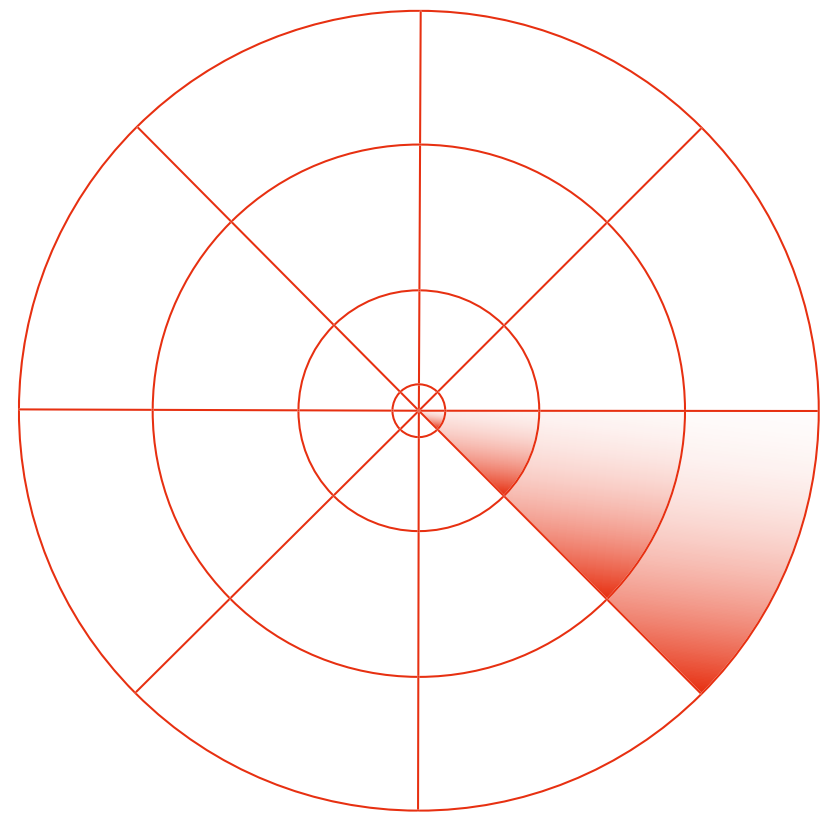
4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

4 QUALITY EDUCATION



GOAL 5

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS



Business theme goals

Eliminate gender discrimination in recruitment and promotion.

Increase women’s representation in leadership and technical roles.

What is in the plan

Continue implementation of IATA’s “25by2025” initiative.

Develop mentoring and leadership programs for women.

Actions taken

Maintained gender diversity: 169 women employed out of 771 staff (~22%).

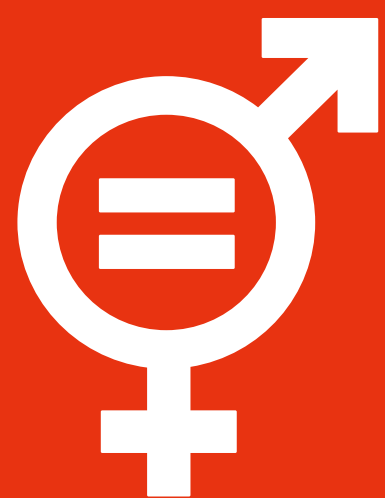
Rolled out mentorship, leadership training, and gender-inclusive recruitment strategies.

Provided equal benefits (e.g., parental leave, life and disability insurance) to both full-time and part-time staff.

Targets covered

5.1: End all forms of discrimination against all women and girls everywhere.

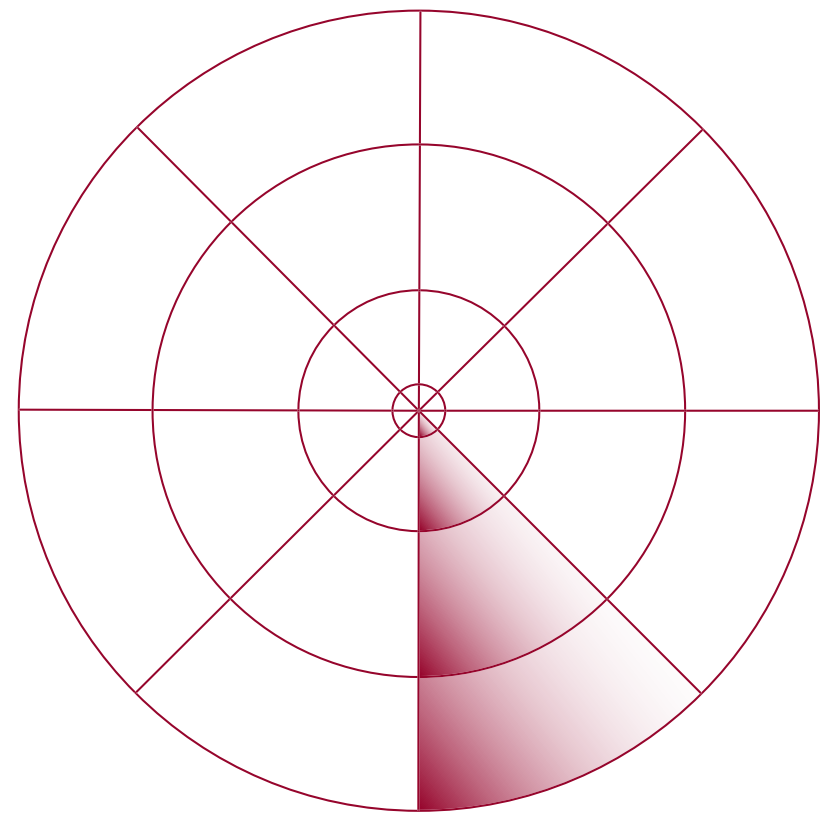
5 GENDER EQUALITY



GOAL 8

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH

FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL



Business theme goals

Foster inclusive employment and equal pay practices.

Improve employee retention and youth engagement.

Foster a culture of occupational safety and health across all departments.

What is in the plan

Plan 5-year workforce needs for ATCOs and ATSEPs.

Strengthen career pathways, HR forecasting, and internal promotion systems.

Conduct regular OHS audits and workplace hazard assessments.

Actions taken

Employed 771 staff in 2024, with inclusive hiring and retention practices.

Increased youth hiring: hires under age 30 rose from 18 in 2022 to 29 in 2024.

Provided equal work and growth opportunities for all employees. Reduced non-conformity cases through a structured incident reporting and resolution system.

Targets covered

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.

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

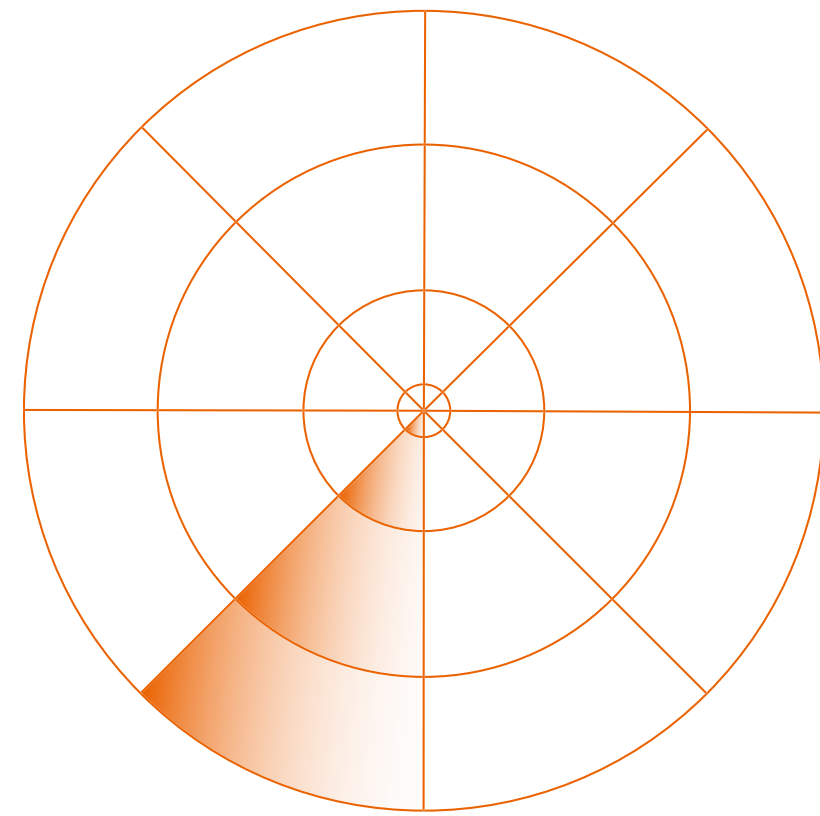
8 DECENT WORK AND ECONOMIC GROWTH



GOAL 9

BUILD RESILIENT INFRASTRUCTURE

PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION



Business theme goals

Drive modernization of air navigation and surveillance systems.

Build resilient and sustainable aviation infrastructure.

What is in the plan

Continue deployment of ADS-B, Mode S radars, and performance-based navigation.

Expand digital platforms for flight tracking, route optimization, and emissions control.

Actions taken

Managed over 309,000 flights in 2024, supported by modernized airspace and satellite-based systems.

Invested in: Performance-Based Navigation (PBN) systems; Real-time satellite surveillance via Aireon; CNS/ATM digitalization and data link services (e.g., D-ATIS, CPDLC).

Reduced flight delays and emissions by optimizing air traffic flow and terminal area procedures.

Development of the UTM/ATM Center to integrate UAV operations, implement real-time monitoring, and modernize air traffic management systems.

Targets covered

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.

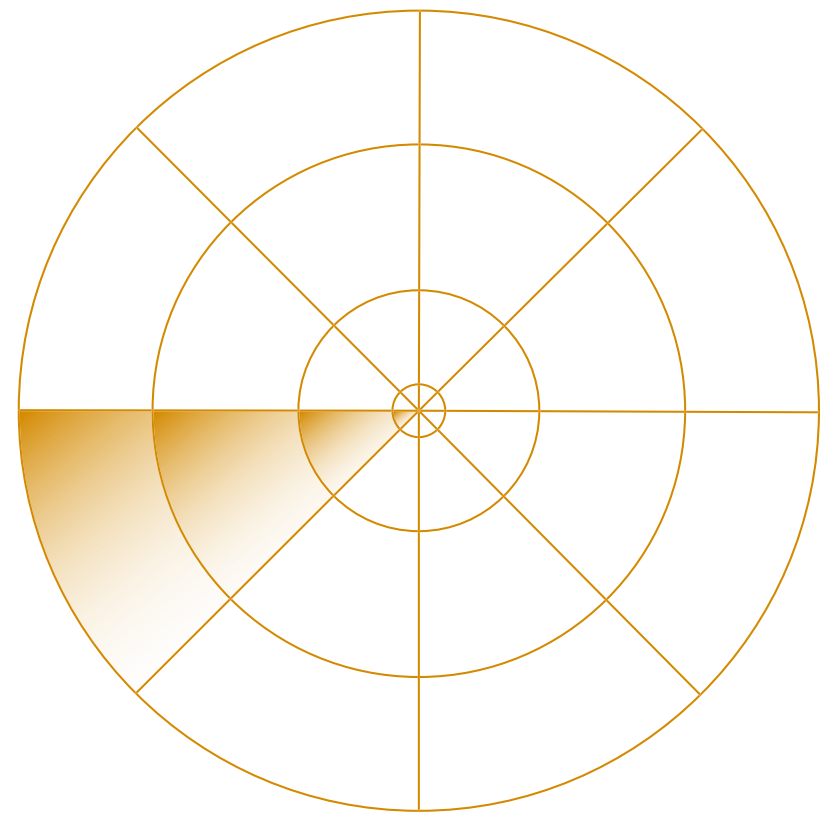
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



GOAL 12

BUILD RESILIENT INFRASTRUCTURE

PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION



Business theme goals

Reduce operational waste and promote sustainable consumption.

Promote circular economy practices in operations.

What is in the plan

Enhance internal waste segregation, eliminate single-use materials.

Partner with certified recyclers and train staff.

Actions taken

Implemented waste segregation and partnered with licensed recyclers.

Eliminated single-use plastic items in operations.

Conducted staff training on responsible waste handling and reduction.

Reduced gasoline use from 1,347 GJ in 2023 to 704 GJ in 2024—a 48% decrease.

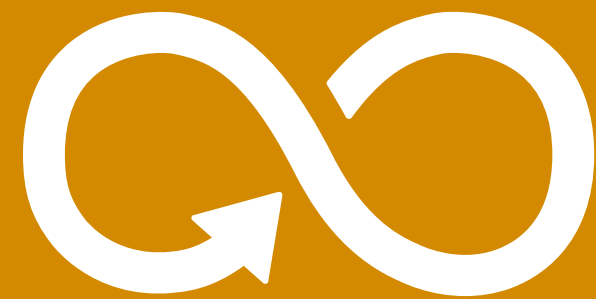
Achieved a 9% reduction in total energy use (2023: 3,555 GJ; 2024: 3,229 GJ).

Targets covered

12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

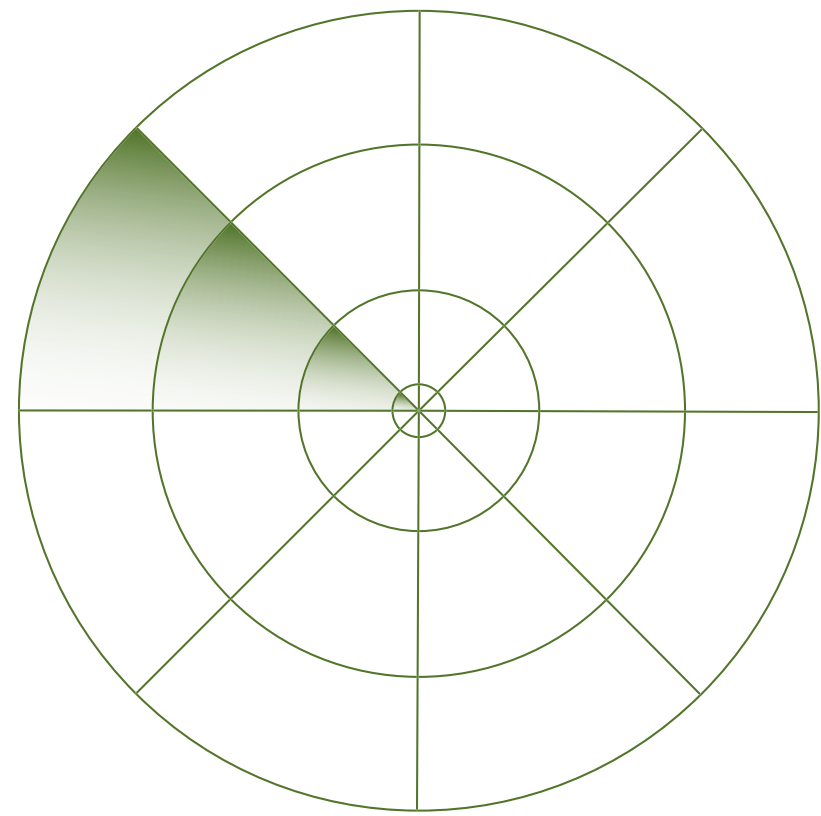
12.2 By 2030, achieve the sustainable management and efficient use of natural resources.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



GOAL 13

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS



Business theme goals

Integrate climate measures into all operations and planning.

Cut GHG emissions and improve environmental efficiency.

What is in the plan

Achieve a 10% reduction in fuel consumption and CO₂ emissions from airspace users by 2028.

Implement energy-efficient airspace management and routing.

Reducing total energy consumption by 5% within two years and 10% by 2030

Actions taken

Reduced total GHG emissions by 2.6% from 2023 to 2024.

Reduced Scope 1 emissions by 47.2% in 2024, mainly through decreased gasoline consumption.

36% emission intensity decrease compared to 2023.

Optimization of airspace use to reduce fuel consumption and CO₂ emissions, supporting sustainable aviation operations.

Targets covered

13.2: Integrate climate change measures into national policies, strategies, and planning.

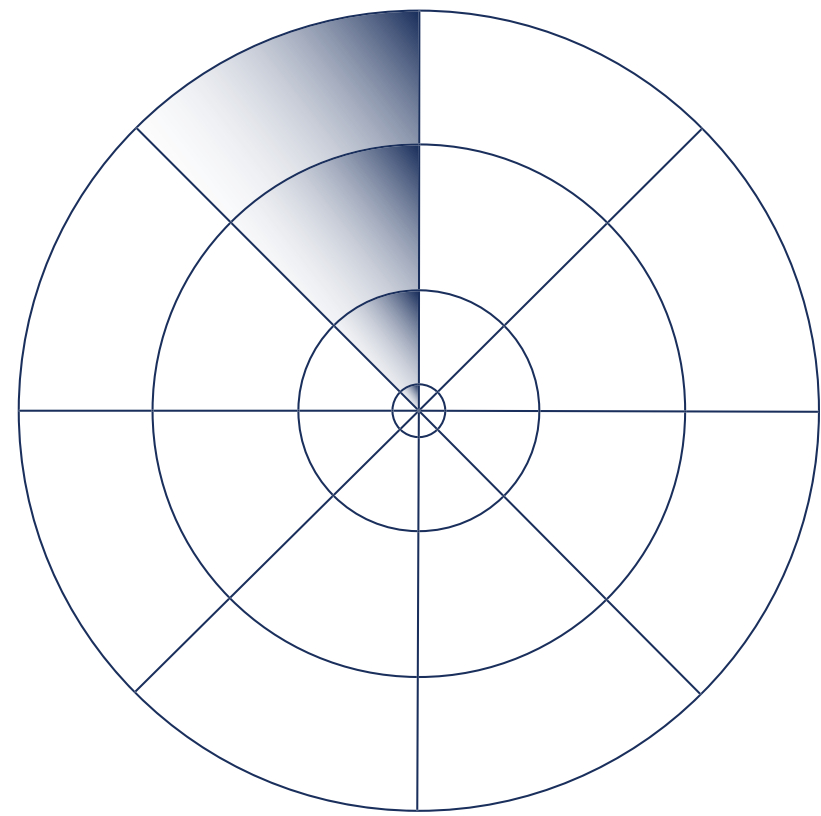
13 CLIMATE ACTION



GOAL 17

STRENGTHEN THE MEANS OF IMPLEMENTATION

REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT



Business theme goals

Promote global collaboration and regional cooperation in aviation sustainability.

What is in the plan

Deepen cooperation with EUROCONTROL, CANSO, and other ANSPs.

Co-host aviation forums to foster global dialogue.

Actions taken

Collaborated with:

EUROCONTROL, CANSO, and Aireon for cross-border airspace innovation.

UNEC and international universities for educational outreach.

Local suppliers (52% of all suppliers in 2024) to support national economic resilience.

IATA for equipment routine assessments and replacement.

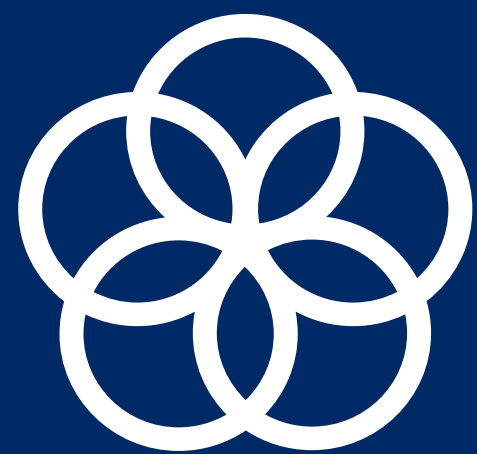
Participated in a biodiversity project with CANSO, releasing 5,000 sturgeons into the Caspian Sea during the Global ATM Summit.

Actively engaged in regional flight planning, crisis management, and environmental benchmarking.

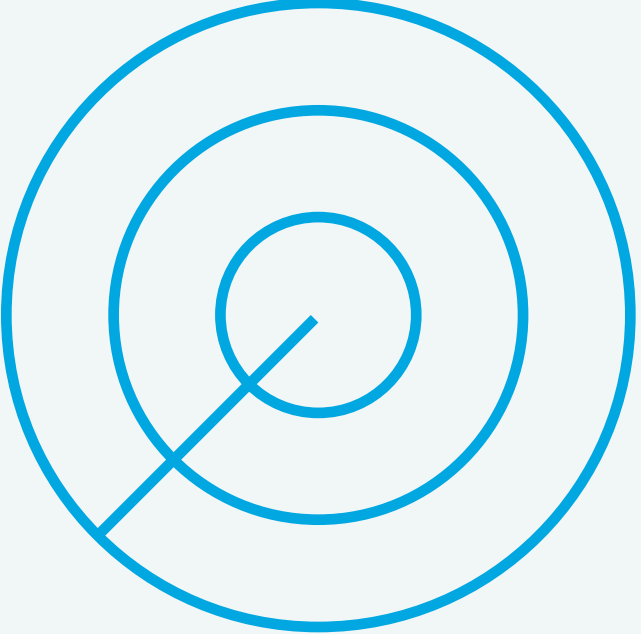
Targets covered

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

17 PARTNERSHIPS FOR THE GOALS



OPERATIONAL COMPASS



04

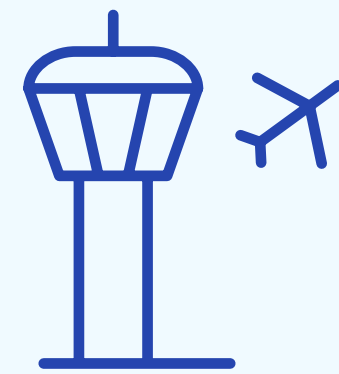


OPERATIONAL COMPASS

AZANS is the provider of air navigation services within Azerbaijan’s airspace, responsible for the safe, efficient, and environmentally sustainable movement of air traffic. Our core operations include the provision of air traffic services (ATS) and communication, navigation, and surveillance (CNS) systems, which together ensure the safe and efficient movement of aircraft, as well as the effective management of Azerbaijan’s airspace and route network.

These operations are further supported by the delivery of meteorological services and aeronautical information management (AIM), which provide accurate, timely, and reliable data essential for flight safety and operational efficiency. We leverage advanced technologies like space-based Automatic Dependent Surveillance-Broadcast (ADS-B) data to complement ground surveillance, providing a comprehensive view of air traffic across all altitudes in the Flight Information Region (FIR). Our operations are strengthened by the active digitalization of aeronautical and meteorological information, alongside the deployment

of advanced air-to-ground communication systems — including Datalink Departure Clearance (DCL) and Datalink Automatic Terminal Information Service (D-ATIS) — which enhance safety, operational efficiency, and situational awareness for both air traffic controllers and pilots. The year 2024 posed significant challenges for the aviation industry due to ongoing geopolitical tensions. Nevertheless, Azerbaijan’s location as a transit hub led to a notable increase in air traffic through the country’s airspace. Despite



In 2024, AZANS had recordbreaking operational performance, managing in total of 309,655 flights

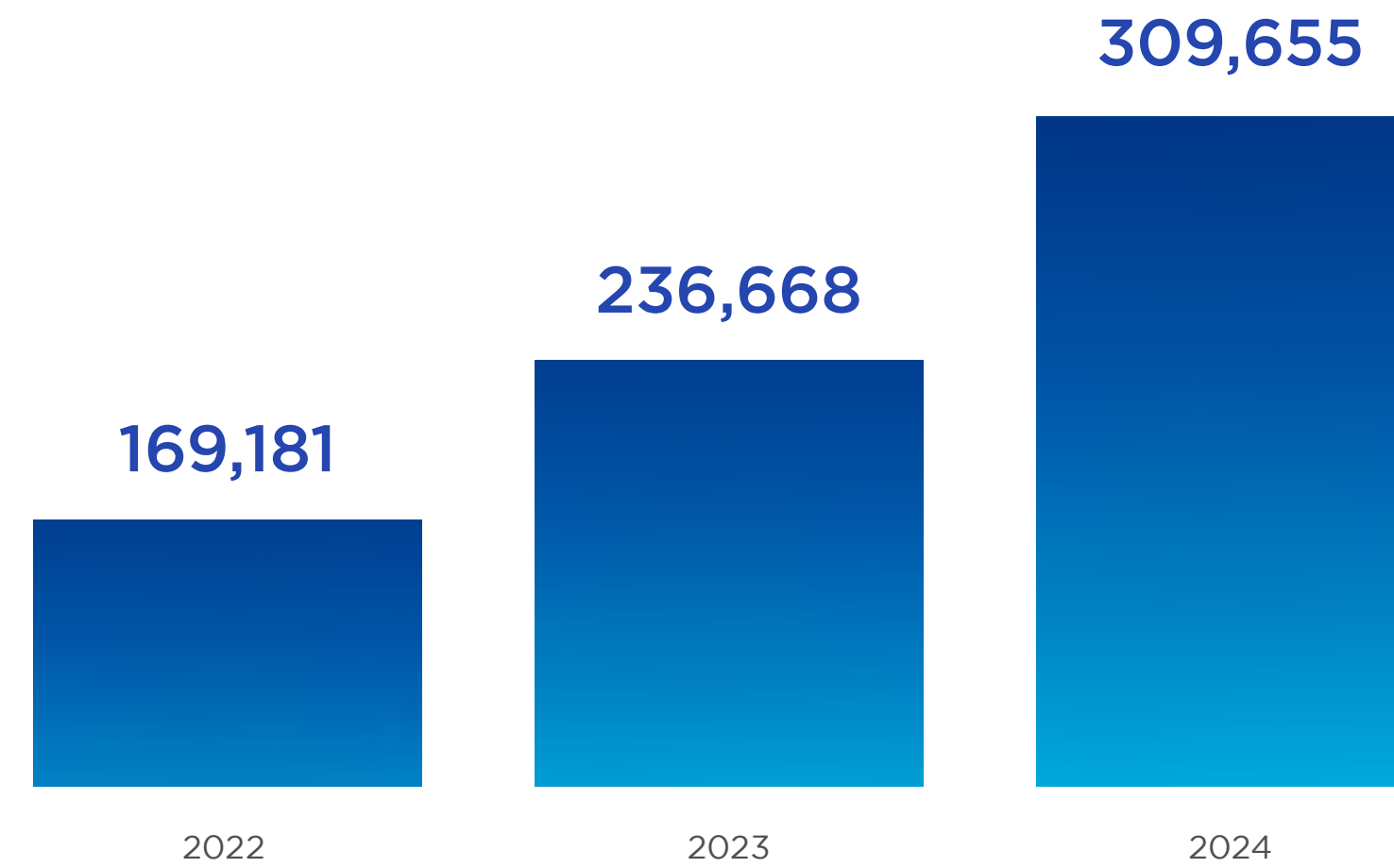


Table 2. Stakeholder Outreach

these pressures, AZANS effectively managed the surge in flights, achieving a record-high number of operations (Figure 7). This performance demonstrates AZANS’ strong reputation and recognition as a reliable air navigation service provider in the region.

AZANS delivers comprehensive Air Traffic Services (ATS) across the entire Flight Information Region (FIR), maintaining a high level of user satisfaction while continuously striving for operational enhancements. Our services include Flight Information Service (FIS), delivered as an integral component of Air Traffic Control (ATC) (Figure 8). Air

traffic flow post-operational analysis and flight plans processing are carried out in close coordination with EUROCONTROL by the Airspace Efficiency, Strategy and Development Center (ASEC). To further support capacity planning and operational resilience, AZANS employs advanced computer-based airspace simulations in line with EUROCONTROL’s CAPAN methodology. These simulations are used to assess and optimize ATC sector capacities in response to evolving airspace structures and geopolitical developments. The resulting Capacity Plans are submitted for approval to the State Civil Aviation Agency and published accordingly.



.1 AIR TRAFFIC MANAGEMENT AIR TRAFFIC SERVICE

Air Traffic Services ensure safe and efficient flight operations through managing airspace, providing Flight Information Service, and handling traffic flow, flight plans, and ATC sector capacity.

.2 COMMUNICATION NAVIGATION AND SURVEILLANCE SERVICE

Communication services ensure vital aircraft-ATC exchanges via VHF and data links. Navigation relies on ground-based aids (VOR, DME, ILS) and emerging space-based systems. Surveillance uses radar and ADS-B/MLAT to track aircraft and maintain safe separation.

.3 METEOROLOGICAL SERVICE

Meteorological services provide continuous observation and dissemination of aviation weather reports and forecasts (e.g., METAR, SPECI, TAF, SIGMET), along with forecast analysis and verification. Information is shared through airport briefings and online platforms.

.4 AERONAUTICAL INFORMATION SERVICE

AIS/AIM ensures safe and efficient air navigation by collecting, processing, and distributing aeronautical data, including NOTAMs, AIPs, and flight procedures.

.5 PANS-OPS DESIGN SERVICE

AZANS's PANS-OPS service designs, validates (via simulators and GNSS), charts, and publishes safe flight procedures for aerodromes, meeting international standards, including in complex terrain.

The key driver of our success is the robust Safety Management System (SMS). In response to a significant and unexpected surge in air traffic over Azerbaijan, we initiated a comprehensive Safety Case for the Baku Flight Information Region (UBBA FIR). To maintain safety standards, AZANS implemented airspace sectorization, updated its staffing and training plans, and integrated new Air Traffic Control (ATC) procedures.

From Data to Action: AZANS Builds a Safer Airspace through Measurable Oversight and Continuous Validation

These changes were monitored under EUROCONTROL and ICAO methodologies. From routine monitoring to ICAO-compliant mitigation plans, AZANS has implemented a full suite of safety measures covering ground and air operations. Each airport and control tower also undergoes daily, monthly, and annual equipment checks, aligned with ICAO standards (Figure 9).

PROACTIVE, DATA-DRIVEN, AND ALIGNED WITH GLOBAL STANDARDS



Figure 9. AZANS Safety Oversight Framework

AZANS integrates audit findings into continuous safety enhancements.

AZANS uses a robust KPI framework to guide strategic safety improvements.



ASSURED BY AUDITS ALIGNED WITH STANDARDS

- Internal audits
- External audits (ICAO, national standards)
- Opportunities for improvement identified

Figure 8. Services of AZANS in 2024

In 2024, we broadened our approach to safety and security risk governance by actively participating in a national diagnostic program coordinated by the Ministry of Digital Development and Transportation. This effort included:

Identification and prioritization of operational risks (human factors, ATM, CNS, cybersecurity);

Implementation of an Aireon Safety Dashboard for real-time monitoring;

Expansion of the use of Safety Cases and simulations to support airspace changes;

Integration of voluntary and mandatory safety reporting, incident reviews, and fatigue risk assessments.

This involves deploying advanced Air Traffic Management Systems like MANAGAIR to boost safety and efficiency.

AZANS also utilizes cutting-edge data solutions, including Aireon’s space-based ADS-B, to improve surveillance and support search-and-rescue operations. To strengthen communication, air-ground datalink services have been introduced at Heydar Aliyev International Airport in Baku, thereby reducing the workload for both air traffic controllers and pilots.



AZANS INFRASTRUCTURE IN 2024



16

AIR NAVIGATION CONTROL SYSTEMS



11

RADAR STATIONS



9

AIR TRAFFIC CONTROL CENTERS



4

TERMINAL MANEUVERING AREA

Figure 11. Infrastructure of AZANS in 2024

To ensure continual preparedness and safety, we implement the Emergency Response Plan, outlined below (Figure 10).

We understand that the safety of skies is not possible without advanced technologies; thus, at AZANS, we are deeply committed to modernizing our operations with advanced technology (Figure 11).

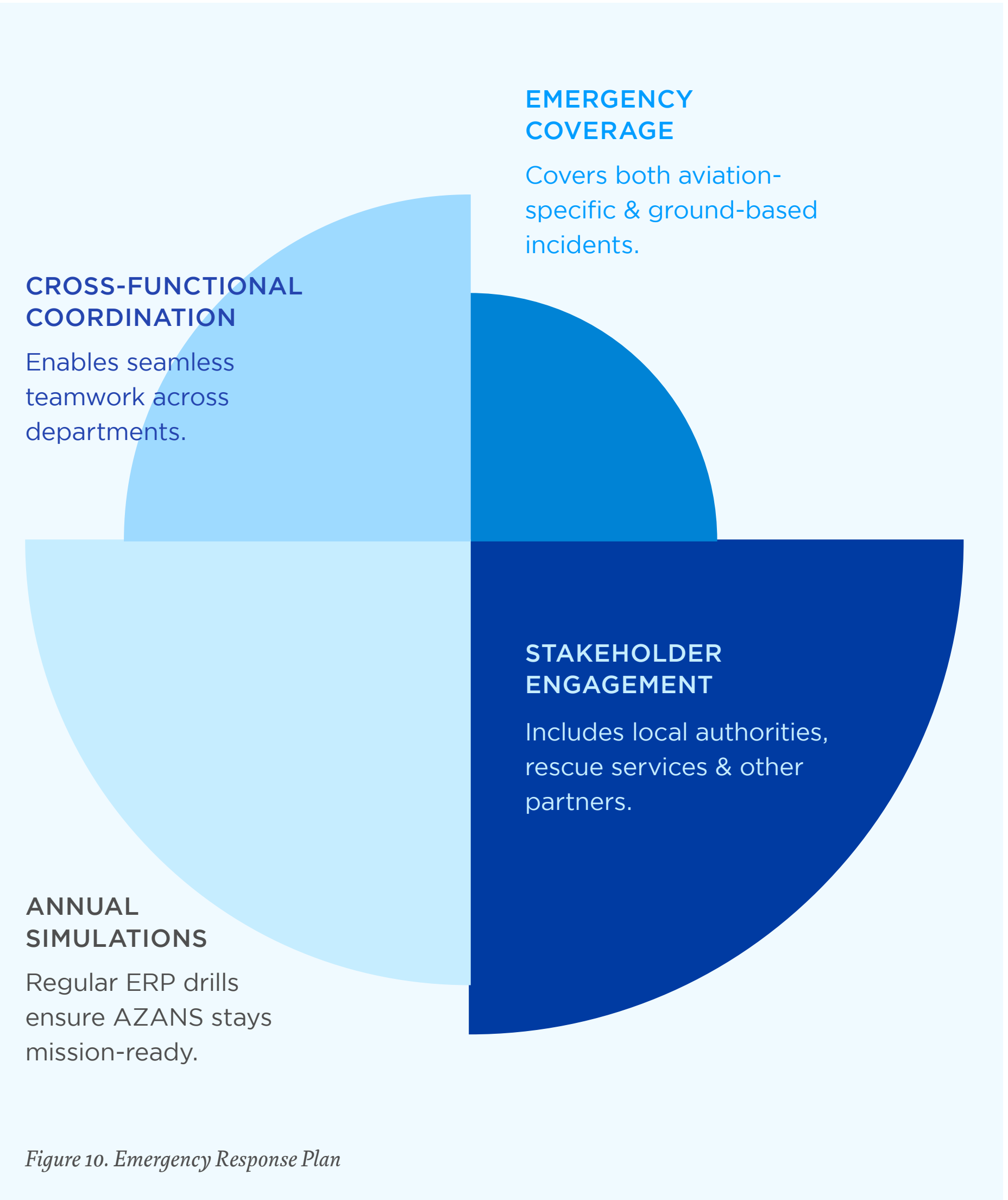


Figure 10. Emergency Response Plan

AZANS' operational efficiency is guided by two strategic pillars: the AZANS Strategy and the National Airspace Strategy, both of which are supported by the Environmental Management Plan. Together, these frameworks define our operational direction, emphasizing alignment with international standards, innovation, sustainability, and performance improvement. The AZANS Strategy begins with full adherence to ICAO Standards and Recommended Practices, ensuring alignment with global aviation frameworks (Figure 12).

It prioritizes Air Traffic Management (ATM) to enhance the coordination and safety of flight operations, with Operational Safety placed at the core of all activities.

Key strategic elements include Route Network Optimization, aimed at improving the structure and efficiency of air routes; International Engagement, reinforcing AZANS' active participation in global aviation collaboration; and Technological Advancement, driving the modernization of systems and processes.

The AZANS Environmental Management Plan further strengthens our strategic framework by embedding sustainability into core operations. It outlines concrete actions to reduce environ-

mental impacts, improve energy efficiency, and support national and international climate goals. Finally, the National Airspace Strategy provides a comprehensive roadmap for the long-term development and integrated management of Azerbaijan's airspace.

Together, these instruments establish a coherent, forward-looking approach to delivering safe, efficient, and environmentally responsible air navigation services.



Figure 12. The focus areas of AZANS Strategy

UTM\ATM Center

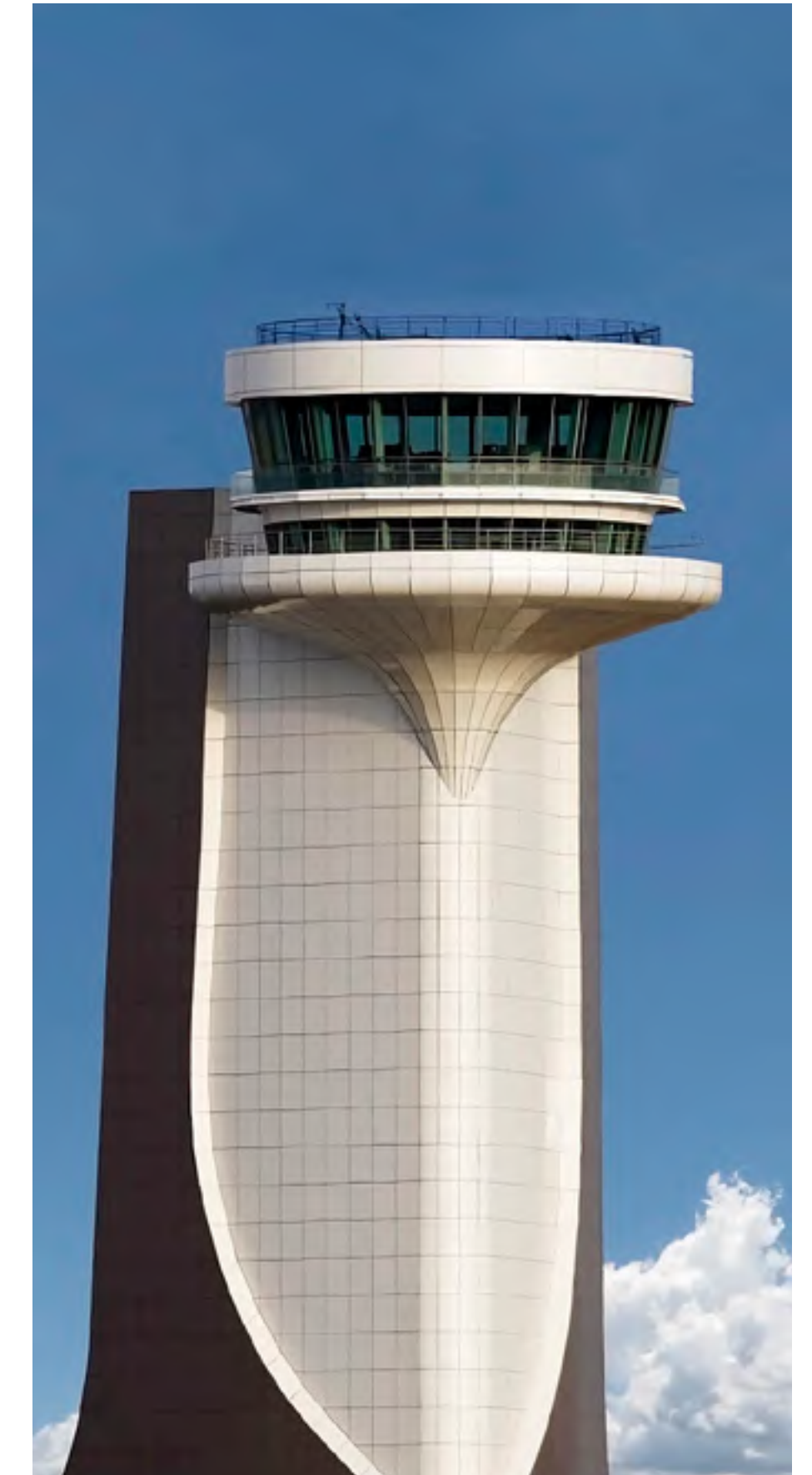
The UTM-ATM Center planned for Heydar Aliyev International Airport will integrate UAV operations into Azerbaijan's air traffic system, combining a 2D/3D monitoring platform, real-time data exchange, and automated enforcement of airspace rules.

During 2024, the project advanced through preparatory work: regulatory requirements for UAV registration were

drafted, technical specifications such as bandwidth (200 Mbps), hardware lists, and SIM compatibility were defined, Baku Airport's 3D modeling was initiated, and a cybersecurity architecture was outlined.

These steps established the framework for the 2025 implementation phase, which will finalize design documents, deliver equipment, and launch construction of the Command-and-Control Center.

Beyond safety and efficiency, the initiative strengthens AZANS' sustainability agenda by optimizing airspace use, reducing fuel consumption and CO₂ emissions, and digitizing oversight processes that replace resource-intensive manual procedures.



STRATEGIC INVESTMENT DECISION MAKING

INVOLVEMENT OF THE COMMUNITY OF AIRLINE IN GOVERNANCE AND CONSULTING AGREEMENTS

STRONGER COOPERATION WITH INTERNATIONAL BODIES SUCH AS EURO- CONTROL AND CANSO

INTEGRATING PLANS FOR SUPERIOR BUSINESS CONTINUITY

AIRSPACE CAPACITY INCREASE AND ROUTE ALIGNMENT FOR EFFICIENCY AND REDUCED EMISSIONS

INVOLVEMENT OF AIRLINES AND IATA IN THE DEVE- LOPMENT OF THE NATIONAL AIRSPACE STRATEGY

Figure 13. Principles of National Airspace Strategy

Sustainability is a crucial component of AZANS' mandate under the National Airspace Strategy (NAS).

AZANS is also one of the key performers in the development and implementation of the National Airspace Strategy (NAS). As the national provider of air navigation services, we are directly responsible for translating the goals of the NAS into practical improvements in safety, efficiency, and sustainability across the country's aviation sector (Figure 13).

Through leadership and technical expertise, AZANS is implementing major changes in airspace design, including the introduction of Free Route Airspace to allow more efficient flight planning and reduce fuel consumption. It is also upgrading Air Traffic Management systems with advanced digital tools

such as space-based surveillance and Aeronautical Information Management platforms, aiming to improve the overall performance and resilience of air traffic operations. Sustainability is a crucial component of AZANS' mandate under the National Airspace Strategy (NAS). We are actively working to reduce the environmental impact of aviation by

expanding Performance-Based Navigation (PBN), optimizing flight trajectories, and aligning our operations with international climate objectives.

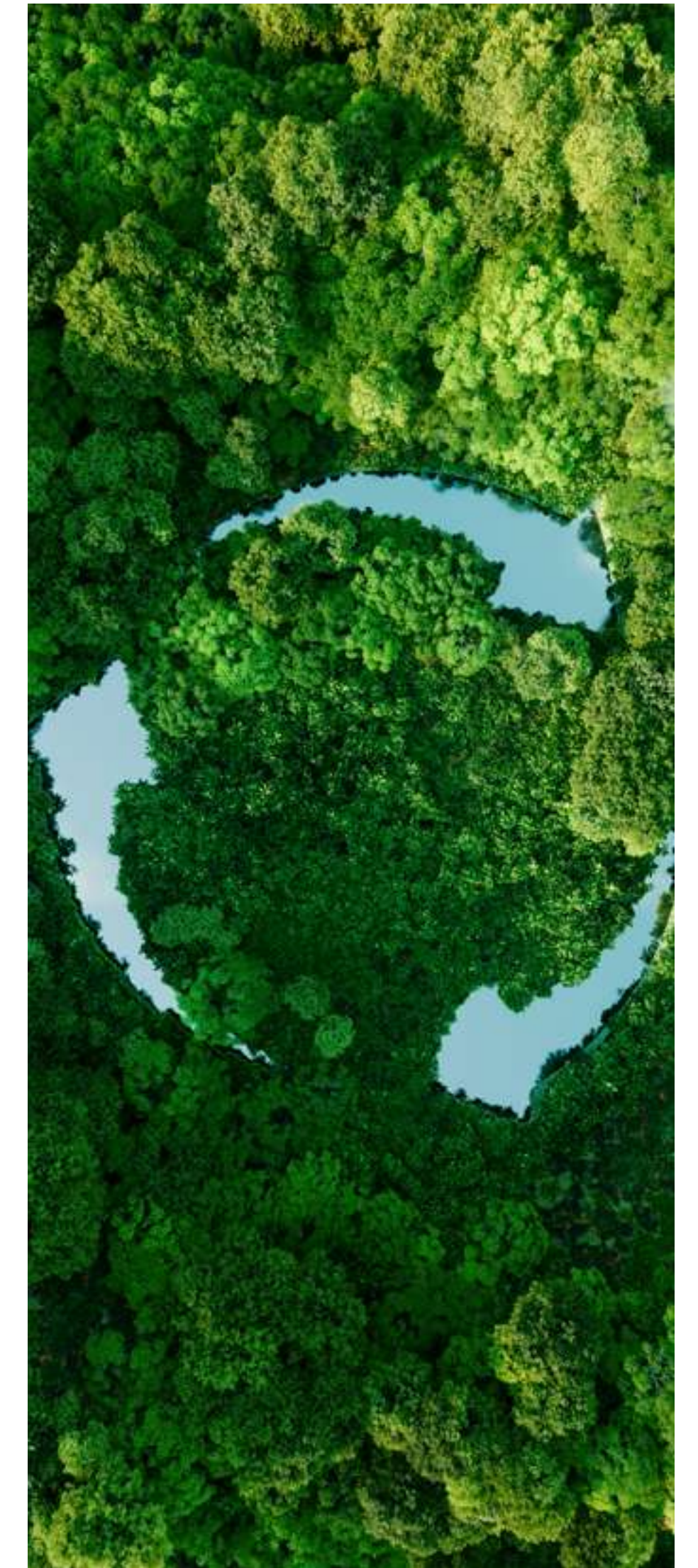
As part of this commitment, AZANS has implemented Continuous Climb Operations (CCO) and Continuous Descent Operations (CDO) procedures to minimize fuel burn and noise, particularly in terminal areas. AZANS has strengthened energy efficiency and infrastructure management, including monitoring and optimizing power consumption at operational facilities and accelerating the transition toward digitalized CNS/ATM systems. We are actively pursuing optimization of CNS infrastructure, aiming

to reduce the environmental footprint of our communications, navigation, and surveillance services through rationalization and modernization.

Beyond operational improvements, AZANS has a vision of investments in future-ready infrastructure and human capital.

Beyond operational improvements, AZANS has a vision of investments in future-ready infrastructure and human capital. To ensure a skilled workforce for the evolving airspace environment, AZANS supports aviation education and has facilitated the establishment of a DFS Academy branch in Baku.

AZANS' role in the NAS reflects its long-term commitment to building a safe, efficient, and sustainable air navigation system. With a clear roadmap and strong coordination with government bodies and international partners, we are helping shape Azerbaijan into a modern, reliable, and environmentally responsible airspace corridor.



BUSINESS INTEGRITY & OVERSIGHT



ORGANIZATIONAL GOVERNANCE

AZANS operates under a structured and accountable governance system designed to ensure the safe, efficient, and sustainable management of Azerbaijan’s airspace. The organizational governance framework is defined by national legislation and formalized through the Company’s Charter, approved by the Cabinet of Ministers (no longer in effect following AZCON, November 2024).

operators and manages around a thousand flights daily, demonstrating the scale and responsibility embedded in its governance.

The oversight is supported by regular analysis of regional and global airspace trends, a structured planning process aligned with a 2030 harmonization roadmap, and an annually reviewed five-year development strategy. In addition, AZANS actively integrates environmental considerations into its operations, invests in modern infrastructure, and maintains a licensed and continuously trained workforce. These efforts are underpinned by a clearly defined organizational structure that facilitates effective coordination of strategic, technical, and ESG-related responsibilities across departments (Figure 14). This governance structure lays the foundation for more specialized functions, including oversight by the Supervisory Board, the work of dedicated internal committees, robust risk management protocols, information governance practices, principles of corporate responsibility, and responsible management of the supply chain.

It aligns with international best practices and complies with ICAO standards governing air navigation services.

It aligns with international best practices and complies with ICAO standards governing air navigation services. Our governance model emphasizes clear lines of oversight, operational independence, and data-driven decision-making. The Organization serves over 280 airline

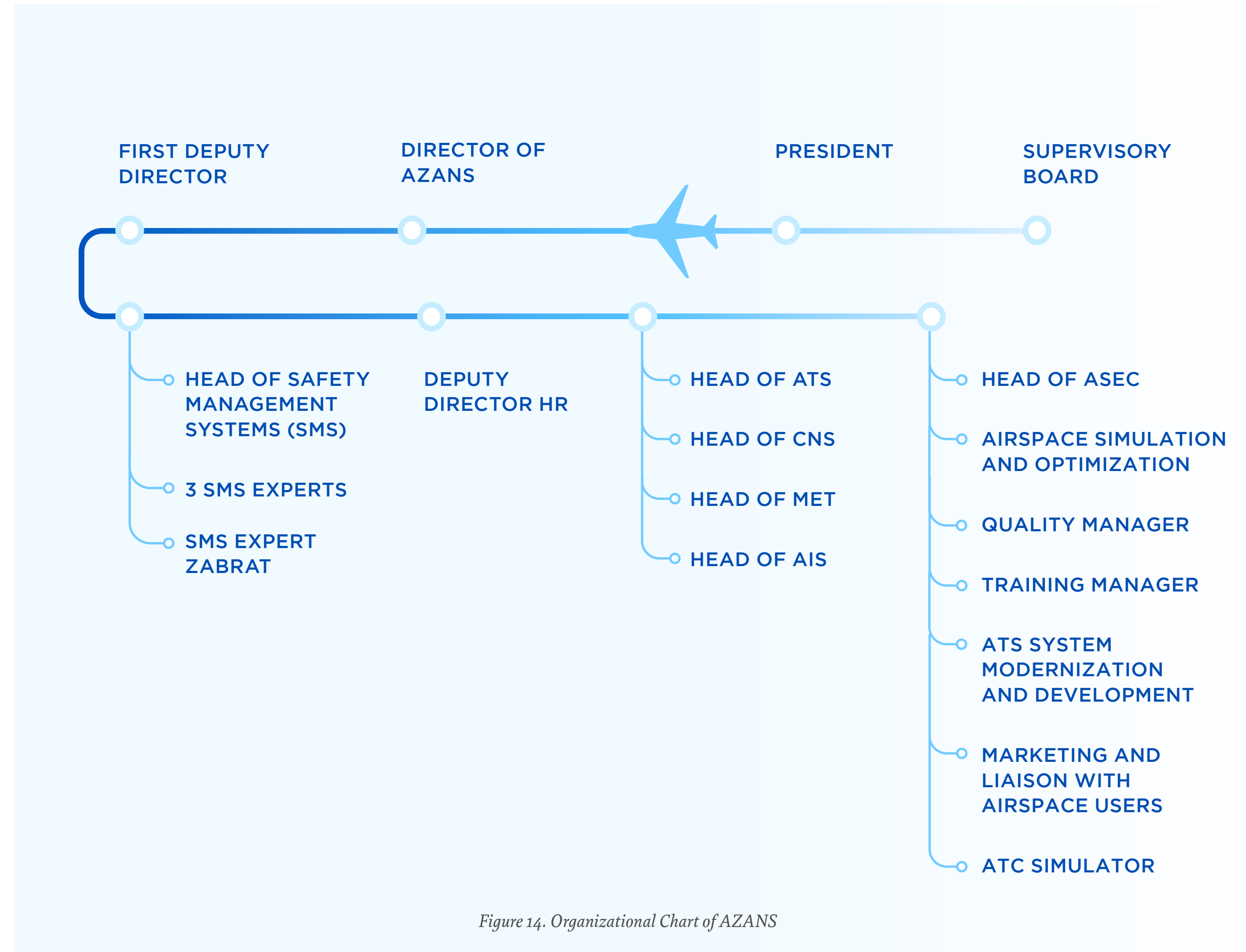


Figure 14. Organizational Chart of AZANS

GOVERNING BODIES

In accordance with AZCON's Charter, AZAL's Supervisory Board members have been appointed by AZCON's Supervisory Board since November 2024

This governance structure provides a strong foundation for planning, risk oversight, and sustainable growth across AZANS' core functions.

Farhan Guliyev has been appointed as the Director of AZANS, also referred to as Curator, bringing extensive expertise in air navigation since 2001, and is tasked with managing day-to-day operations and ensuring effective coordination within AZANS to support alignment with broader corporate and sectoral goals. This governance structure provides a strong foundation for planning, risk oversight, and sustainable growth across AZANS' core functions.



COMMITTEES

AZANS maintains a robust corporate governance structure that ensures transparency, accountability, and strategic direction across its operations.

Central to this system is the Audit Committee, which functions independently and reports directly to the Supervisory Board.

The Committee plays a critical role in overseeing financial reporting integrity, internal control effectiveness, compliance with applicable regulations, and risk management processes. Its assessments and input support the Supervisory Board in making informed and impactful strategic decisions.

Acknowledging the rising significance of sustainability, the Organization is considering the formation of a Sustainability Committee within the Supervisory Board. This body would be responsible for offering strategic oversight on ESG-related issues, fostering the integration of environmental and social priorities into AZANS' long-term strategies and operational review processes.

RISK MANAGEMENT

AZANS operates in a highly complex and regulated environment where effective safety risk management is a cornerstone of operational integrity. As a core element of its Safety Management System (SMS), the Organization applies a structured Safety Risk Management (SRM) process to identify, assess, and mitigate risks that may affect flight safety, service continuity, or compliance with international aviation standards.

This process includes hazard identification, risk analysis (probability and severity), and the determination of tolerability thresholds to ensure that any unacceptable or intolerable risks are addressed through appropriate mitigation strategies.

AZANS' comprehensive Risk Management Framework is supported by a formal Risk Assessment Plan and a Risk Mitigation Strategy, all of which are reinforced by regular employee training. These trainings ensure that safety awareness and risk responsiveness are embedded across all operational levels. As the entity responsible for managing

over 1,000 daily flights within ICAO-designated airspace, AZANS ensures the safe coordination of civil, military, commercial, and VVIP/state aircraft.

AZANS applies a data-driven and anticipatory approach to manage safety risks, continuously analyzing traffic volumes and regional dynamics, such as conflict zones in Russia, and the broader European corridor, to anticipate potential disruptions. Scenario modeling and contingency planning are centralized within the Airspace Strategy, Efficiency and Development Center (ASEC), established in 2017, which supports proactive risk management aligned with the SRM framework.



Airspace
Supervision &
Efficiency
Center

The Organization also monitors geopolitical developments and their impact on the use of Azerbaijani airspace. For

instance, the Russia-Ukraine conflict has led to increased overflight traffic, while instability in South Asia (India-Pakistan) has prompted the rerouting of certain flight paths avoiding our region. In response, AZANS promotes the use of the "Middle Corridor," offering strategic overflight options to long-haul international carriers, including Asian airlines. From a technical standpoint, AZANS enforces stringent infrastructure risk controls.

All equipment is subject to routine assessments and replacement cycles, following ICAO and IATA recommen-



dations. New acquisitions prioritize sustainable, low-energy technologies aligned with the aviation industry's "Net-zero carbon emissions by 2050" carbon reduction target. Human resource risks are also a critical concern. AZANS depends on a highly trained, licensed workforce. However, the limited global supply of aviation professionals constrains access to timely and special-

ized training. To mitigate this, AZANS collaborates with the National Aviation Academy and the Ministry of Digital Development and Transport, supplementing internal training protocols.

Risk management is embedded in the Organization's governance model. AZANS maintains a rolling five-year strategic plan, updated annually in response

This plan is harmonized with ICAO standards and aligned with the Azerbaijan 2030: National Priorities of Socio-Economic Development.

to emerging risks and budgetary changes. This plan is harmonized with ICAO standards and aligned with the Azerbaijan 2030: National Priorities of Socio-Economic Development.. Through this integrated, systematic, and adaptive approach to safety risk management, AZANS strengthens operational resilience, ensures compliance, and upholds stakeholder confidence, contributing to the sustainable, safe, and reliable management of Azerbaijan's airspace.

NET ZERO 2050



OUR FINANCIAL PERFORMANCE

At AZANS, our robust financial outcomes in recent years clearly reflect our continued strategic investments, operational excellence, and disciplined financial management. These results reinforce our pivotal role in Azerbaijan's aviation ecosystem and underscore our financial resilience and adaptability in a dynamic global environment.

Our financial performance in 2024 demonstrates notable growth across key indicators.

Our financial performance in 2024 demonstrates notable growth across key indicators (*Figure 15*). Total revenue increased significantly from approximately 122.8 million AZN in 2023 to about 167.3 million AZN in 2024, marking an increase of approximately 36%.

This strong revenue growth was primarily driven by substantial increases in air traffic volumes, efficient oper-

ational management, and expanded airspace capacity, enabled by continuous technological advancements. The Organization's total assets similarly saw substantial growth, rising from around 216.3 million AZN in 2023 to over 251.3 million AZN in 2024. This increase is primarily the result of proactive cash flow planning, timely collection of receivables, and the use of advance supplier payments, which have collectively improved operational efficiency and strengthened liquidity. Importantly, although capital expenditures declined compared to previous years, the completion and operationalization of earlier infrastructure and technology investments have contributed to a significant rise in the overall asset base.

In terms of direct economic contributions, AZANS distributed 56.8 million AZN into the Azerbaijani economy in 2024, compared to about 52 million AZN in 2023. This distribution includes operational costs, payments to suppliers, and substantial investments in employee welfare. The employee wages and benefits component rose notably to 41.9

	2023	2024
TOTAL REVENUE	122,761,031	167,268,939
TOTAL ASSETS	216,342,109	251,275,233
TOTAL CAPITALIZATION	318,974,895	353,768,578
ECONOMIC VALUE DISTRIBUTED	51,989,576	56,803,425
ECONOMIC VALUE RETAINED	70,649,918	117,252,020

Figure 15. Our financial performance, 2023 vs 2024

million AZN, highlighting our ongoing dedication to human capital development and maintaining high-quality employment standards.

These financial advancements are reinforced by our strong commitment to

transparent, responsible, and sustainable tax governance. Complementing our robust financial performance, AZANS maintains comprehensive and transparent tax governance frameworks, fully aligned with AZAL CJSC's tax frameworks.



Guided by the foundational principles of transparency, compliance, and integrity, our tax strategy is designed to reflect clarity and be controlled, responsive, yet structured. This approach translates into practices that are both proactive and resilient, enabling us to manage our tax obligations responsibly while supporting broader financial and operational objectives (Figure 16).

At AZANS, the management of tax risk is not reactive, but it is deliberate, forward-looking, and deeply embedded in our operational mindset. We actively monitor potential risk areas, including changes in tax legislation, transfer pricing exposures, and the accuracy of tax filings. This vigilance allows us to identify emerging issues early and implement timely corrective actions, minimizing the possibility of compliance lapses or financial exposure.

Our approach is underpinned by a formal tax risk management framework. This framework defines our risk appetite and provides clear, structured procedures for evaluating and addressing tax-related exposures. It serves as a foundation for consistent decision-making and ensures that all aspects of tax governance are aligned with our overall risk management practices. To reinforce this structure, we invest in

regular training for our finance and tax teams, ensuring they remain well-informed about legislative developments, regulatory expectations, and industry best practices.

In areas where complexity exceeds internal capacity, we engage external tax advisors to provide specialized insights. This collaboration enhances our ability to navigate intricate tax matters with confidence and precision, ensuring outcomes that are both compliant and efficient. This consistent, disciplined approach to tax governance and financial management allows us to operate with transparency, adaptability, and sustainability. It strengthens AZANS' ability to navigate a complex regulatory environment while delivering on its promise of operational excellence.

In summary, AZANS' financial strength, underpinned by responsible tax practices, positions us effectively to sustain long-term investments in advanced technological systems, operational efficiency, and sustainability initiatives. Our initiative-taking and integrated approach ensures we continue to deliver world-class air navigation services, uphold Azerbaijan's strategic role in global aviation, and contribute meaningfully to the nation's economic resilience and sustainable growth.

Clear Accountability

Tax matters are overseen by senior financial leadership, including the Chief Financial Officer (CFO), who ensures full alignment with applicable tax codes and financial reporting standards. Operational responsibility is delegated to the Head of Tax, who manages day-to-day tax compliance and interaction with tax authorities.

Integration with Strategic Objectives

The tax strategy is not an isolated function but is fully integrated with AZANS' broader mission. It supports strategic investments in technology, infrastructure, and sustainable development, reinforcing the organization's operational and economic resilience.

Robust Internal Controls

We have established a strong internal control environment to identify, assess, and mitigate tax risks. This includes structured risk assessments, comprehensive documentation, and routine internal audits, ensuring that tax reporting is accurate, complete, and timely.

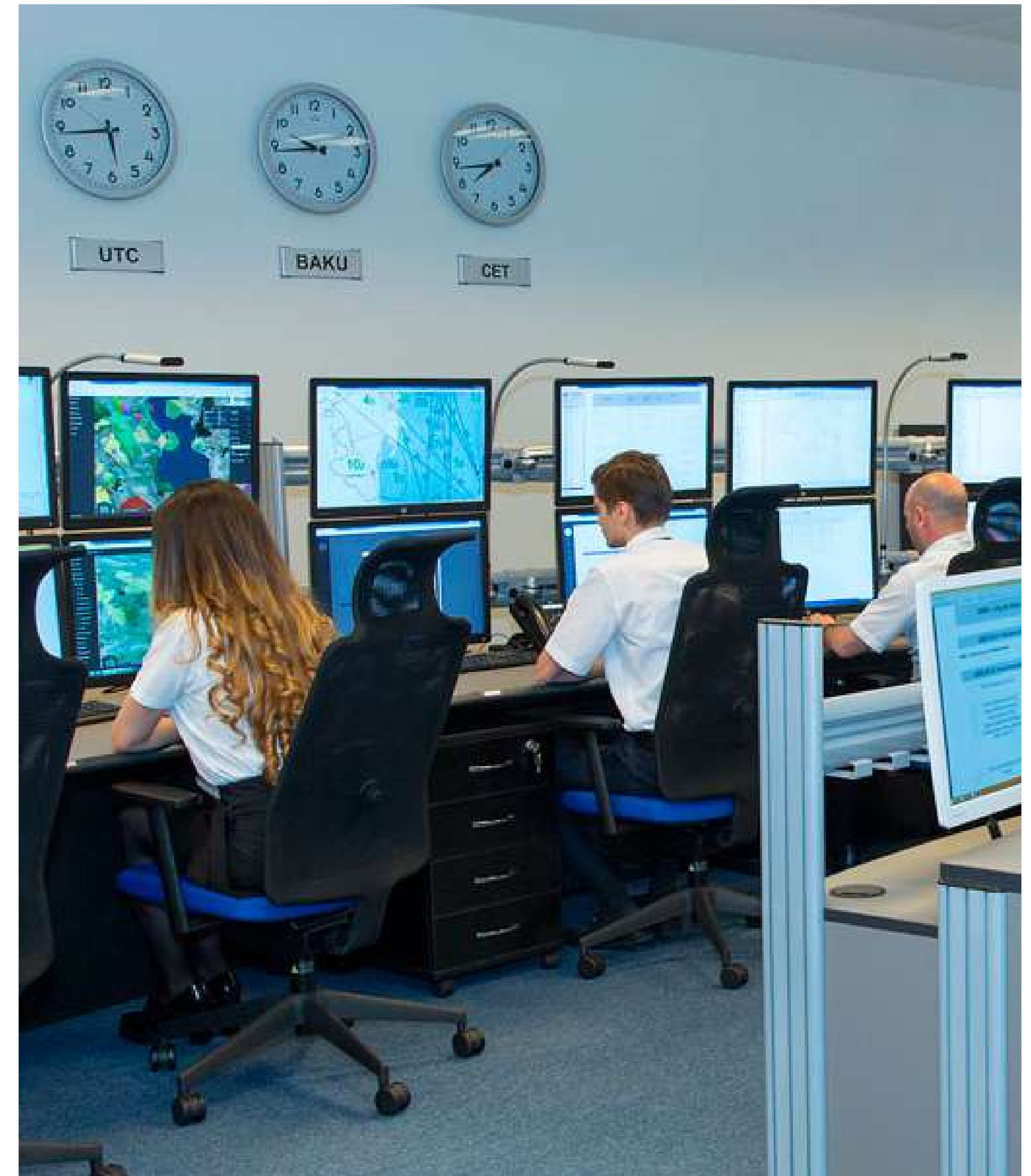


Figure 16. Tax governance approach

INFORMATION GOVERNANCE

As a critical infrastructure operator in the aviation sector, AZANS places strong emphasis on maintaining robust information governance practices to ensure operational integrity, regulatory compliance, and the protection of sensitive data.

While AZANS' dedicated cybersecurity function was formally established at the end of 2024, a comprehensive Information Security Management System (ISMS) was already in place, supported by structured processes, governance mechanisms, and standards-based controls.

AZANS' ISMS is aligned with ISO/IEC 27001:2013 and ICAO Doc 9985, ensuring full integration of information security across air traffic management, technical support, aeronautical information, meteorology, and flight operations.

A core focus within AZANS' information governance efforts is data protection and privacy. The Organization is aligning its practices with international standards, including GDPR, COBIT 2019, and ISO/

IEC 27001:2022. Although there were no reported data breach incidents during the reporting cycle, a suite of preventive measures—such as encrypted communication channels, stringent access controls, cybersecurity audits, and organization-wide awareness campaigns has been institutionalized to mitigate the risk of unauthorized access and to safeguard both personal and operational data.

Building upon this foundation, AZANS has also prioritized the implementation of a cybersecurity risk management system.

Building upon this foundation, AZANS has also prioritized the implementation of a cybersecurity risk management system. We conduct real-time monitoring to detect and respond to potential cyber threats, while also leveraging Threat Intelligence Platforms (TIPs) and

AI-powered security analytics to identify abnormal patterns and vulnerabilities across our digital infrastructure. Risk assessments are embedded into management processes across operational units, following the Plan-Do-Check-Act (PDCA) methodology.

To institutionalize a more structured approach, AZANS intends to conduct formal cybersecurity risk assessments every six months, following global methodologies such as ISACA's Risk IT Framework and COBIT standards.

To further reinforce digital preparedness, the Organization is actively developing a formal incident response and recovery plan.

This plan is designed to ensure timely, structured, and coordinated responses to cybersecurity events. It will include clearly defined escalation procedures, mitigation protocols, and mechanisms for learning from incidents to improve future response efforts. The response framework will also be aligned with industry benchmarks and ICAO guidance for managing disruptions in air traffic services.

In parallel, AZANS is embedding a culture of cybersecurity through a comprehensive employee training

and awareness program. The planned structure includes general training on phishing and cybersecurity hygiene for all employees, as well as specialized, role-based training for IT professionals and users with elevated access.

These efforts will be supplemented by practical exercises such as ethical hacking simulations and continuous knowledge updates on evolving digital threats, regulatory changes, and best practices. Training effectiveness will be evaluated through regular testing and feedback mechanisms to ensure behavioral change and staff readiness.

From a system access perspective, AZANS currently applies Role-Based Access Control (RBAC) and the Principle of Least Privilege to protect sensitive information.

However, it is acknowledged that Multi-Factor Authentication (MFA) has not yet been fully implemented across critical systems. Full MFA rollout across all mission-critical and administrative systems is planned for 2025, with interim safeguards to be enhanced during the transition period. Addressing this gap is a priority for the upcoming reporting cycle and will be central to strengthening authentication and identity management practices.

In anticipation of potential operational disruptions, AZANS is also designing an emergency recovery and resilience framework.

In anticipation of potential operational disruptions, AZANS is also designing

an emergency recovery and resilience framework. This will involve scheduled testing of recovery capabilities for mission-critical systems, with formalized documentation and evaluation to ensure preparedness under various risk scenarios.

Scenario-based tabletop exercises and live drills will be conducted at least biannually to test organizational responsiveness to cyber incidents and system failures.

Complementing these governance measures, AZANS is advancing its technological modernization efforts through strategic investments in next-generation cybersecurity tools.

These include AI-driven platforms (e.g., Cortex XSIAM, Palo Alto NGFW), Privileged Access Management solutions (e.g., CyberArk PAM, EPM), blockchain-based secure access systems, penetration testing and threat simulation platforms, and advanced encryption and secure data transfer technologies (e.g., Cloudflare) (Figure 17).

A centralized dashboard for cybersecurity operations will also be developed.

A centralized dashboard for cybersecurity operations will also be developed to provide real-time oversight of key threat indicators and response workflows. Together, these integrated efforts reflect AZANS' commitment to building a secure, adaptive, and forward-looking information governance framework that evolves alongside global standards and sector-specific challenges.

This framework supports the continuity and security of Azerbaijan's air navigation services while fostering trust among regulators, partners, and the public.

-  AI Driven Platforms
-  Privileged Access Management Solutions
-  Blockchain-Based Secure Access Systems
-  Penetration Testing & Threat Simulation Platforms
-  Advanced Encryption & Secure Data Transfer

Figure 17. Dashboard for cybersecurity operations



SUPPLY CHAIN MANAGEMENT

AZANS continues to advance its supply chain management approach by integrating strategic procurement, supplier diversification, and service performance oversight into a broader framework that supports the Organization's long-term operational and developmental goals. The supply chain at AZANS is not limited to the procurement of goods; it also encompasses the sourcing of critical services, contract management, vendor coordination, and the delivery of infrastructure and capacity-building solutions.

As part of AZANS' commitment to operational excellence and human capital development, the supply chain function launched a structured pricing inquiry and market screening process to identify qualified training providers.

This initiative ensures that workforce development is treated not only as an HR responsibility but also as a critical element of supply chain planning, with procurement decisions grounded in cost-efficiency, quality of delivery, and long-term value creation. In terms of

capital infrastructure, the supply chain team successfully coordinated the signing of a major contract with Indra, a leading global provider of air traffic management technologies. The contract supports the construction of the new Alat Cargo Airport in Alat Free Economic Zone, which involves the supply and integration of advanced communication, navigation, and surveillance (CNS) systems, meteorological solutions, and automated air traffic management technologies for Alat Cargo Airport. This milestone highlights AZANS' ability to manage complex, high-stakes supplier engagements across international markets while ensuring compliance with aviation sector standards.

Additionally, AZANS prepared the procurement and logistics planning for the acquisition of AWOS (Automated Weather Observing Systems) for GYD, Gabala, and Lankaran airports. Tendering for this project is scheduled to commence soon and demonstrates the Organization's proactive planning and coordination across internal stakeholders and external suppliers to meet future

airspace management requirements. As part of its effort to localize the supply chain and support domestic capabilities, AZANS achieved a significant shift in supplier composition. In 2024, 52% of suppliers were local and 48% were foreign, compared to 2023, when a high percentage of procurement was conducted with foreign vendors. This increase in local engagement enhances responsiveness, supports national economic development, and builds

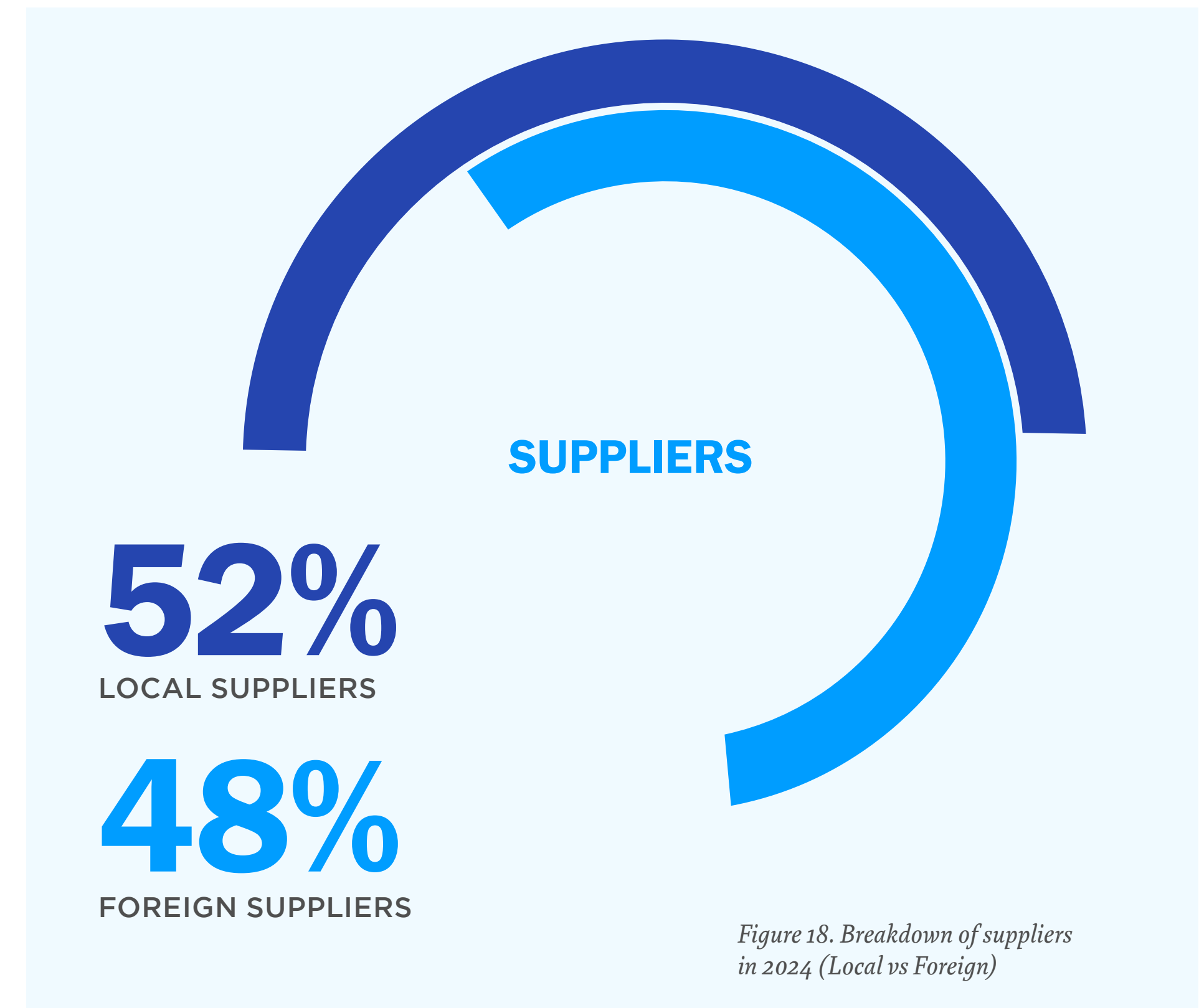
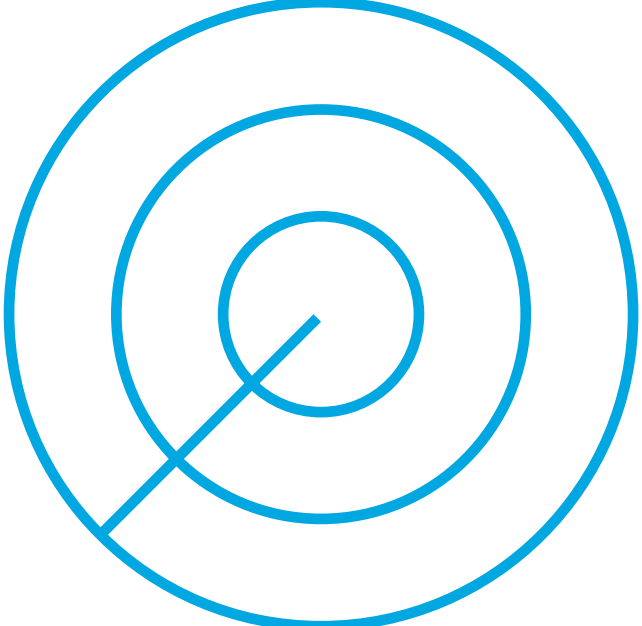


Figure 18. Breakdown of suppliers in 2024 (Local vs Foreign)

and builds greater resilience into the aviation ecosystem (Figure 18). Moving forward, AZANS is committed to strengthening supplier qualification procedures, promoting competitive sourcing, and introducing new performance monitoring tools to evaluate both service and product-based contracts.

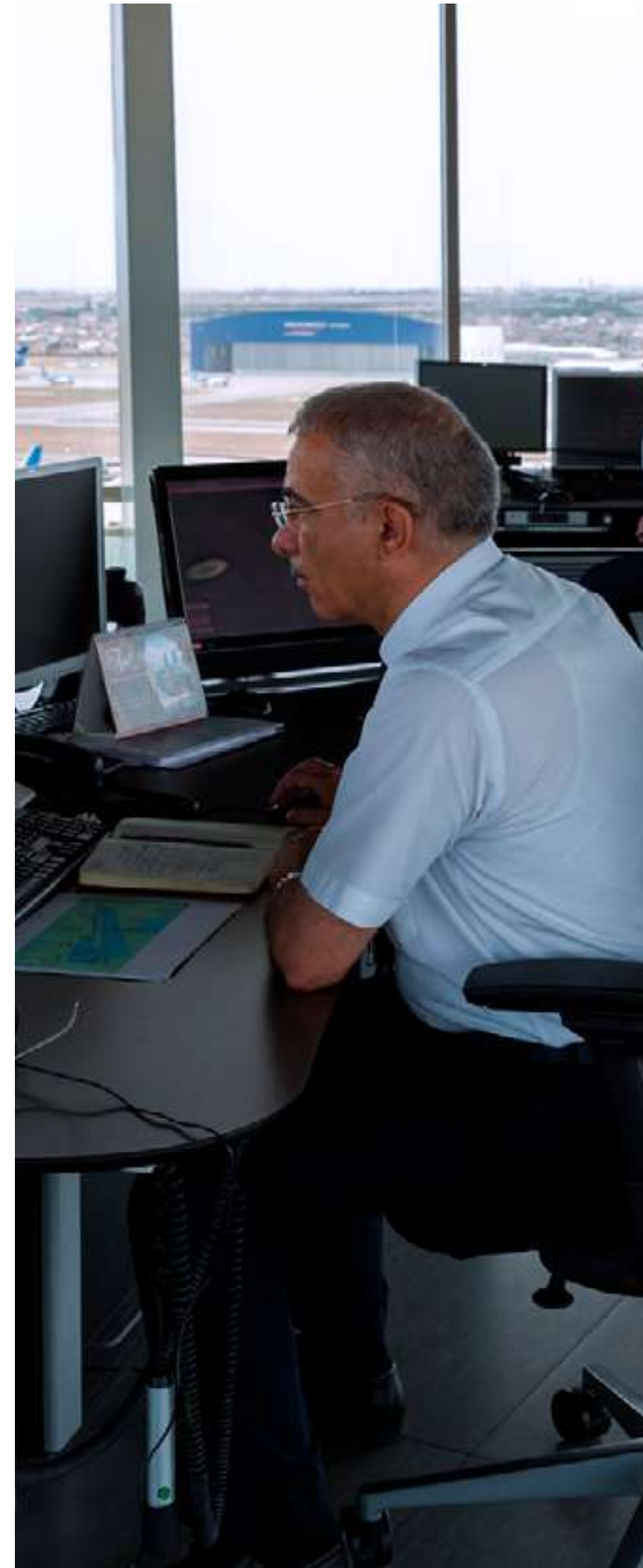
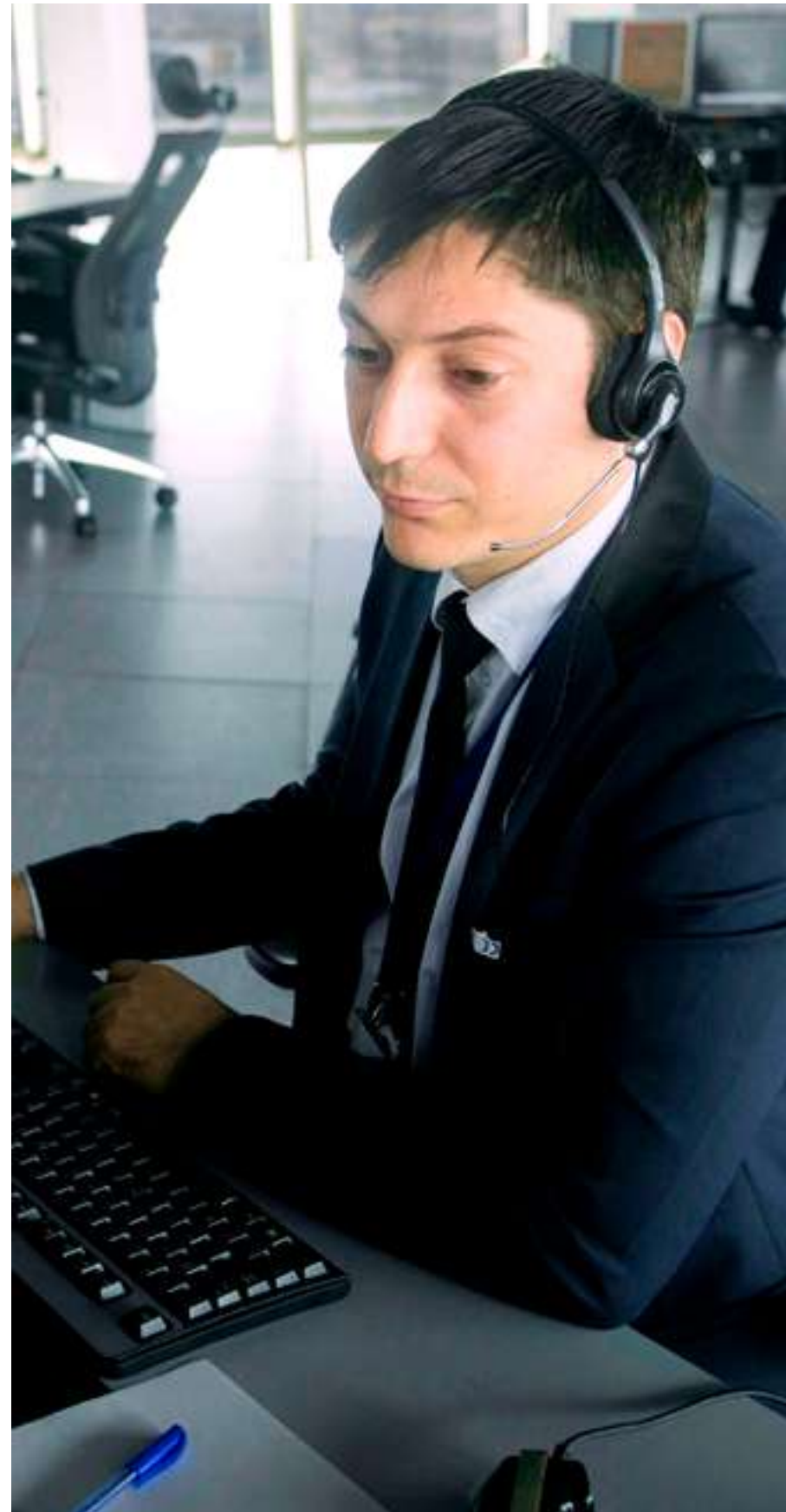
By embedding sustainability principles, capacity-building efforts, and quality assurance mechanisms throughout its supply chain operations, AZANS is positioning itself to deliver safe, efficient, and future-ready air navigation services through a well-managed, diversified, and adaptive supply chain.

EMPOWERING OUR WORKFORCE



EMPOWERING OUR WORKFORCE

Across the vast expanse of Azerbaijan's airspace, AZANS stands at the intersection of innovation, flight safety, security, and responsibility. As the national air navigation service provider, we are not only entrusted with ensuring safe and efficient skies, but we are also actively shaping a sustainable, inclusive, and collaborative future for aviation.



INCLUSIVE CULTURE AND TALENT NURTURING

At AZANS, our strength lies in our people. We foster a workplace culture that values inclusion, continuous learning, and the empowerment of every employee, regardless of background, nationality, or role.

As a highly licensed and technically specialized organization, we place special emphasis on employee well-being, helping each employee reach their full potential in a field where precision and accountability are essential.

To ensure a fair and merit-based hiring environment, AZANS follows a clear, structured, and legally compliant recruitment process. It starts with a departmental assessment of staffing needs and is followed by transparent job postings on our official channels.

Applications are reviewed by HR professionals using predefined criteria, ensuring consistency and objectivity. Selected candidates go through a series of standardized evaluations, such as written tests, interviews, and technical assessments.

For certain specialized positions, the selection process may also include psychological evaluations, background verifications, and medical screenings, in line with aviation industry standards.

Final hiring decisions are made collaboratively between HR and the relevant departments, with comprehensive documentation maintained to support audit readiness and regulatory compliance.

AZANS upholds strict policies against all forms of discrimination, harassment, and misconduct, reinforcing our core values of fairness, respect, and ethical behavior.

We actively promote a balanced lifestyle through flexible work models, wellness programs, and mental health awareness campaigns. In support of a fair and inclusive workplace, we provide a comprehensive benefits package that applies equally to both full-time and part-time employees. These standard benefits include life insurance, health-care coverage, disability, and invalidity support, as well as parental leave. By ensuring these protections are extended across all employment types, AZANS underscores its commitment to equity and employee well-being at every level of the organization.

their incentives support our mission of sustainable, inclusive, and ethical growth. Bonuses are tied to indicators like revenue performance, profitability, and operational efficiency, encouraging accountability and strategic focus. We are also committed to transparency in disclosing our compensation practices, ensuring they remain aligned with high standards of governance and ethical leadership. AZANS is dedicated to providing equal employment opportunities and cultivating a workforce that reflects a diverse range of experiences and identities. We believe that a diverse and inclusive environment is key to organizational strength and integrity. Our workforce trends reveal a period of steady expansion and consistent gender representation. Over the past three years, AZANS has demonstrated a steady increase in its total workforce, growing from 755 employees in 2022 to 771 in 2024. Throughout this period, the gender distribution has remained relatively consistent, with male employees comprising approximately 77-78% and female employees around 22-23% of the workforce (Figure 19). While the aviation sector in Azerbaijan, including air navigation services, remains predominantly male, we actively work on attracting and making air navigation more female-friendly. In line with this ambition, we have further strengthened our commit-

At the executive level, we support responsible corporate governance by aligning compensation with long-term institutional goals.

At the executive level, we support responsible corporate governance by aligning compensation with long-term institutional goals. The remuneration framework for our senior leaders incorporates both financial results and broader performance metrics, ensuring

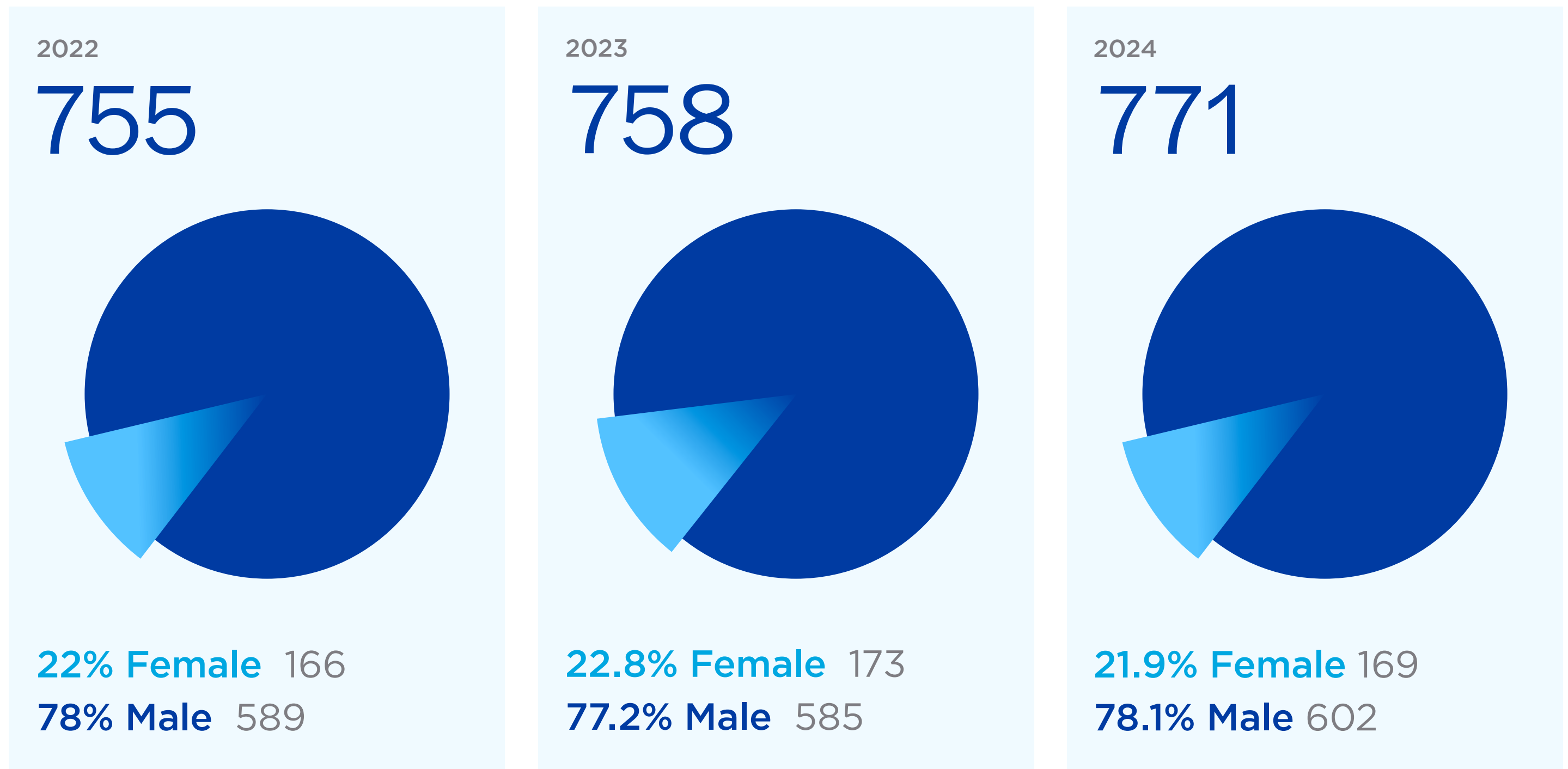


Figure 19. Gender diversity at AZANS

ment to diversity and inclusion by joining IATA’s “25by2025” initiative. This global campaign aims to increase the representation of women and underrepresented groups in leadership and technical roles within the aviation industry by 2025. In alignment with the “25by2025” goals, we are rolling out targeted strategies to foster an inclusive workplace culture. These include the development of

mentorship programs, leadership training opportunities, and strategic partnerships with educational institutions to inspire and support young women in pursuing aviation careers. By embracing this initiative, AZANS, under AZAL CJSC’s leadership, not only reaffirms its commitment to meeting global industry standards but also aspires to set a new benchmark for diversity, equity, and inclusion across

the region’s aviation sector. We focus on increasing the representation of women and individuals from diverse backgrounds in both technical and leadership roles. We recognize that innovation thrives on a balance of experience and fresh perspectives. In recent years, AZANS has undergone a significant transformation in the age composition of its workforce, particularly between 2022 and 2024.

The proportion of employees under 30 years old nearly doubled, rising from 7% in 2022 to 13% in 2024. Meanwhile, the share of employees over 50 decreased from 37% to 34%, and those aged 30-50 remained the majority, though their proportion slightly declined from 56% to 53% (Figure 20).

This shift, driven by strategic recruitment and personnel planning, has resulted in a growing presence of younger specialists bringing digital fluency and modern thinking. By embracing generational diversity and fostering cross-cultural collaboration, AZANS is cultivating a more inclusive and dynamic work environment. Through the continuous refinement of recruitment strategies and employee development programs, we are building teams that reflect a wide range of perspectives, supporting innovation, operational excellence, and empowering all employees to reach their full potential.

These figures reflect a trend of rejuvenation within the Organization, one that aligns with broader goals such as talent renewal, digitalization, and sustainable workforce development. This evolution can be attributed to a combination of key factors:

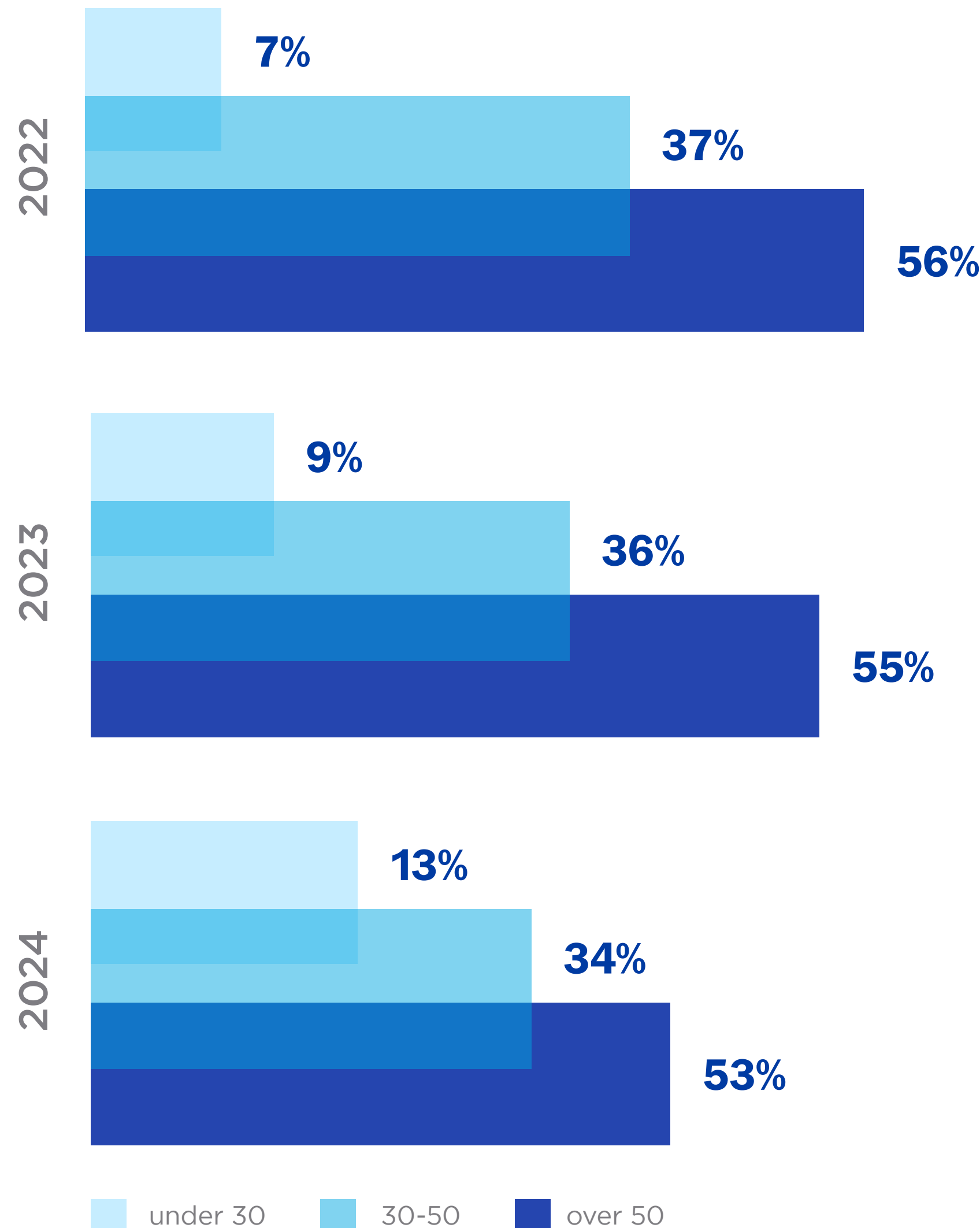


Figure 20. Age distribution of total employees

Targeted Youth Recruitment

Over the three years, AZANS significantly increased its hiring of younger employees. For instance, hires under 30 rose from 18 in 2022 to 29 in 2024. This suggests the Company is actively investing in early-career talent through graduate programs, internships, or collaboration with educational institutions.

Succession Planning & Knowledge Transfer

By proactively addressing workforce aging through phased retirements and onboarding younger staff, AZANS is mitigating potential knowledge gaps and ensuring operational continuity.

Employee Transition & Stability

High turnover rates among employees over 50 in 2022 and in 2023 signal natural attrition due to retirement.

This outflow of senior staff created opportunities for new hires and internal advancement (Table 4). By 2024, overall turnover rates declined across most age groups, reflecting an improved retention approach. Notably, turnover among the 30-50 age group dropped from 2% in 2022 to 1% in 2024, signaling a more stable and engaged core workforce (Figure 21).

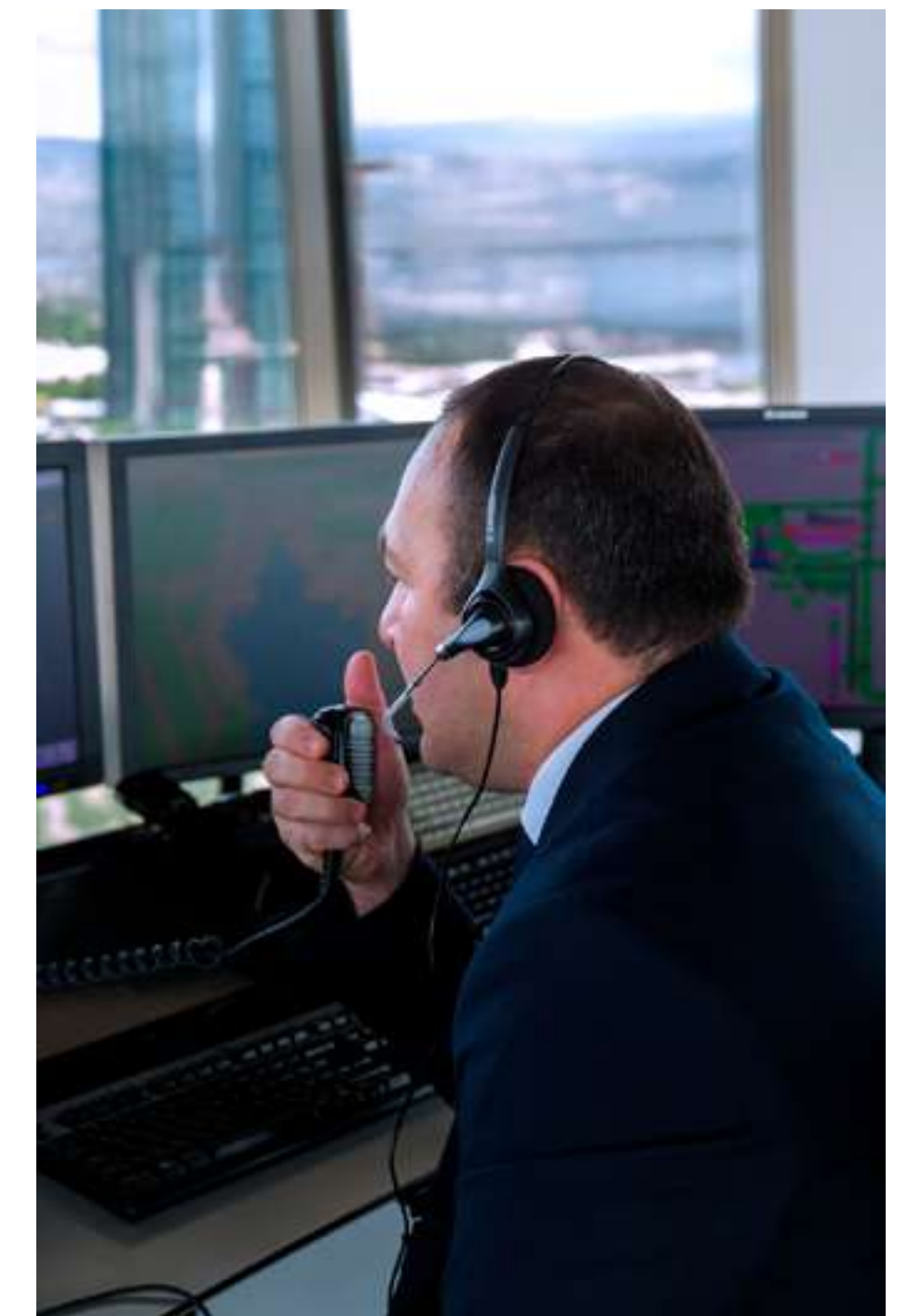


Table 4. Hires and Turnover

AGE GROUP	2022 HIRES	2022 TURNOVER	2023 HIRES	2023 TURNOVER	2024 HIRES	2024 TURNOVER
UNDER 30	18	15	10	18	29	14
30-50	11	7	1	12	6	4
OVER 50	0	42	0	28	0	16

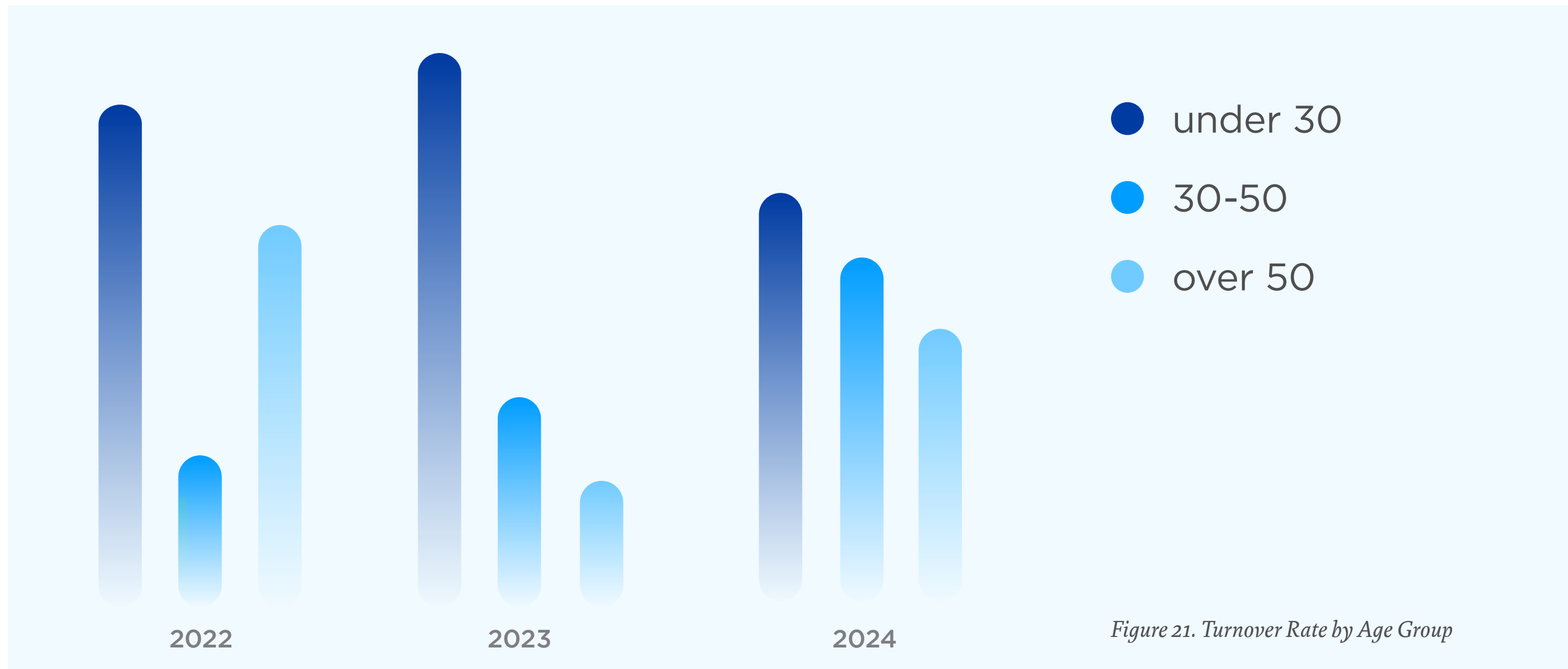


Figure 21. Turnover Rate by Age Group

Overall, AZANS' workforce trends over this period demonstrate a well-executed human resources management.

We are prioritizing sustainability, adaptability, and forward-thinking leadership

by balancing experienced professionals with the energy and innovation of a younger generation. This positions us not only to meet current operational demands but also to adapt effectively to future challenges in the aviation sector.



OCCUPATIONAL HEALTH AND SAFETY

SYSTEMATIC

The system is planned and consistent.

At AZANS, safety is not a standalone objective, but it is an integrated value covering all aspects of our operations. From the proactive identification of risks to the cultivation of a resilient safety culture, we ensure that safety is dynamic, continuous, and adaptive.

PREDICTIVE

The system is focusing on proactive hazard identification.

Our responsibility for aviation safety begins with the responsibility to our team.

Guided by international best practices, our approach combines structured governance, predictive systems, and empowered personnel to uphold the highest standards of aviation safety.

EXPLICIT

The system is based on fully documented processes.

Recognizing the importance of a holistic and strategic approach to workplace safety, AZANS transitioned its Occupational Health and Safety (OHS) function in early 2023 from the Human Resources department to the newly established Health, Safety, Environment,

and Quality (HSEQ) department. This structural change marks a shift from a legal compliance mindset to a proactive management system aligned with international standards such as ICAO, EASA, and CANSO.

Under this new framework, the HSEQ department has implemented a formal incident investigation procedure, requiring all workplace incidents to be reported within 24 hours.

This triggers a comprehensive review involving internal stakeholders and the State Labor Protection Inspectorate. Investigations are completed within 30 days, and all findings and corrective actions are formally documented and communicated to ensure effective resolution and organizational learning

Given the 24/7 nature of air navigation operations, fatigue represents a critical risk to both individual performance and operational safety. AZANS has therefore made Fatigue Risk Management a cornerstone of its HSEQ strategy.

In line with ICAO, EASA, and CANSO guidelines, we have established a proactive Fatigue Risk Management System (FRMS) (Figure 22, Figure 23)

Figure 22. FRMS Structure

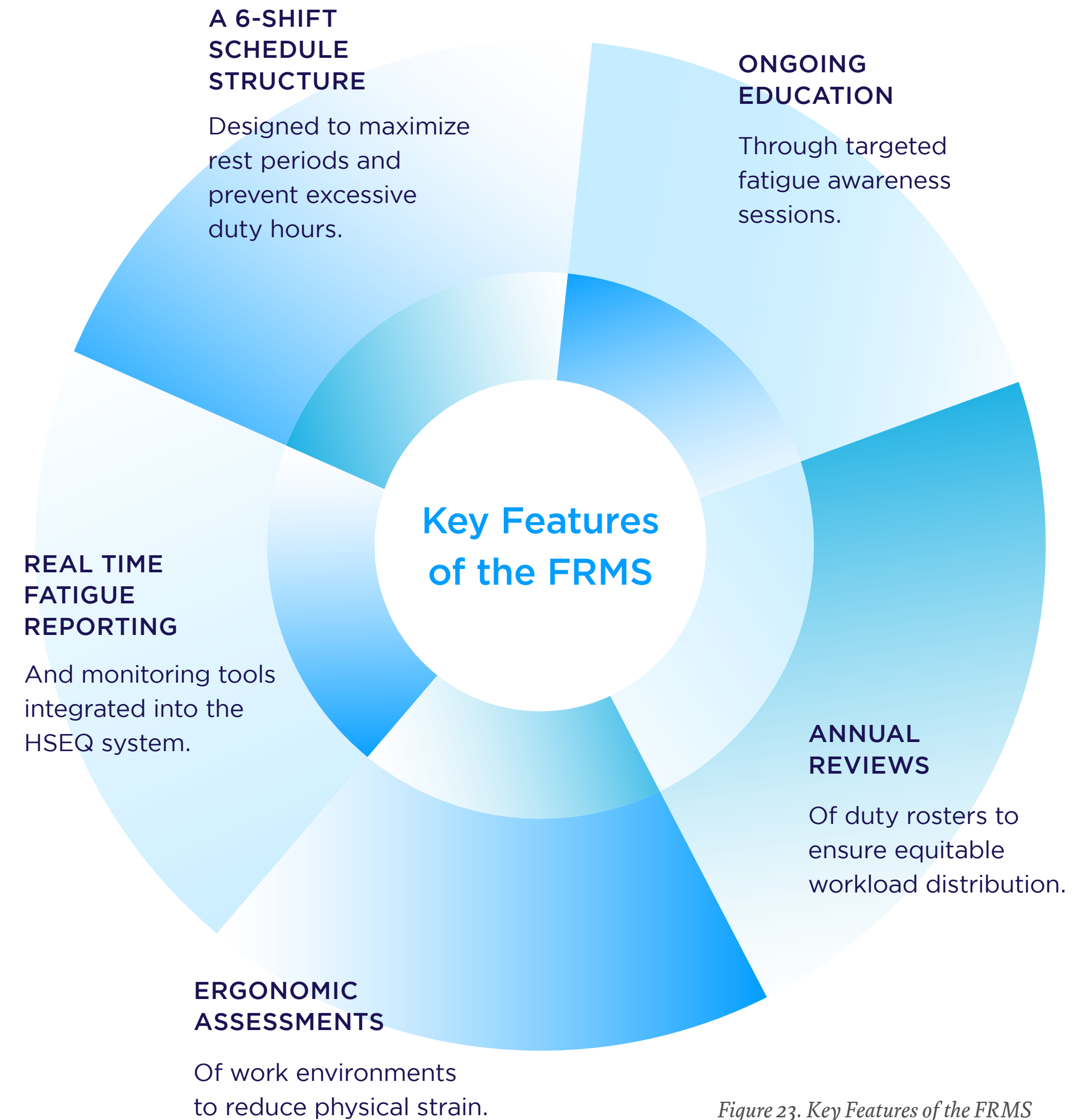


Figure 23. Key Features of the FRMS

In 2024, AZANS implemented the VIBE rostering system to centralize ATCO workforce management, integrating planning, training, rostering, and fatigue risk control into a single platform.

The system optimizes duty allocation by aligning rosters with traffic forecasts, qualifications, and operational requirements, while also embedding mandatory training sessions and tracking license and medical validity to prevent compliance gaps (Figure 24).

By automating roster generation and applying ICAO/EASA duty-time rules, VIBE ensures fair shift distribution, faster adjustments to unforeseen changes, and reduced administrative workload.

Its built-in fatigue risk models highlight potential risks related to long shifts, night duties, and cumulative hours, enabling proactive scheduling that supports controller wellbeing and operational safety.

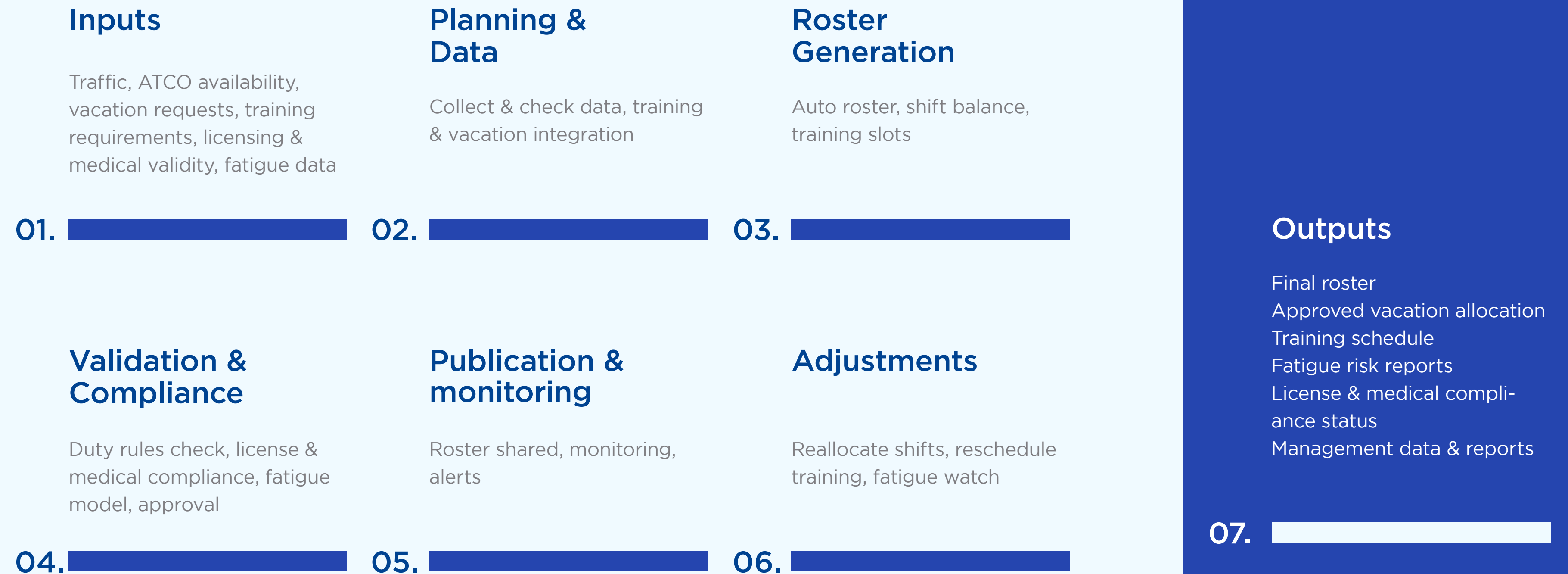


Figure 24. AZANS VIBE rostering system workflow chart

Air Traffic Service personnel, who operate under high-intensity, shift-based schedules, receive biannual training focused on how FRMS is integrated within a broader HSE roadmap.

Complementing these efforts, we have introduced a formal HSE reporting system, which has led to a measurable reduction in non-conformity cases.

These integrated strategies reinforce our commitment to proactive risk management while supporting the health and performance of our personnel.

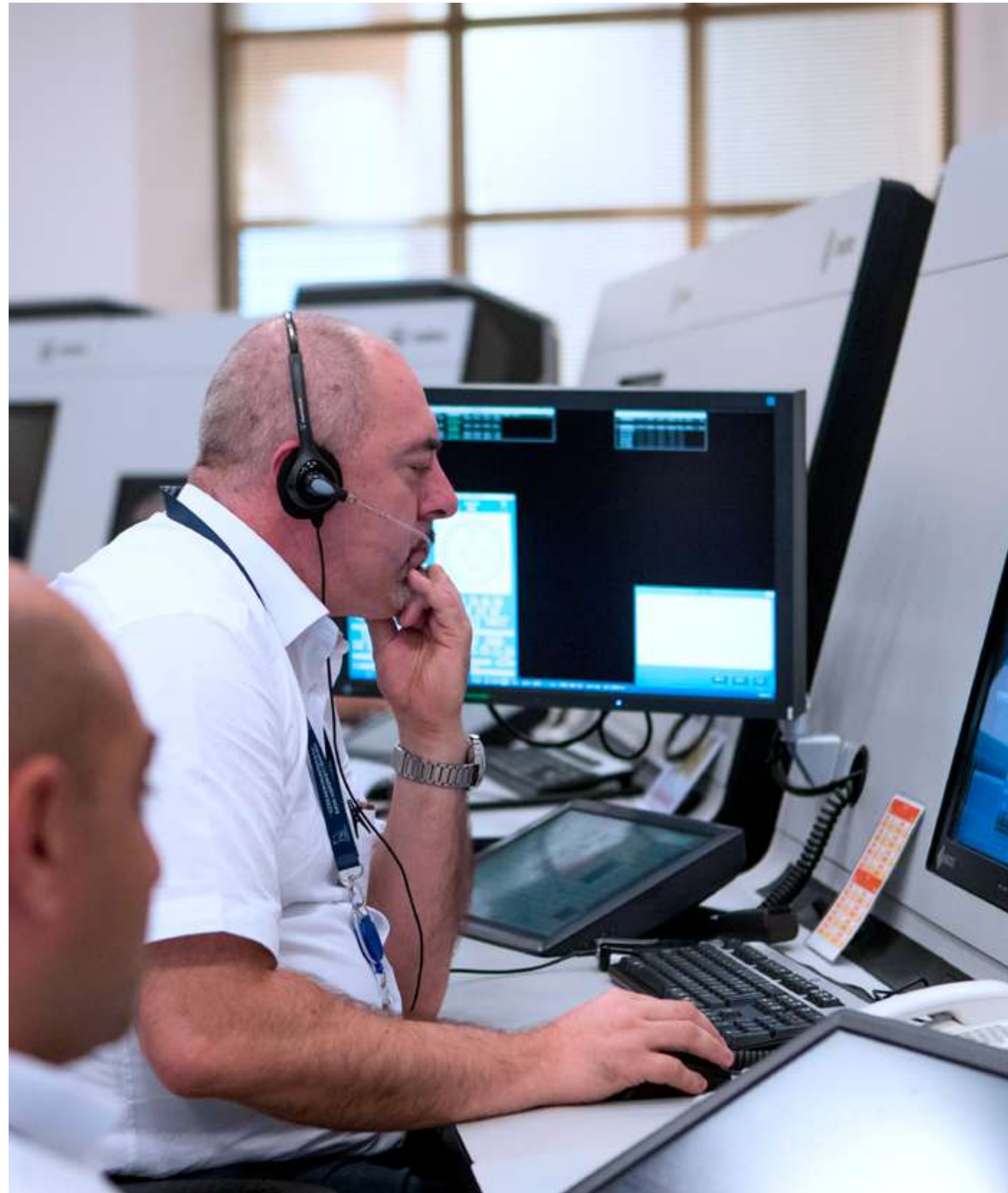
Every AZANS employee holds individual responsibility for safety, with their specific duties clearly outlined in job descriptions. This promotes accountability and supports a resilient safety ecosystem.

Work-related hazards are identified routinely and non-routinely by HSE engineers, who communicate risks via email to the relevant departments.

These issues are tracked persistently by the HSEQ team until resolution.

- REGULAR INTERNAL SAFETY TRAININGS
- SAFETY NEWSLETTER AND BRIEFINGS
- DISPLAY OF SAFETY POLICIES IN ALL DEPARTMENTS
- OPEN COMMUNICATION MEETINGS

Figure 25. AZANS' risk mitigation solutions



Meanwhile, ground operations are subject to structured risk assessments and are evaluated using the hierarchy of controls to eliminate or minimize risks effectively (Figure 25). Our updated Safety Management System (SMS), captured in the 2024 version of the AZANS Safety Management Manual, ensures comprehensive safety governance. SMS includes structured risk assessments, incident reporting procedures, and real-time emergency response protocols (Figure 26).

THE SMS FRAMEWORK INCLUDES



Figure 26. The SMS Framework

LEARNING AND CAPABILITY BUILDING

All operation staff at AZANS are licensed professionals, trained under international standards and national regulations. Given the complexity and global scarcity of ATM training programs, we maintain close partnerships with the National Aviation Academy and global institutions.

Our training strategy is reviewed annually and includes both mandatory regulatory programs and continuous development modules, ensuring every Air Traffic Controller, technician, and ATM expert is equipped to meet tomorrow's challenges. Throughout the year, we prioritized employee growth by delivering 127 targeted training sessions. These programs covered diverse topics, equipping our team with essential skills and knowledge to meet new challenges and drive us forward. This effort reinforced our commitment to continuous learning and professional development (Figure 27).

Training hours nearly doubled in 2024 compared to the previous two years, indicating a significant increase in training efforts or capacity (Figure 28).



Figure 27. Key figures from 2024 training initiatives

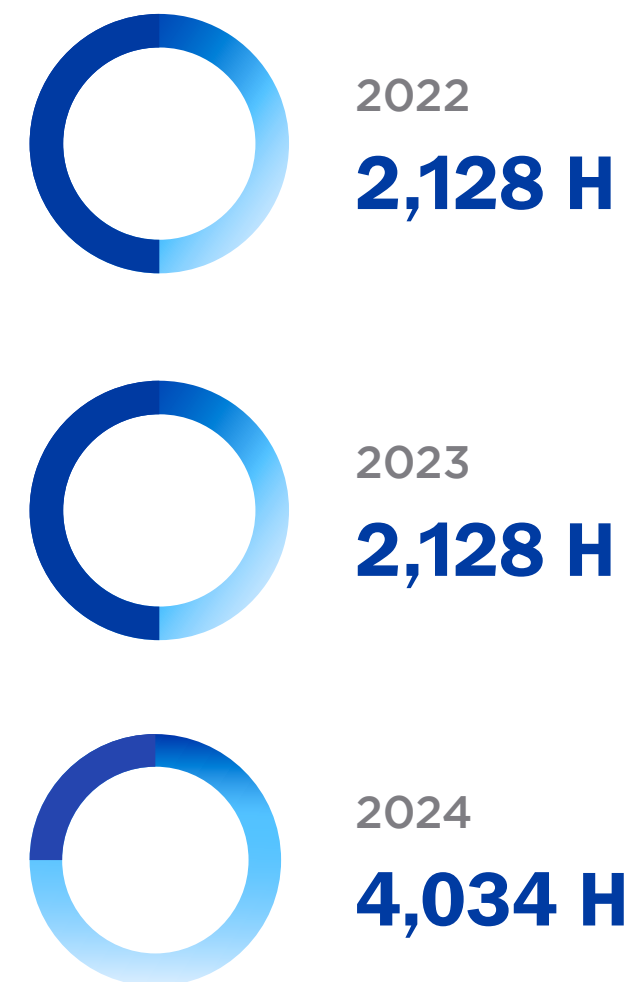


Figure 28. Training Hours Progression by Year

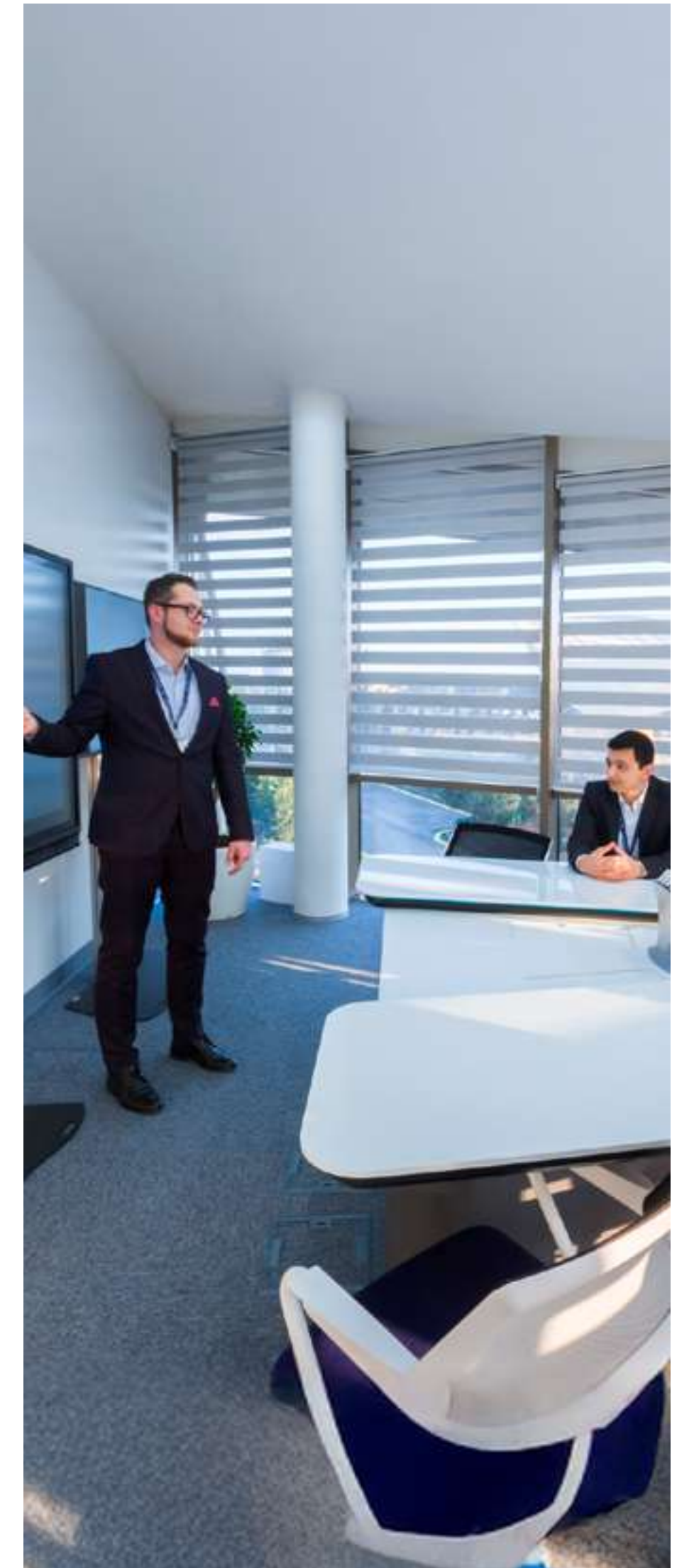
A cornerstone of this effort has been the development and implementation of a comprehensive suite of training programs designed to ensure that all personnel, whether newly onboarded, returning to duty, or engaged in specialized operations, are fully equipped with the knowledge and skills necessary to maintain a safe and compliant working environment. To ensure a consistent understanding of the organization's safety expectations and protocols from day one, mandatory general flight safety HSEQ induction sessions are provided to all new employees and contractors upon joining AZANS. To maintain a high level of awareness and preparedness, ATC personnel returning after long breaks also participate in tailored refresher courses, reinforcing critical safety practices and any updates to policies or procedures. In addition, AZANS has introduced a series of specialized training modules that address high-risk activities and operational scenarios. These modules cover essential topics such as working at heights, safe practices for confined space entry, excavation and trenching safety, and the correct selection and use of Personal Protective Equipment (PPE). By prioritizing continuous education and proactive risk mitigation, we aim to create a workplace where safety is not only a requirement, but a shared value embedded in our culture.

Building on this strong foundation, AZANS has further demonstrated its ongoing commitment to flight safety, ATM security, and occupational health and safety by launching a new series of targeted learning initiatives. These programs have been thoughtfully designed to address emerging operational challenges, evolving industry best practices, and the latest regulatory requirements (Figure 29).

ADDITIONAL SAFETY AND SECURITY TRAININGS INCLUDED IN 2024

01. Advanced SMS training
02. ATM Change Management & Risk Monitoring
03. Aviation Security programs for controllers & surveillance operators
04. Civil-Military Coordination enhancements

Figure 29. 2024 Training Initiatives



By proactively adapting our training efforts to reflect the dynamic nature of the aviation and air navigation sectors, we continue to reinforce a culture where safety is deeply integrated into every aspect of operations and decision-making.

All these initiatives are tailored to the hazards relevant to each role, ensuring safety measures are specific, actionable, and effective.

To conclude, AZANS' path forward is guided by a strong sense of responsibility, resilience, and a commitment to continuous improvement, values that shape both our operations and our people.

As we work toward a 2050 sustainable aviation future, we recognize that meaningful progress depends on empowering our workforce and embedding social responsibility into every layer of our organization. Central to this vision is the cultivation of an agile, inclusive workforce, one that reflects diverse perspectives, promotes gender equity, and embraces cross-generational collaboration.

Our investment in health, safety, and training remains unwavering. From comprehensive occupational safety systems to specialized development programs, we equip our teams with

the knowledge, tools, and resilience to perform at the highest standards.

Safety is not just a protocol at AZANS; it is a shared value woven into our daily practice. As we advance toward a smarter, more connected airspace, we reaffirm our commitment to people-first policies, inclusive growth, and operational excellence, ensuring that our social impact is as enduring as our technological progress.

All these initiatives are tailored to the hazards relevant to each role, ensuring safety measures are specific, actionable, and effective.



CONNECTING WITH COMMUNITIES

AZANS is deeply committed to acting as a responsible corporate citizen, contributing to sustainable development through initiatives that benefit the environment, education, and broader society. Our Corporate Social Responsibility (CSR) approach reflects the values of collaboration, knowledge sharing, and environmental stewardship, extending beyond aviation operations to actively support national and global sustainability goals.

As part of our commitment to education and cross-cultural exchange, AZANS recently hosted a delegation of Swiss university students in partnership with UNEC.

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university students in partnership with UNEC. During their visit, the students gained firsthand insight into the evolution of Azerbaijan's aviation infrastructure and the role of AZANS in ensuring safe and efficient air navigation.

This initiative offered an enriching experience for the participants and reaffirmed AZANS' dedication to inspiring future leaders in global aviation through knowledge-sharing and engagement.

A notable highlight this year was AZANS' participation in an environmental initiative held in Neftchala, within the framework of the World Air Navigation Summit and the 28th CANSO Annual General Meeting.

Together with representatives from AZAL, CANSO, and summit participants, AZANS took part in the ceremonial release of 5,000 juvenile sturgeons into their natural habitat.

This initiative, aimed at restoring the endangered sturgeon population in the Caspian Sea, symbolizes our commitment to preserving biodiversity and protecting

the region's fragile ecosystems. The event not only demonstrated cross-organizational cooperation but also showcased a shared responsibility toward long-term ecological sustainability.

Our employees also actively participate in the educational and environmental CSR activities of AZAL CJSC

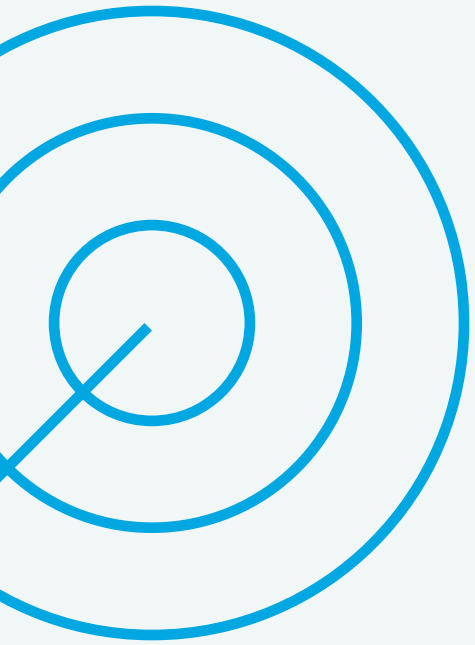
Our employees also actively participate in the educational and environmental CSR activities of AZAL CJSC, further strengthening our shared mission to promote sustainability awareness within the aviation sector.

These include outreach programs, environmental education campaigns, and collaborative volunteering activities focused on air quality, climate resilience, and sustainable development.

Through these and other collaborative CSR efforts, AZANS continues to affirm its role as a socially and environmentally responsible organization, one that values people, planet, and progress in equal measure.



OUR PATH TO SUSTAINABLE AIR TRAFFIC MANAGEMENT



OUR PATH TO SUSTAINABLE AIR TRAFFIC MANAGEMENT

As global efforts to address climate change accelerate, the aviation sector is uniquely positioned to contribute meaningfully to environmental sustainability. Air navigation service providers play a critical role in this transition, offering significant opportunities to reduce the ecological footprint.

At AZANS, we acknowledge our responsibility in supporting the aviation industry's transition toward more sustainable operations. Our commitment to environmental protection is closely aligned with both international frameworks and national climate commitments. Azerbaijan's Nationally Determined Contribution (NDC) sets a target to reduce greenhouse gas (GHG) emissions by 40% by 2050 compared to 1990 levels, reflecting the country's growing commitment to low-emission development. In alignment with this national objective, emission reduction remains a central environmental priority for AZANS. We are actively working to minimize our carbon footprint through optimized flight operations, cleaner and more efficient ground infrastructure, and the integration of

smart, energy-conscious technologies. To support these efforts, AZANS has embedded environmental responsibility into the core of its operational and strategic planning. Our actions are guided by a formal Environmental Policy, which sets out clear commitments to resource efficiency, emissions reduction, and regulatory compliance (*Figure 30*). As part of strengthening these commitments, we have also taken into account the Science Based Targets initiative (SBTi) and intend to broaden its application, ensuring our climate actions are aligned with internationally recognized pathways.

This policy serves as a foundation for integrating sustainability into all aspects of our operations, from infrastructure upgrades and technology adoption to airspace management.

Building on this foundation, the AZANS Environmental Management Plan (EMP) outlines strategic goals and actionable tasks to reduce greenhouse gas emissions, optimize energy consumption, and foster sustainable innovations in air navigation services.

Energy Efficiency & Optimization

We are enhancing energy performance across all AZANS facilities and systems by upgrading HVAC units, installing motion-activated lighting, and modernizing CNS infrastructure. Digital platforms and EV integration further reduce energy use. Our goals include a 10% reduction in overall energy consumption and sourcing 30% of electricity from renewables by 2030.

Commitment to Standards

AZANS is working to align with international best practices and plans to obtain ISO 14001:2015 certification. Our activities also support compliance with ICAO, IATA, and EASA environmental regulations. Participation in the CANSO GreenATM program further reinforces our focus on environmental accountability and continuous improvement.

Emissions Reduction

Reducing greenhouse gas emissions is central to AZANS' sustainability strategy. We are optimizing airspace design, enabling more efficient climb and descent profiles, and deploying digital tools like CPDLC and D-ATIS to improve flight efficiency. These measures support our target to reduce fuel use and CO₂ emissions from airspace users by 10% by 2028.

Process Improvements & Waste Reduction

We implement structured waste segregation and work with certified recycling partners to manage hazardous and recyclable materials responsibly. Efforts to eliminate single-use items, promote reuse, and digitalize internal processes help minimize waste generation and improve material efficiency across operations.



Figure 30. Strategic Priorities of Environmental Management at AZANS

The EMP reflects a proactive approach to environmental stewardship, such as combining modern technologies, best practices, and collaborative partnerships with national and international stakeholders to achieve long-term environmental sustainability. Our environmental approach is further reinforced by targeted Environmental Impact Assessments (EIAs), which support the identification and mitigation of risks related to airspace management, CNS/ATM infrastructure, fuel and energy use, airspace users' emissions, and operational waste.

The insights derived from these assessments directly inform the continuous improvement of our systems, facilities, and operational procedures.



Collaborative Progress Toward Cleaner Skies. A significant step in strengthening our environmental framework was the decision in 2024 to pursue membership in the CANSO GreenATM program, a globally recognized accreditation system that evaluates the environmental performance of air navigation service providers. GreenATM framework assesses various aspects of ANSP operations, including

flight procedures, airspace design, infrastructure efficiency, emissions monitoring, and environmental management practices. The program's tiered assessment system enables ANSPs to identify opportunities for improvement and benchmark their performance against global peers. AZANS announced its participation in the GreenATM program during the CANSO Global ATM Summit and 28th Annual General Meeting, hosted in Baku.



This event, held in the lead-up to COP29, brought global attention to the role of air navigation in advancing sustainable aviation. AZANS' involvement demonstrates our commitment to improving environmental performance through collaboration, transparency, and international best practices. To advance in the program, we are working to align our operations with international best practices and regulatory frameworks. This includes achieving compliance with European Union Aviation Safety Agency (EASA) environmental regulations and reaching Level 3 of the CANSO Green ATM Accreditation by 2028. These goals are supported by internal audits, targeted action plans, and a phased implementation strategy. Together,

these efforts strengthen the organization's ability to integrate sustainability into its core functions while ensuring continuous improvement and alignment with global standards. Furthermore, AZANS is a founding member of the Green Aviation Insight (GAIN) project, a not-for-profit platform developed by NATS (UK) to help ANSPs benchmark operational performance and reduce airspace users' emissions. As one of the original co-founders alongside NATS, CAAM (Malaysia) and skeyes (Belgium), AZANS contributes airspace data and supports the platform's design and early development. Our participation reflects our ongoing efforts to measure performance, share results, and contribute to industry-wide progress.



AZANS announced its participation in the GreenATM program during the CANSO Global ATM Summit and 28th Annual General Meeting, hosted in Baku.



GHG EMISSIONS MANAGEMENT

At AZANS, one of our core objectives is to advance environmental performance within the aviation sector. Reducing greenhouse gas emissions is not only a regulatory obligation but a fundamental component of our long-term sustainability vision.

To support this commitment, AZANS has aligned its efforts with clearly defined emissions reduction targets. A primary objective is to achieve a 10% reduction in fuel consumption and CO₂ emissions from airspace users by 2028, through improvements in airspace efficiency and the optimization of air traffic management procedures. In parallel, we are taking steps to minimize emissions associated with staff travel.

This includes a 10% reduction in domestic business travel emissions by 2027, supported by greater reliance on virtual meetings and remote training. Furthermore, AZANS is working toward a 5% reduction in emissions from workplace commuting by 2030, by promoting the use of net-zero and public transport options among employees.



TRACKING EMISSIONS FOR MINIMIZING IMPACT

AZANS monitors and reports environmental data in accordance with international best practices. Currently, this reporting covers only operational facilities in Baku, with work underway to develop a standardized methodology that will extend coverage to regional operations in future cycles.

AZANS monitors and reports environmental data in accordance with international best practices.

Our approach is guided by recognized standards such as the Greenhouse Gas Protocol, ICAO environmental reporting guidelines, and the CANSO Green ATM framework, which ensure transparency, consistency, and comparability in environmental performance. Within this framework, we specifically track GHG emissions, including Scope 1 emissions from direct operational activities and Scope 2 emissions from purchased electricity.



AZANS achieved notable progress in reducing its carbon footprint in 2024, with total emissions decreasing by 2.6% compared to 2023 levels. The most substantial improvement was observed in Scope 1 emissions, reflected by a 47.2% reduction.

This decline was largely driven by a significant decrease in gasoline consumption, reflecting the organization’s ongoing transition to a more sustainable and energy-efficient ground vehicle fleet. Diesel consumption, primarily linked to boiler systems for heating and backup power, also declined steadily, further contributing to the overall reduction in direct emissions (Table 5).

The increase in Scope 2 emissions, associated with purchased electricity, reflects the expansion of AZANS’ operational scope, including rising air traffic volumes and corresponding energy demands across technical and administrative facilities. The upward trend highlights the importance of continued investments in energy-efficient infrastructure and the integration of low-carbon energy sources in future planning (Table 5).

Emissions intensity serves as another key indicator for assessing the effectiveness of our emission reduction efforts rela-

		2022	2023	2024
SCOPE 1	GASOLINE	141	95	49
	DIESEL	2.97	1.23	1.20
SCOPE 2	ELECTRICITY	247	254	291
TOTAL EMISSIONS		391	350	341

Table 5. Emissions Performance (tCO₂e)¹

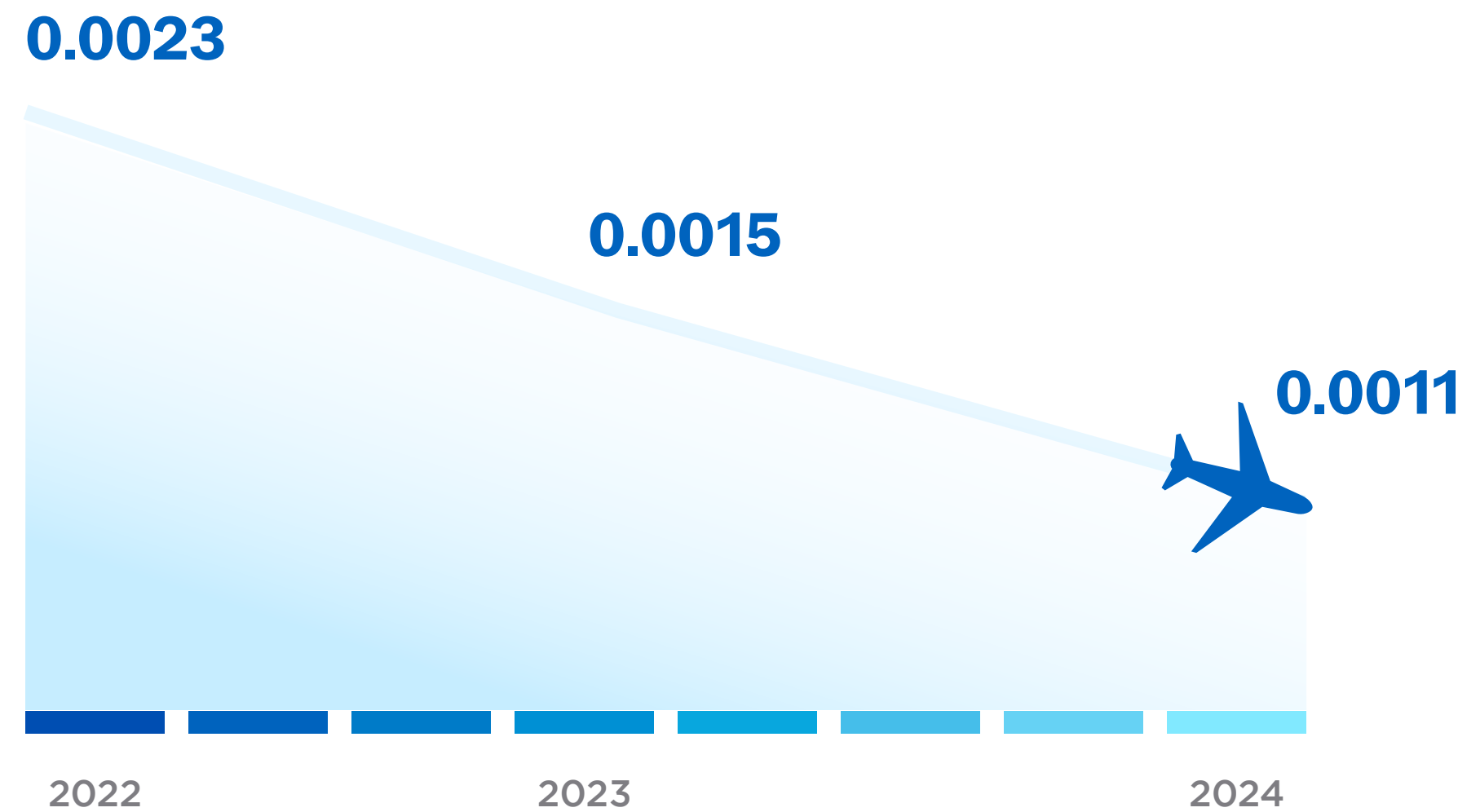


Figure 31. Total Emissions Intensity (tCO₂e / managed flight)

¹Scope 2 emissions were calculated using the location-based method in accordance with the GHG Protocol.

tive to operational growth. By measuring total emissions against the number of flight hours managed annually, we ensure that environmental performance is evaluated in the context of service expansion. Despite substantial growth in flight activity in recent years, emissions intensity decreased to 0.0011 tCO₂e per flight in 2024, representing a reduction of 27% compared to the previous year. This trend demonstrates AZANS’ ability to scale services while reducing environmental impact, which is a core indicator of operational sustainability and airspace efficiency (Figure 31).

AZANS achieved notable progress in reducing its carbon footprint in 2024, with total emissions decreasing by 2.6% compared to 2023 levels.

These results affirm our role in advancing environmentally responsible air navigation through data-driven performance management and proactive emissions mitigation, supported by the implementation of advanced operational technologies.



SUPPORTING LOW-EMISSION AIRSPACE

At AZANS, our approach to emissions reduction goes beyond internal operations - we are committed to minimizing the environmental footprint of every flight managed within Azerbaijan's airspace. This objective will become fully achievable with the implementation of the GAIN (Green Aviation Insights) platform, which is expected to provide the capability to monitor and assess the efficiency of each flight in real time.

By leveraging advanced air navigation technologies and optimizing the design and structure of our airspace, we enable aircraft to fly more efficiently and with reduced fuel use across all phases of flight, from departure to arrival.

Route optimization through Direct Route (DCT) coordination with military aviation enables shorter, more fuel-efficient paths.

Key initiatives include the implementation of Performance-Based Navigation (PBN), including RNAV and RNP, which enhance routing precision and allow for optimum profile descents and standard terminal arrivals.

Route optimization through Direct Route (DCT) coordination with military aviation enables shorter, more fuel-efficient paths. Continuous Climb and Descent Operations (CCO/CDO) ensure smoother flight profiles, reducing fuel consumption, noise pollution, and carbon dioxide (CO₂) emissions.

In terminal zones, AZANS enhances efficiency by continuously redesigning Terminal Maneuvering Areas (TMAs) and applying Continuous Descent Approaches (CDA), helping to reduce aircraft holding times, fuel consumption, and noise levels around airports.

Through these advanced technologies and strategic upgrades, AZANS continues to drive air traffic efficiency while supporting national and international climate goals (Figure 32).

CO₂ Emission Monitoring

AZANS monitors CO₂ emissions for both en-route (ENR) and landing/take-off (LTO) flight phases. Since 2018, Key Performance Indicators (KPIs) have been used to track emissions within the Baku Flight Information Region (FIR), enabling better evaluation of environmental strategies.

Efficient Terminal Maneuvering Area (TMA) Design

Serving over 40,000 aircraft annually, AZANS continuously improves TMA design. Enhancements to RNAV approaches, airspace structure, and Continuous Descent Approaches (CDA) help minimize holding, reduce fuel burn, and lower CO₂ emissions around airports.

Performance-Based Navigation (PBN) systems

PBN systems, including Area Navigation (RNAV) and Required Navigation Performance (RNP), enhance routing precision and flight efficiency.

RNAV 5 supports flexible en-route operations with Optimum Profile Descent (OPD) capability, while RNP 1 improves approach accuracy using Standard Instrument Departures (SID) and Standard Terminal Arrival Routes (STAR)—reducing emissions, fuel use, and noise.

Route Optimization

Enhancing Azerbaijan's airspace structure by implementing Direct Route (DCT) procedures. Through real-time coordination with military aviation, air traffic controllers enable shorter and more efficient flight paths, reducing fuel consumption and carbon dioxide (CO₂) emissions.

Reduced Vertical Separation Minima (RVSM)

Implemented in 2018, RVSM allows aircraft to fly at closer vertical intervals—1,000 feet apart instead of 2,000. This increases airspace capacity and enables more aircraft to operate at fuel-optimal altitudes, reducing emissions of CO₂, sulfur oxides (SO_x), and water vapor (H₂O).

Continuous Climb and Descent Operations (CCO/CDO) and Noise Abatement

Applying of CCO&CDO across national airspace to maintain smooth and optimal vertical flight profiles.

These procedures reduce inefficient level-offs, lowering fuel consumption and CO₂ emissions.

Additionally, by avoiding abrupt altitude changes, CCO&CDO help minimize aircraft noise exposure, especially near populated or noise-sensitive areas during take-off and landing.

Figure 32. Key Air Traffic Management Optimization Initiatives to Enhance Environmental Efficiency at AZANS

OPTIMIZING ENERGY PERFORMANCE

Energy optimization is a vital component of AZANS' sustainability journey and a critical complement to its primary environmental objective of reducing GHG emissions. As we are responsible for managing Azerbaijan's air navigation infrastructure, we also acknowledge our dual responsibility: to provide the safety and efficiency of air traffic operations while minimizing the energy intensity of those operations.

To support this objective, AZANS has engaged in a series of strategic collaborations aimed at enhancing operational efficiency through modernization and technology adoption.

In partnership with NATS (UK), we launched a comprehensive initiative to review and refine its operational procedures, maintenance practices, and regulatory compliance.

At the same time, AZANS has worked closely with Société Internationale de Télécommunications Aéronautiques (SITA) to advance the digitalization of air navigation. The deployment of air-to-

ground data link technologies, including Digital Automatic Terminal Information Service (D-ATIS), Digital Meteorological Broadcast for Aircraft (D-VOLMET), Departure Clearance (DCL), and Controller-Pilot Data Link Communications (CPDLC), has significantly reduced reliance on traditional voice communication and paper-based systems.

SITA

By enabling more accurate and timely exchange of operational data between pilots and controllers, these technologies support more efficient flight trajectories, reduce ground and airborne delays, and ultimately contribute to lower fuel burn and energy consumption throughout flight operations.

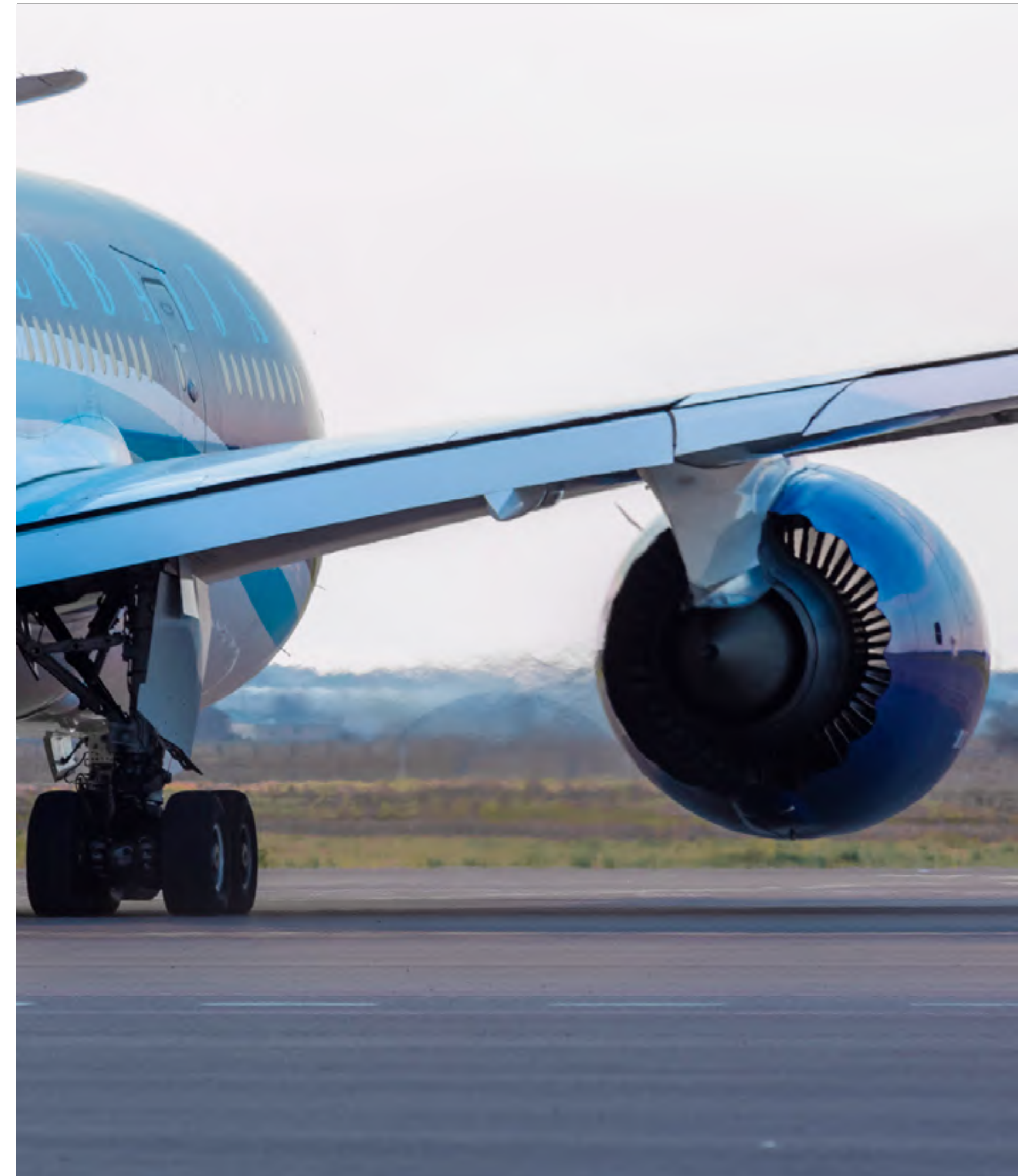
Complementary advancements have also been made through the implementation of digital platforms within airline operations. Technologies such as the Amadeus Altéa Passenger Service System (PSS) and Amadeus Revenue

Management tools streamline reservation management, flight scheduling, and departure control by enhancing data coordination and operational planning.

These systems help to optimize aircraft movements and reduce idle times, leading to less energy-intensive flight operations and fewer emissions associated with operational inefficiencies.

In addition to operational and digital advancements, we continue to place strong emphasis on improving energy efficiency across our ground infrastructure, including control towers, administrative offices, technical buildings, and support facilities.

These efforts have included the replacement of conventional lighting with LED systems and motion sensors to reduce electricity use in low-occupancy areas, as well as the upgrade of Heating, Ventilation, and Air Conditioning (HVAC) systems to modern, automated models that conserve energy while maintaining reliable performance.



These initiatives directly contribute to AZANS' national sustainability commitments, particularly the goal of reducing total energy consumption by 5% within two years and 10% by 2030.

Supporting this transition is the gradual electrification of the organization's ground fleet, which reduces reliance on fossil fuels and lowers emissions associated with daily operations.

A key strategic objective also centers on the integration of renewable energy into AZANS' operations. The organization is targeting 30% renewable energy generation across all facilities by 2030.

To reach this goal, AZAL CJSC is implementing a structured transition plan that includes collaboration with Azerenerji, upgrades to energy-efficient ATM and CNS infrastructure, and the adoption of a green procurement policy.

Existing energy supply contracts are also being reviewed and updated to support the shift toward sustainable energy sources.

Complementing these measures, we are committed to improving the efficiency of 10% of its Communication, Navigation, and Surveillance (CNS) infrastructure by 2030. This will be achieved through

a combination of modernization, digitalization, and the adoption of low-consumption technologies, ensuring that future infrastructure upgrades align with broader energy and environmental objectives. To evaluate the effectiveness of initiatives implemented in recent years, AZANS monitors total energy use over time from its main consumption sources, such as electricity, gasoline, and diesel, guaranteeing consistent monitoring during the reporting period.

AZANS achieved a further 9% reduction in its total energy consumption, which declined from 3,555.31 GJ in 2023 to 3,228.79 GJ in 2024.

These changes reflect the successful replacement of gasoline-powered vehicles and the implementation of more modern, energy-efficient practices.

This progress was driven by a reduction in fossil fuel usage, represented by lower gasoline and diesel consumption. These

	2022	2023	2024
GASOLINE	2,008	1,347	704
DIESEL	40.10	16.65	16.15
ELECTRICITY	2,136	2,192	2,509
TOTAL	4,183	3,555	3,229

Table 6. Energy consumption (GJ)

changes reflect the successful replacement of gasoline-powered vehicles and the implementation of more modern, energy-efficient practices.

While this transition has contributed to an expected increase in electricity consumption, it has significantly reduced the AZANS' dependence on fossil fuels. The overall outcome of the implementation is a net improvement in environmental performance, characterized by greater efficiency and minimized emissions across all operational areas.

This shift is reflected in the improved energy intensity, which declined by 38% compared to last year, in parallel with overall energy use and expanded flight activity (Table 6, Figure 33).

0.0247



2022

0.0168



2023

0.0104



2024

Figure 33. Total energy intensity (GJ/managed flight)



EFFICIENT WATER USE

Water is a vital operational resource, and its responsible management is essential to our broader commitment to sustainable infrastructure. As part of our environmental strategy, we prioritize reducing water waste, improving consumption efficiency, and ensuring that all usage aligns with long-term resource conservation goals. Efficient water use not only reduces our environmental footprint but also contributes to the operational resilience of our facilities.

To support this, AZANS has implemented a series of water-saving measures across its infrastructure. These include the widespread installation of low-flow faucets, toilets, and showers in all facilities, which significantly reduces daily water demand.

Additionally, automated irrigation systems have been deployed in landscaped areas to optimize water use based on need and weather conditions, minimizing unnecessary consumption.

Routine maintenance practices have also been enhanced through the integration

of leak detection protocols into regular inspections. These measures ensure that leaks are identified and repaired promptly, preventing avoidable water losses and ensuring the continued efficiency of our water systems.

In alignment with international water classification standards, all water consumed across AZANS operations is classified as Blue Water, sourced from municipal or groundwater supplies. Based on usage patterns, approximately

This near-total discharge closely mirrors consumption levels, reinforcing the importance of efficient use and responsible outflow management.

70–75% of this water is discharged as Grey Water, primarily from sanitary and domestic use, while the remaining 25–30% is used in non-sewage activities such as irrigation and facility cleaning.

This near-total discharge closely mirrors consumption levels, reinforcing the importance of efficient use and respon-

sible outflow management. Collectively, these initiatives support more sustainable operations and align with our focus on long-term infrastructure optimization.

AZANS' water consumption and discharge volumes have varied in recent years, driven by changes in operational activity and infrastructure use.

In 2024, total water consumption declined to 7,280 m³, while water discharge dropped to 7,000 m³, representing an 18% and 19% reduction from 2023 levels, respectively. This decrease marks a significant reversal from the 2023 peak and reflects a return to more efficient and sustainable water use patterns (Table 7).

These reductions underscore the effectiveness of targeted efficiency initiatives implemented across AZANS facilities, including the deployment of advanced leak detection systems, the installation of low-flow fixtures, and the enhancement of water monitoring practices.

Collectively, these efforts demonstrate AZANS' continued commitment to responsible water management and the sustainable use of natural resources.

TOTAL WATER CONSUMPTION, M³

2022	6,854
2023	8,906
2024	7,280

TOTAL WATER DISCHARGE, M³

2022	6,554
2023	8,606
2024	7,000

Table 7. Water Management



RESPONSIBLE WASTE HANDLING

Responsible waste management is another essential element of our commitment to operational excellence, regulatory compliance, and environmental stewardship across all facilities (Figure 34). As part of our broader approach to minimizing environmental impact and promoting resource efficiency, we have developed a structured waste handling system that governs all stages of the waste lifecycle, from generation to final disposal, in compliance with both local regulations and international standards.

At the core of this system is the principle of waste prevention and proper segregation. AZANS has implemented a mandatory waste separation strategy across its facilities, ensuring the categorization of waste into hazardous, recyclable, and general streams. This approach is reinforced through clearly marked bins, instructional signage, and internal awareness campaigns that promote responsible disposal practices. Staff engagement and training play a vital role in supporting these efforts. Personnel receive targeted guidance on waste handling procedures

to ensure consistent application and ongoing improvement. These programs not only enhance day-to-day operations but also foster a strong culture of environmental responsibility across the organization. To further reduce waste at the source, AZANS encourages the elimination of single-use items and the use of sustainable, reusable materials. Our procurement practices reflect this by requiring suppliers to meet environmental packaging and product life cycle standards.

At the core of this system is the principle of waste prevention and proper segregation.

Internally, we promote the reuse of operational materials wherever feasible, embedding circular economy principles into our daily functions by keeping materials in use for as long as possible, reducing dependency on virgin resources, and minimizing waste generation.

WASTE PREVENTION

Implementation of efficient operational planning to reduce waste generation

Replacement of single-use products with durable, reusable alternatives

Integration of sustainability criteria into procurement and supplier selection

HAZARDOUS WASTE MANAGEMENT

Strict protocols for handling, storing, and disposing of hazardous materials (e.g., batteries, e-waste)

Use of secure storage areas and compliant transport methods

Collaboration with licensed recyclers for safe and responsible processing

WASTE SEPARATION

Mandatory segregation of waste into hazardous, recyclable, and general streams

Deployment of clearly labeled bins and signage across all facilities

Awareness campaigns and training to ensure consistent staff engagement

MONITORING & COMPLIANCE

Regular audits to assess sorting effectiveness and waste reduction progress

Data collection systems to track volumes, disposal routes, and recycling rates

Full alignment with ICAO, IATA, and national environmental regulations



Figure 34. Waste Management System at AZANS

These initiatives are reinforced by routine monitoring and auditing. AZANS conducts regular waste audits to assess separation efficiency, while waste monitoring systems track volumes and disposal routes to identify areas for ongoing improvement. Based on these insights, we set waste reduction targets, monitor progress, and communicates results to stakeholders and regulatory bodies, aiming at enhanced transparency and accountability.

Special attention is given to the management of hazardous waste, including batteries, chemicals, and electronic components. These materials are stored, transported, and disposed of under stringent safety protocols. AZANS has also established partnerships with certified recycling providers, allowing for the responsible reprocessing of eligible materials and reducing the volume sent to landfill (Figure 35).

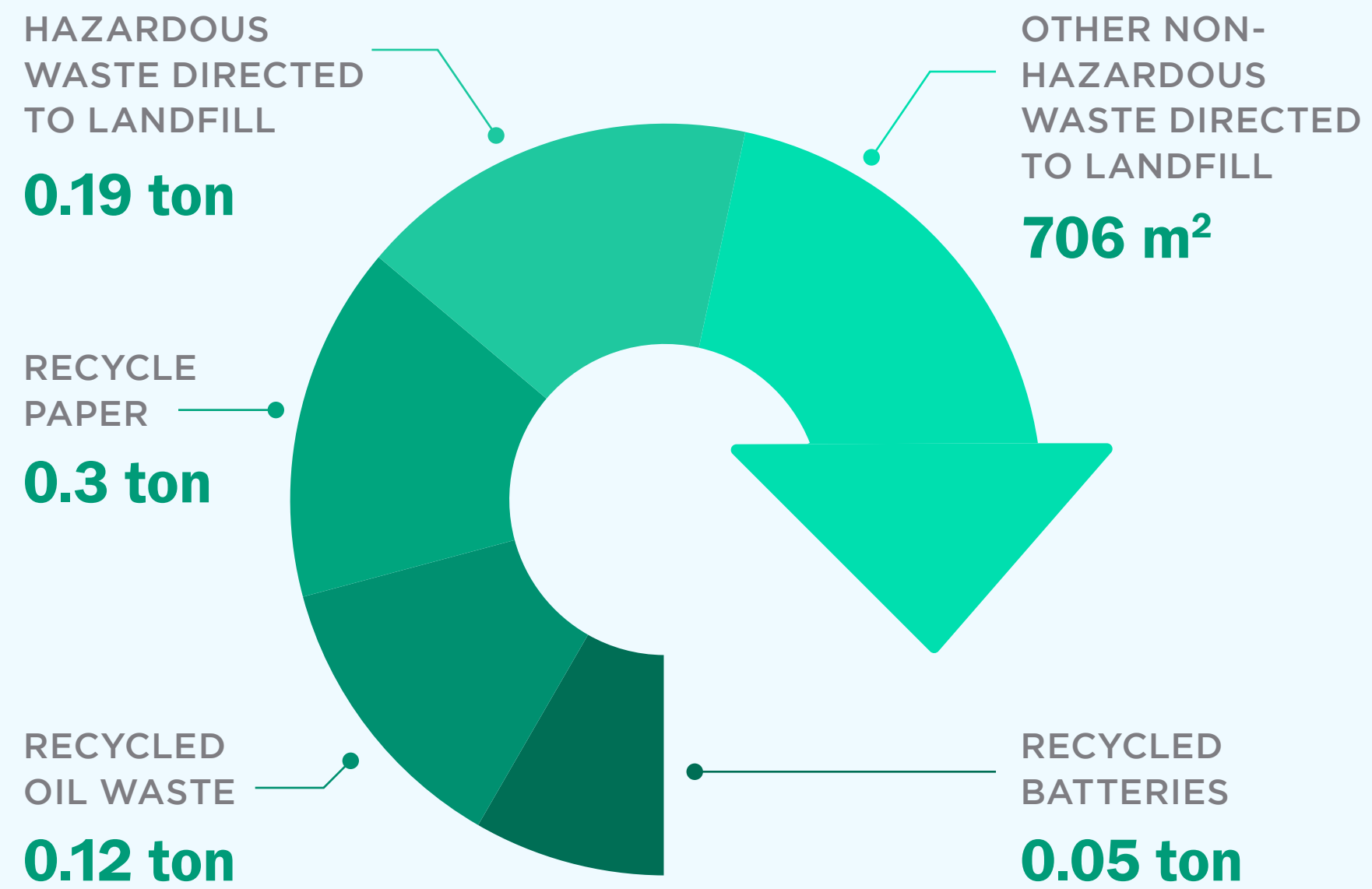
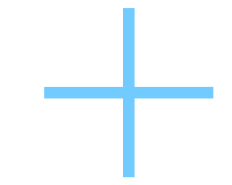
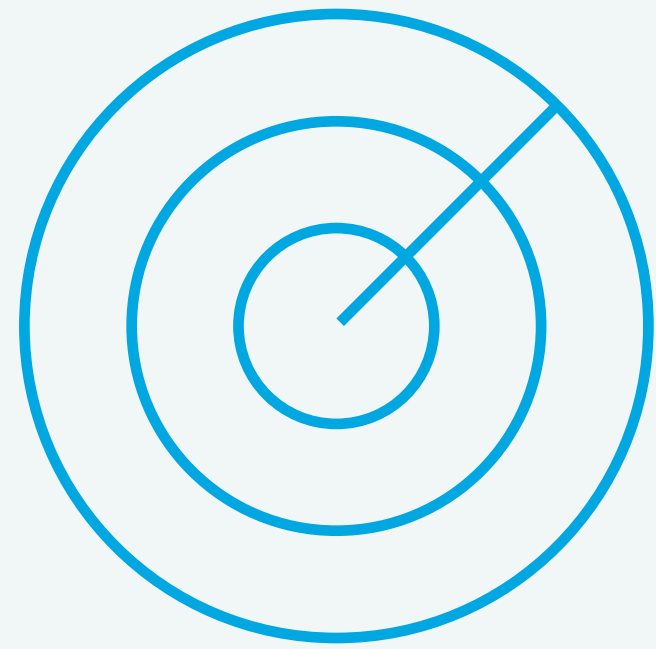


Figure 35. Waste Performance in 2024 at AZANS

FUTURE VISION



FUTURE VISION

Our future direction is shaped by a firm belief that sustainable air navigation is not only about technological advancement, but also about purposeful integration of environmental care, social equity, and responsible governance. As the aviation sector continues to adapt to the pressing demands of climate change, digitalization, and stakeholder expectations, we are committed to evolving in ways that support both national priorities and global progress.

In the years ahead, we intend to strengthen our role as a catalyst for sustainable aviation. Environmental responsibility will remain a cornerstone of our approach, embedded across all levels of planning and operations.

Rather than addressing emissions as an isolated challenge, we view decarbonization as a shared responsibility, which is woven into our broader efforts to enhance operational efficiency, modernize infrastructure, and integrate next-generation digital technologies, including artificial intelligence for smarter decision-making.

In line with national climate commitments and global sustainability efforts, we will continue to take active steps to lower emissions from airspace operations and begin the transition toward renewable energy across our facilities. Through international collaboration with leading air navigation and technology partners, we aim to accelerate the adoption of cleaner solutions and smarter systems that contribute to a more efficient and environmentally responsible airspace. Equally, our commitment to social responsibility will continue to define how we grow from within. We believe that a safe, inclusive, and future-ready workforce is key to long-term success.

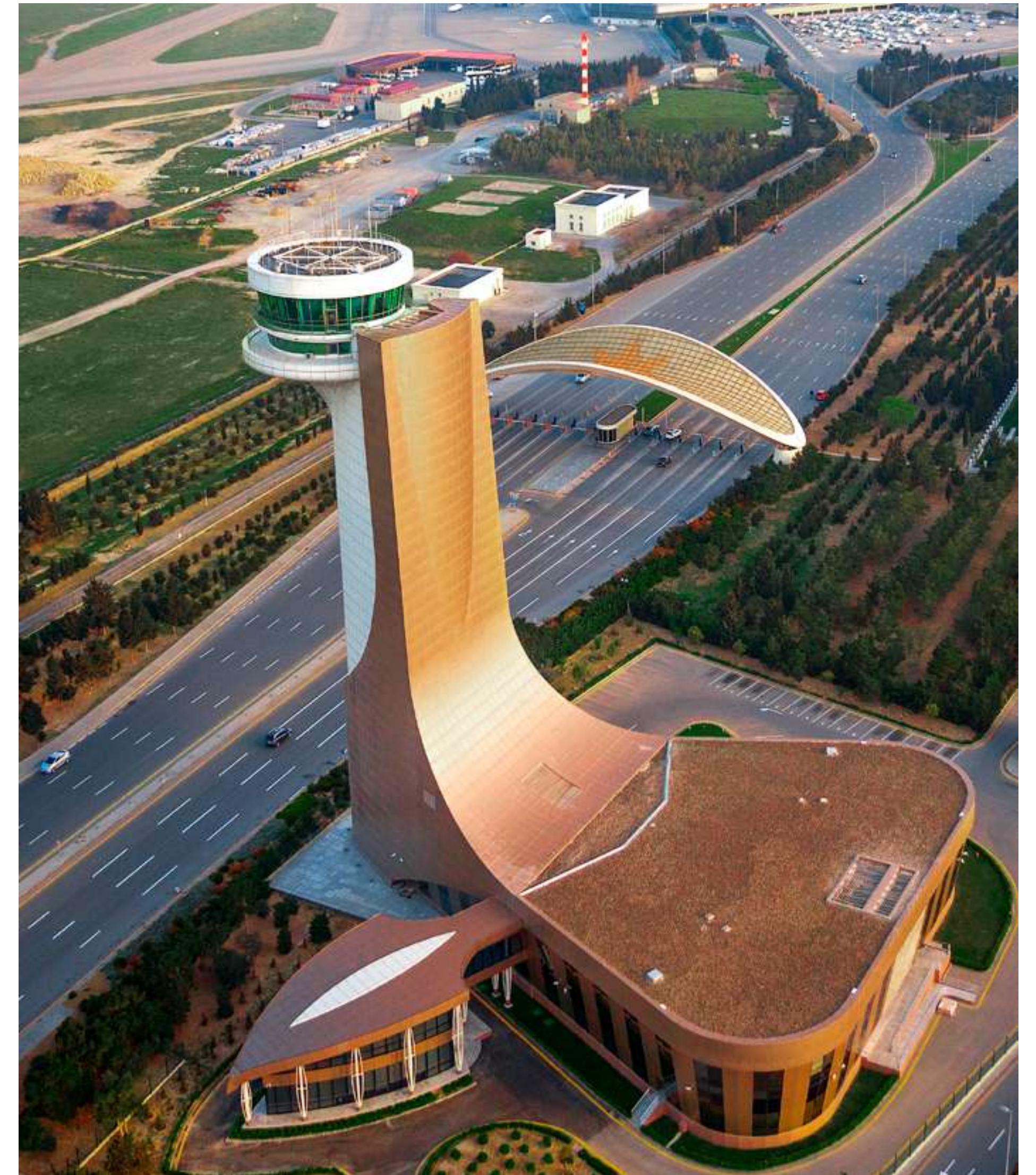
Our approach includes expanding training opportunities, investing in employee development, and strengthening safety and well-being across all departments. We are also proud to support IATA's "25by2025" initiative, as we work to improve the representation of women in leadership and technical roles within our Organization. Through these efforts, we aim to foster a workplace culture rooted in equity, collaboration, and shared progress. As we grow more interconnected with our global partners and industry peers, we also recognize the importance of strong internal systems that keep us aligned, informed, and accountable.

In the years ahead, AZANS will continue to enhance its internal governance by improving performance monitoring, refining data systems, and ensuring our planning is informed by meaningful metrics. We are focused on embedding transparency and measurability into our strategic process as a tool for continuous learning and adaptive leadership.

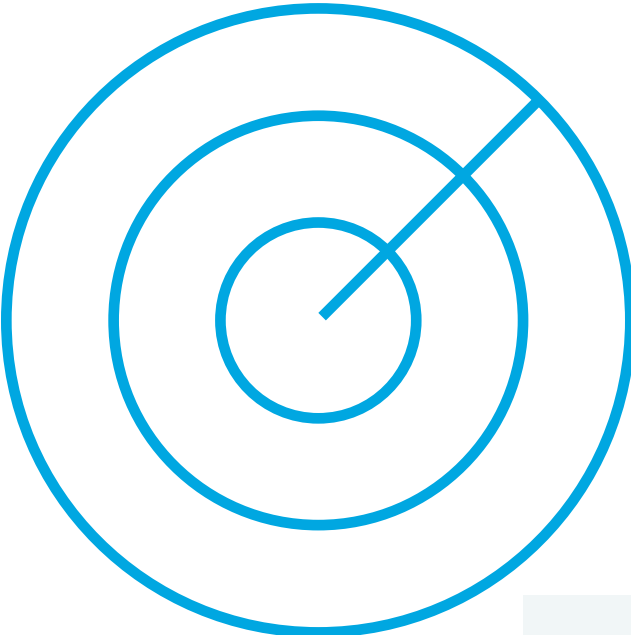
We are focused on embedding transparency and measurability into our strategic process as a tool for continuous learning and adaptive leadership.

By uniting operational innovation with sustainability and inclusiveness, we are laying the foundation for an air navigation system that is smarter, more resilient, and responsive to the future.

Guided by this vision, we look forward to enabling the safe and responsible growth of Azerbaijan's aviation sector, delivering value to passengers, partners, communities, and the climate we all share.



ESG DATA & SUPPORTING INFORMATION



EMISSION CALCULATION METHODOLOGY

Our methodology for calculating GHG emissions from our operations adheres to the globally recognized standards of the GHG Protocol, alongside specific guidelines issued by the Intergovernmental Panel on Climate Change (IPCC) and IATA.

This approach provides both accuracy and international comparability to our methodology. All reported emissions in this report are expressed in metric tons of carbon dioxide equivalent (tCO₂e), encompassing both direct Scope 1 and indirect Scope 2 emissions.

At the core of our calculation framework is the principle that total emissions are derived by multiplying activity data by the corresponding emission factor.

Scope 1 emissions include those from company vehicles powered by gasoline and diesel. The emission factors used in the calculations were sourced from the IPCC and the GHG Protocol, in line with internationally recognized standards and best practices. Scope 2 emissions, which account for indirect greenhouse

EMISSION FACTOR	VALUE	UNIT
DIESEL	2.7	kg CO ₂ e per liter
GASOLINE	2.3	kg CO ₂ e per liter

Table 8. Emission factors used for the calculation of GHG emissions

EMISSION FACTOR	VALUE	UNIT
ELECTRICITY	0.417	kg CO ₂ e per kWh

Table 9. Emission factors used for the calculation of GHG emissions



The general methodology for calculating emissions is based on the approach outlined here.

ACTIVITY DATA

×

EMISSION FACTOR

=

EMISSIONS

SCOPE 1

COMPANY VEHICLES

$$\text{Fuel Volume (liters)} \times \frac{\text{Emission Factor}}{1000} \frac{\text{kg CO}_2\text{e}}{\text{liter}} = \text{EMISSIONS, TCO}_2\text{E}$$

Figure 36. Calculation methodology of Scope 1 emissions

SCOPE 2

ELECTRICITY CONSUMPTION

$$\text{Electricity use (kWh)} \times \frac{\text{Grid Emission Factor}}{\text{kWh}} \frac{\text{ton CO}_2\text{e}}{\text{kWh}} = \text{EMISSIONS, TCO}_2\text{E}$$

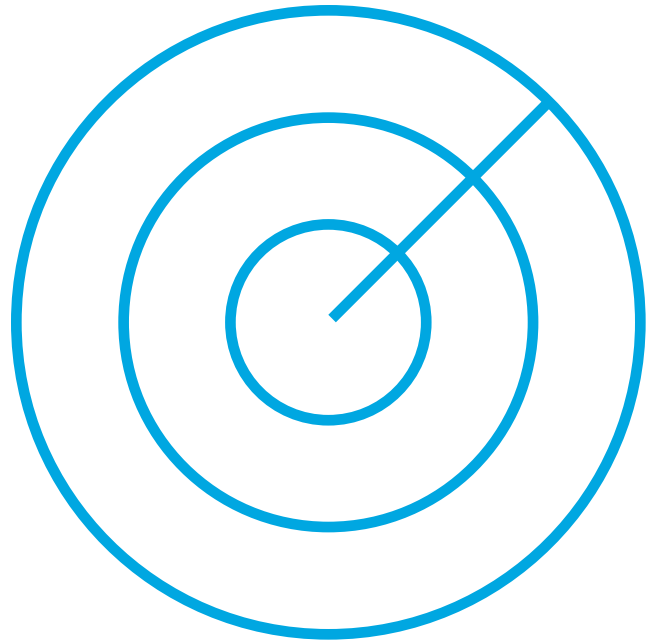
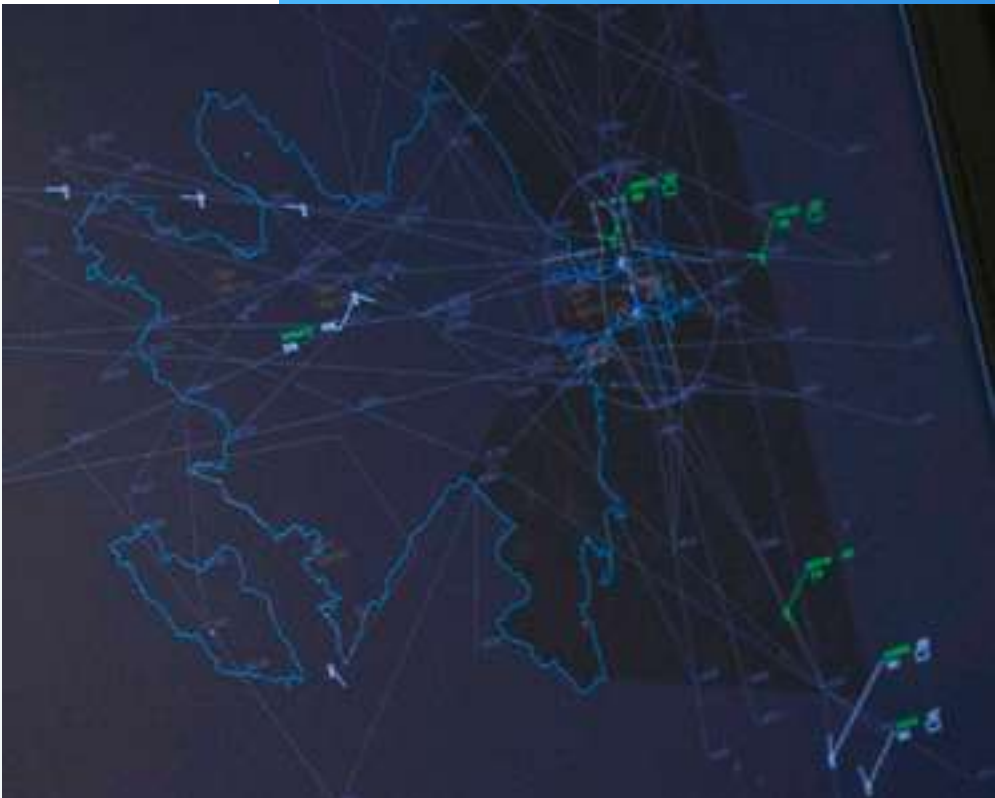
Figure 37. Calculation methodology of Scope 2 emissions

gas emissions from the consumption of purchased electricity, were calculated using the location-based method in accordance with the GHG Protocol.

This method reflects the average emissions intensity of the electricity grid in the region where the consumption occurs, providing a clear picture of the environmental impact based on local energy production sources. The emission factor applied in the calculations was sourced from Azerbaijan's national

energy profile published by the International Renewable Energy Agency (IRENA). We are continuously working to develop and refine our emissions calculation methodology, basing it on internationally recognized standards and integrating it into the ANSP's operational context. This ongoing effort includes establishing accurate organizational and operational boundaries, selecting the most reliable and representative emission factors, and advancing the methodology for calculating Scope 3 emissions.

GRI TABLE



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GRI TABLE

	Disclosure	Status	Location / Comment
	General disclosures		
GRI 2: General Disclosures 2022	2-1 Organizational details	Disclosed	AZANS at a Glance
	2-2 Entities included in the organization’s sustainability reporting	Disclosed	Report Overview
	2-3 Reporting period, frequency and contact point	Disclosed	Engagement with Stakeholders
	2-4 Restatements of information	Disclosed	There are no restatements of information
	2-5 External assurance	Disclosed	External assurance was not conducted during the reporting period
	2-6 Activities, value chain and other business relationships	Disclosed	AZANS at a Glance
	2-7 Employees	Disclosed	Navigating Social Contributions

GRI 2: General Disclosures 2022	2-8 Workers who are not employees	Partially Disclosed	Navigating Social Contributions
	2-9 Governance structure and composition	Disclosed	Navigating with Integrity
	2-10 Nomination and selection of the highest governance body	Disclosed	Navigating with Integrity
	2-11 Chair of the highest governance body	Disclosed	Navigating with Integrity
	2-12 Role of the highest governance body in overseeing the management of impacts	Disclosed	Navigating with Integrity
	2-13 Delegation of responsibility for managing impacts	Disclosed	Navigating with Integrity
	2-14 Role of the highest governance body in sustainability reporting	Disclosed	Navigating with Integrity
	2-15 Conflicts of interest	Disclosed	Navigating with Integrity
	2-16 Communication of critical concerns	Disclosed	Navigating Social Contributions
	2-17 Collective knowledge of the highest governance body	Partially Disclosed	Navigating with Integrity

GRI 2: General Disclosures 2022	2-18 Evaluation of the performance of the highest governance body	Not Disclosed	
	2-19 Remuneration policies	Disclosed	Inclusive Culture and Talent Nurturing
	2-20 Process to determine remuneration	Not Disclosed	
	2-21 Annual total compensation ratio	Partially Disclosed	Performance Metrics The data is available only for 2024
	2-22 Statement on sustainable development strategy	Disclosed	Letter from the President
	2-23 Policy commitments	Disclosed	Navigating with Integrity Navigating Social Contributions
	2-24 Embedding policy commitments	Disclosed	Throughout the report
	2-25 Processes to remediate negative impacts	Disclosed	Navigating Social Contributions
	2-26 Mechanisms for seeking advice and raising concerns	Disclosed	Navigating Social Contributions
	2-27 Compliance with laws and regulations	Disclosed	Throughout the report

GRI 2: General Disclosures 2022	2-28 Membership associations	Disclosed	Throughout the report
	2-29 Approach to stakeholder engagement	Disclosed	Report overview
	2-30 Collective bargaining agreements	Not Disclosed	
	Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Disclosed	Navigating What Matters
	3-2 List of material topics	Disclosed	Navigating What Matters
	Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosed	Navigating What Matters
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Disclosed	Performance Metrics
	201-2 Financial implications and other risks and opportunities due to climate change	Not Disclosed	
	201-3 Defined benefit plan obligations and other retirement plans	Disclosed	This is regulated by the Labor Code of the Republic of Azerbaijan
	201-4 Financial assistance received from the government	Disclosed	During the reporting year, AZANS received no financial assistance from the government

Market presence			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Disclosed	Performance Metrics
	202-2 Proportion of senior management hired from the local community	Disclosed	Performance Metrics
Indirect economic impacts			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Partially Disclosed	Operational Compass Navigating What Matters
	203-2 Significant indirect economic impacts	Partially Disclosed	Throughout the report
Procurement practices			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Not Disclosed	
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Disclosed	Navigating with Integrity
	205-2 Communication and training about anti-corruption policies and procedures	Disclosed	Navigating with Integrity Navigating Social Contributions Performance Metrics

GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Not Disclosed	Data was not tracked during the reporting period
Anti-competitive behavior			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Not Disclosed	
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	Partially Disclosed	Our Financial Performance
	207-2 Tax governance, control, and risk management	Partially Disclosed	Our Financial Performance
	207-3 Stakeholder engagement and management of concerns related to tax	Partially Disclosed	Our Financial Performance
	207-4 Country-by-country reporting	Not Applicable	
Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not Disclosed	
	301-2 Recycled input materials used	Not Disclosed	
	301-3 Reclaimed products and their packaging materials	Not Disclosed	

Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Disclosed	Optimizing Energy Performance Performance Metrics
	302-2 Energy consumption outside of the organization	Not Disclosed	
	302-3 Energy intensity	Disclosed	Optimizing Energy Performance Performance Metrics
	302-4 Reduction of energy consumption	Disclosed	Optimizing Energy Performance Performance Metrics
	302-5 Reductions in energy requirements of products and services	Disclosed	Optimizing Energy Performance
	Water and effluents		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Disclosed	Efficient Water Use
	303-2 Management of water discharge-related impacts	Partially Disclosed	Efficient Water Use
	303-3 Water withdrawal	Disclosed	Efficient Water Use Performance Metrics

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

GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Disclosed	GHG Emissions Management Performance Metrics
	305-3 Other indirect (Scope 3) GHG emissions	Disclosed	GHG Emissions Management Performance Metrics
	305-4 GHG emissions intensity	Disclosed	GHG Emissions Management Performance Metrics
	305-5 Reduction of GHG emissions	Disclosed	GHG Emissions Management
	305-6 Emissions of ozone-depleting substances (ODS)	Not Disclosed	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not Disclosed	
	Waste		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Disclosed	Responsible Waste Handling
	306-2 Management of significant waste-related impacts	Disclosed	Responsible Waste Handling

GRI 306: Waste 2020	306-3 Waste generated	Disclosed	Responsible Waste Handling
	306-4 Waste diverted from disposal	Partially Disclosed	Responsible Waste Handling Performance Metrics
	306-5 Waste directed to disposal	Partially Disclosed	Responsible Waste Handling Performance Metrics
Supplier environmental assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Disclosed	Currently there are no specific assessments that are used for supplier screening against environmental criteria
	308-2 Negative environmental impacts in the supply chain and actions taken	Not Disclosed	
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Disclosed	Navigating Social Contributions Performance Metrics
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	Navigating Social Contributions
	401-3 Parental leave	Disclosed	Performance Metrics

Labor/management relations			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Disclosed	Performance Metrics
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Disclosed	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Disclosed	Occupational Health and Safety
	403-3 Occupational health services	Disclosed	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Disclosed	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Disclosed	Occupational Health and Safety
	403-6 Promotion of worker health	Disclosed	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosed	Occupational Health and Safety

GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	Disclosed	Occupational Health and Safety
	403-9 Work-related injuries	Disclosed	Performance Metrics
	403-10 Work-related ill health	Not Disclosed	
Training and education			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Partially Disclosed	Learning and Capability Building Performance Metrics The provided information covers the year 2024 only
	404-2 Programs for upgrading employee skills and transition assistance programs	Disclosed	Learning and Capability Building
	404-3 Percentage of employees receiving regular performance and career development reviews	Not Disclosed	
Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Disclosed	Inclusive Culture and Talent Nurturing Performance Metrics
	405-2 Ratio of basic salary and remuneration of women to men	Disclosed	Performance Metrics

Diversity and equal opportunity			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Disclosed	Performance Metrics No cases of discrimination were recorded in the reporting period
Freedom of association and collective bargaining			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Disclosed	No such operations have been determined during the reporting year
Child labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Disclosed	AZANS operating under the umbrella of AZAL CJSC, are firmly opposed to child labor and adhere to both legal requirements and internal regulations to prevent its occurrence
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 personnel trained in human rights policies or procedures	Disclosed	
Rights of indigenous peoples			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Disclosed	No such incidents 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	Report Overview Alignment with UN SDGs
	413-2 Operations with significant actual and potential negative impacts on local communities	Not Disclosed	
Supplier social assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Disclosed	Currently there are no specific assessments that are used for supplier screening against social criteria
	414-2 Negative social impacts in the supply chain and actions taken	Not Disclosed	

Public policy			
GRI 415: Public Policy 2016	415-1 Political contributions	Not Disclosed	
Customer health and safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Partially Disclosed	Throughout the report
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Disclosed	No non-compliance incidents
Marketing and labeling			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Not Applicable	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Not Applicable	
	417-3 Incidents of non-compliance concerning marketing communications	Not Applicable	
Customer privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Disclosed	There were no incidents during the reporting year

PERFORMANCE METRICS²

SOCIAL

OHS	2022	2023	2024
Number of hours worked	N/A	2,601,326	1,946,427
Number of fatalities	N/A	0	0
Fatality rate	N/A	0	0
Number of recordable injuries	N/A	0	0
Injury frequency rate (per 200,000 hours worked)	N/A	N/A	0
Number of Lost Time Injuries (LTI)	N/A	0	0
LTI Frequency Rate (LTIFR) (per 200,000 hours worked)	N/A	N/A	0
Number of days lost due to injury/accident	N/A	0	0
LTI severity rate (per 200,000 hours worked)	N/A	N/A	0
Number of fatalities as a result of work-related ill health Number of cases of recordable work-related ill health	N/A	0	0
Number of cases of recordable work-related ill health	N/A	0	0

² 'N/A' indicates that the data was not tracked for the corresponding entries.

OHS Training	2022	2023	2024
Number of conducted OHS trainings	N/A	4	10
Number of employees who received OHS training	N/A	40	100
Percentage of employees who received OHS training	N/A	14.00%	35.00%
OHS training hours	N/A	16	40

OHS Investment	2022	2023	2024
Total investments into improving working conditions, AZN	N/A	5,000	30,000
Total investments into personal protective equipment, AZN	N/A	100,000	60,000

Employees by gender	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Total number of employees, by gender and category	589	166	585	173	602	169
Executive	57	3	55	3	53	3
Specialist	516	136	514	143	531	146
Other	16	27	16	27	18	20
Total number of employees by employment type	589	166	585	173	602	169
Total number of permanent employees	505	145	524	149	537	147
Total number of temporary employees	84	21	61	24	65	22
Total number of employees by employment contract	589	166	585	173	602	169
Total number of full-time employees	586	165	582	172	599	168
Total number of part-time employees	3	1	3	1	3	1

³ Calculated total excludes internal mobility, leading to variance with reported total.

Employees by age	2022			2023			2024		
	<30	30-50	50<	<30	30-50	50<	<30	30-50	50<
Total number of employees, by age and by category	56	419	280	66	416	276	101	412	258
Executive	2	25	33	2	25	31	2	25	29
Specialist	53	380	219	63	377	217	97	372	208
Other	1	14	28	1	14	28	2	15	21

Minimum notice periods	2022	2023	2024
Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them	4	4	4

Parental leave	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Total number of employees that were entitled to parental leave, by gender	0	166	0	173	0	169
Total number of employees that took parental leave, by gender	0	4	0	2	0	9
Total number of employees that returned to work in the reporting period after parental leave ended	0	1	0	4	0	7
Total number of employees due to return to work after taking parental leave, by gender	0	1	0	4	0	7
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	1	0	4	0	7
Return to work rate of employees that took parental leave, by gender	N/A	100	N/A	100	N/A	100
Retention rate of employees that took parental leave, by gender	N/A	100	N/A	100	N/A	100

New employee hires and employee turnover, by gender	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Total number of new employee hires	27	2	2	9	28	7
Total number of employee turnover	37	27	35	23	17	17
Rate of employee turnover	0.06	0.16	0.06	0.13	0.03	0.10

New employee hires and employee turnover, by age	2022			2023			2024		
	<30	30-50	50<	<30	30-50	50<	<30	30-50	50<
Total number of new employee hires	18	11	0	10	1	0	29	6	0
Total number of employee turnover	15	7	42	18	12	28	14	4	16
Rate of employee turnover	27%	2%	15%	27%	3%	10%	14%	1%	6%

Talent development	2022	2023	2024
Total number of training hours	2,128	2,128	4,034
Average number of training hours provided to employees	N/A	N/A	4,9

Diversity of employees	2022	2023	2024
Number of employees with disabilities	6	6	6

Ratio of salary, by gender	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Ratio of standard entry-level wage compared to local minimum wage, by gender	1.7	1.7	1.5	1.5	1.9	1.9
Ratio of the basic salary of women to men	100%		100%		100%	

Annual total compensation ratio ⁴	2022	2023	2024
Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest paid individual)	N/A	N/A	4.72
Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	N/A	N/A	2.51

⁴ The data for previous years is unavailable due to a system change and organizational restructuring.

OPERATIONAL

Operational indicators	2022	2023	2024
Total number of flight hours managed	95,720	134,013	176,578
Total number of air navigation control systems	12	15	16
Total number of radar stations	11	11	11
Total number of air traffic centers	9	9	9
Total number of TMA (terminal maneuvering area)	4	4	4
Airspace coverage efficiency	1.0	1.4	1.9
Total number of flights managed, by category	169,181	236,668	309,655
i.Take off-Landing Domestic flights	6,240	6,560	7,710
ii.Take off-Landing International flights	48,066	61,572	77, 751
iii.Overflight	114,875	168,536	224,194
Total number of aircraft served	169,181	236,668	309,655
i. Total number of served Commercial Airlines	132,092	195,706	256 854
ii. Total number of served Cargo Airlines	35,268	39,211	50,749
iii. Other	1,821	1,751	2,052
Air traffic control efficiency	100%	100%	100%
On-time Flight Coordination Rate (%)	100%	100%	100%
Air traffic congestion rate	30%	42%	42%
Incident rate	0	0	0
Revenue per Flight Managed	474	519	540
Cost per Flight Managed	290	218	183
Flight density rate	20	27	35

GOVERNANCE

Economic indicators	2022	2023	2024
Capital investment	N/A	41,083	1,003
Total assets	N/A	216,342	251,275
Total capitalization	N/A	318,975	353,769
Total revenues	N/A	122,761	167,269
Retail loan portfolio amount	N/A	-	-
Economic value distributed	0	51,990	56,803
Operating expenses	N/A	51,623	56,581
Employee wages and benefits	N/A	24,770	27,574
Payments to the state budget, including	0	N/A	N/A
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
Accrued Interest	N/A	361	222
Community investments, including	0	N/A	0

Contributions to charities, NGOs, and research institutes (unrelated to the organization's commercial research and development)	N/A	N/A	N/A
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	N/A	5.60	
Forex (gain)/loss	N/A	716	(3,546)
Income from Investing Activities	N/A	(595)	(3,249)
Other non-operating (income)/loss	N/A	N/A	N/A
Economic value retained	N/A	70,650	117,252

Suppliers	2022	2023	2024
Total number of suppliers	N/A	108	44
Total number of local suppliers	N/A	N/A	23
Total number of foreign suppliers	N/A	N/A	21
Proportion of local suppliers, %	N/A	N/A	52
Proportion of foreign suppliers, %	N/A	N/A	48

⁵ The economic figures presented for 2024 are unaudited.

ENVIRONMENT ⁵

Emission indicators, tCO ₂ e	2022	2023	2024
Total Emissions	404	363	357
Scope 1	144.09	95.99	50.67
i. Gasoline	141	95	49
ii. Diesel	2.97	1.23	1.20
Scope 2	260	267	306
i. Electricity	260	267	306

Total Emissions Intensity	2022	2023	2024
Total Energy Intensity (tCO ₂ e / managed flight)	0.0024	0.0015	0.0012

Energy Consumption (GJ)	2022	2023	2024
Total	4,183	3,555	3,229
Gasoline	2,008	1,347	704
Diesel	40	17	16
Electricity	2,136	2,192	2,509

⁶ Reported environmental data currently reflects operational facilities in Baku only. AZANS is developing a standardized methodology to expand future reporting to include regional operations.

Total Energy Intensity	2022	2023	2024
Total Energy Intensity (GJ/ managed flight)	0.0247	0.0168	0.0104

Water Management ⁶	2022	2023	2024
Total Water Consumption (m ³)	6,854	8,906	7,280
Total Water Discharge, m ³	6,554	8,606	7,000

Waste Management ⁶	2022	2023	2024
Non-Hazardous Waste			
Recycled paper (ton)	N/A	N/A	0.3
Other waste directed to landfill (m ³)	216	304	706
Hazardous Waste			
Directed to landfill (tons)	N/A	N/A	0.19
Recycled oil waste (m ³)	N/A	N/A	0.12
Recycled batteries (tons)	N/A	N/A	0.05

⁷ The data trackage started in 2024.

CONTACT INFO

We welcome and value feedback from our stakeholders, as their suggestions and insights are crucial for enhancing both this report and our overall performance.

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