

**silkway**  
west airlines



# SUSTAINABILITY REPORT

2021

# Contents

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<b>Message from the President</b> .....	2
<b>1. About the report</b> .....	5
1.1. Scope and methodology .....	6
1.2. Our approach .....	8
1.3. Stakeholder engagement .....	9
1.4. Materiality analysis .....	11
<b>2. About us</b> .....	12
2.1. Silk Way West Airlines at a glance .....	13
2.2. Our mission, vision and values .....	14
2.3. Corporate governance .....	16
2.3.1. Supervisory Board .....	16
2.3.2. Ethics & integrity .....	17
2.3.3. Operational structure.....	18
<b>3. Operational sustainability</b> .....	20
3.1. Sustainability management approach .....	21
3.2. Safety and Quality policies .....	22
3.2.1. Safety Awareness .....	22
3.2.2. Silk Way Technics .....	23
3.3. Our economic footprint .....	26
3.3.1. Contribution to GDP of Azerbaijan .....	27
3.3.2. Contribution to trade .....	27
3.3.3. Contribution to job creation .....	27
3.4. Supply chain .....	28
<b>4. Social responsibility</b> .....	29
4.1. Working with our people .....	30
4.1.1. Ensuring inclusion and diversity .....	31
4.1.2. Employee training and development .....	32
4.1.3. Employee Benefits and Motivation .....	34
4.1.4. Ensuring employee safety and wellbeing .....	34
4.1.5. COVID-19 measures .....	35
4.2. Working with our customers and partners .....	36
4.3. Destinations map .....	37
<b>5. Environmental responsibility</b> .....	38
5.1. Environmental management .....	39
5.2. Responding to climate change .....	41
5.3. Resource management .....	42
5.3.1. Fuel management .....	42
5.3.2. Waste management .....	43
5.3.3. Noise management .....	43
<b>6. Conclusions</b> .....	44
Data tables .....	47
GRI Index .....	50
Independent Assurance Statement .....	59

# Message from the **President**



# Message from the President

GRI 102-4, GRI 102-6, GRI 102-14

The year 2021 marks the release of our second Sustainability Report, highlighting our key efforts and achievements for the year when it comes to our commitment to sustainable development. This year represented a continued period of adjustment to the impact that the pandemic has had on Silk Way West Airlines as we carried on with regular operations.

As we try to grow our company in the post-pandemic market, we are always on the lookout for innovative methods to expand our global network of airport partners. Our flight network is ever expanding thanks to a number of new partnerships established in 2021. Following an agreement with Nippon Cargo Airlines, we are now providing twice-weekly service to and from Tokyo Narita Airport. Moreover, we established a new weekly trip to Mumbai Chhatrapati Shivaji Maharaj International Airport, making it our second route serving the Indian air market. As of the latter part of the year, we also expanded our network in Africa through an interline arrangement with Astral Aviation of Kenya. Following the establishment of the aforementioned partnerships, we were able to expand the reach of our operations to over 40 destinations and more than 30 international representative offices. In our efforts to further incorporate Silk Way West Airlines into the global freight market, we also decided to implement the Digital Air Cargo initiative to increase the efficiency with which our cargo space is booked and utilized globally.

Our freighters will be listed on WebCargo's air cargo booking platform so that forwarders all over the world may view real-time pricing and book our services.

In 2021 we saw a significant increase in the number of suppliers that we operate with. We also put a larger focus on the development of local businesses, and hence increased the proportion of local suppliers in our procurement services following their expansion. The expansion of our supplier base is consistent with our "Green procurement" strategy, which streamlines the process of determining which businesses are in accordance with relevant sustainability criteria.

Safety was always in the forefront of our operations at Silk Way West Airlines, and 2021 was no different. We place an emphasis on health & safety, and all employees have a part to play in ensuring that it is prioritized and supported. The Company uses several policies, such as the Safety Quality Policy and the Safety Transport Policy, to ensure the continued security of its operations. With the help of our Safety Management System (SMS), we ensure that our health and safety practices are sustained in each of our processes. Similarly, the development of our employees continues to be one of our main priorities. Our training & development programs aim to familiarize our employees with our health & safety procedures, as well as our sustainability goals. Numerous trainings both internal and external, conducted by experts abiding by international standards, ensure that safety awareness and operational safety are maintained at the Company.

As part of our ongoing commitment to practicing sustainable operations, one of our future goals involves establishing a management system that would govern sustainability related matters, as well as a sustainability officer position to oversee the range of activities across Silk Way West Airlines that contribute to our goals.

This would help us better manage the effects of our company-wide efforts on our sustainability principles, which is an important aspect of our long-term strategy for optimizing operations. Our continued growth allows us to realize our role of a leading cargo airline in the region, and to facilitate the economic expansion of our economy.

We continue to stay committed to our goal of providing transportation services that are prompt, dependable, and adhere to the highest safety standards, while taking responsibility for the economic, environmental, and social consequences of our business actions.

**Wolfgang Meier**  
President



# About the **report**



# 1.1. Scope and methodology

GRI 102-50, GRI 102-54

This report is the second consecutive sustainability report of Silk Way West Airlines that we publish for the public view to deliver on our commitment to pioneering sustainable development on the regional market.

Our sustainability reports allow us to communicate our progress to our external and internal stakeholders, as well as other interested parties, by providing up-to-date information with our environmental and social initiatives and projects.

Table 1. Report scope and methodology

Economic	Financial performance	Standard	<ul style="list-style-type: none"> <li>• International Financial Reporting Standards (IFRS)</li> <li>• The International Accounting Standards Board (IASB) Conceptual Framework</li> </ul>
		Scope	Please refer to financial statements available by contacting the Company.
		Methodology	Please refer to financial statements available by contacting the Company.
		Sourcing	Please refer to financial statements available by contacting the Company.
	Operational performance	Standard	<ul style="list-style-type: none"> <li>• State Civil Aviation Agency (SCAA)</li> <li>• IATA Operational Safety Audit (IOSA)</li> </ul>
		Scope	Flight data
		Methodology	Data assessment based on system extracts and strategy
		Sourcing	Internal ERP system
	Supply chain	Standard	<ul style="list-style-type: none"> <li>• State Civil Aviation Agency (SCAA)</li> <li>• IATA Operational Safety Audit (IOSA)</li> <li>• GRI 414 Supplier Social Assessment</li> <li>• SASB TR0202</li> </ul>
		Scope	Full list of local and foreign suppliers
		Methodology	Data assessment based on procurement list and strategy
		Sourcing	Internal ERP system
	Health & Safety	Standard	<ul style="list-style-type: none"> <li>• State Civil Aviation Agency (SCAA)</li> <li>• IATA Operational Safety Audit (IOSA)</li> <li>• GRI 403 Occupational Health and Safety (OHS)</li> <li>• SASB TR0202</li> </ul>
		Scope	<ul style="list-style-type: none"> <li>• On-site and off-site incidents</li> <li>• All employees, regardless of their contract type</li> </ul>
		Methodology	Site-level data collection, company-level consolidation
		Sourcing	<ul style="list-style-type: none"> <li>• Safety Management System (SMS)</li> <li>• Internal reporting system built on incident investigations reports</li> <li>• Internal management meetings</li> </ul>

Table 1. Report scope and methodology

Social	Training & Development	Standard	<ul style="list-style-type: none"> <li>• State Civil Aviation Agency (SCAA)</li> <li>• International Civil Aviation Organization (ICAO)</li> <li>• IATA Operational Safety Audit (IOSA)</li> <li>• GRI 404, 412-2 Training and Education</li> </ul>
		Scope	Online and offline training platforms for all employees
		Methodology	Data assessment
		Sourcing	<ul style="list-style-type: none"> <li>• Training program framework</li> <li>• List of trainings conducted by vendors</li> </ul>
	Fuel management	Standard	<ul style="list-style-type: none"> <li>• State Civil Aviation Agency (SCAA)</li> <li>• IATA Operational Safety Audit (IOSA)</li> </ul>
		Scope	<ul style="list-style-type: none"> <li>• Aircraft fuel utilization</li> <li>• CO2 emissions from aircrafts</li> </ul>
		Methodology	Data assessment based on provided data
		Sourcing	<ul style="list-style-type: none"> <li>• Internal reporting and monitoring systems</li> <li>• Full list of aircrafts</li> <li>• Full list of local and foreign suppliers</li> </ul>
Environmental	Waste management	Standard	<ul style="list-style-type: none"> <li>• State Civil Aviation Agency (SCAA)</li> <li>• IATA Operational Safety Audit (IOSA)</li> <li>• GRI 306 Waste</li> </ul>
		Scope	All hazardous and non-hazardous waste
		Methodology	Waste data assessment based on internal reporting and monitoring system
		Sourcing	Internal reporting and monitoring system
Noise management	Standard	<ul style="list-style-type: none"> <li>• IATA Operational Safety Audit (IOSA)</li> <li>• State Civil Aviation Agency (SCAA)</li> </ul>	
	Scope	Noise pollution from aircrafts at close and long ranges	
	Methodology	Noise exposure control and monitoring based on internal reporting	
	Sourcing	Internal noise pollution measurements	



# 1.2. Our approach

GRI 103-2

To ensure that we understand the key issues around ESG throughout our operations which covers the most significant aspects of our work, we have conducted a materiality assessment, that evaluated the topics of the highest importance for our stakeholders. For more details, please refer to **Section 1.4. Materiality analysis**. Furthermore, we continue the practice of preparing our reports in line with sustainability reporting standards, such as **Global Reporting Initiatives (GRI) Standards** and **Stakeholder Capitalism Metrics of the World Economic Forum’s International Business Council**. The data in the report is further aligned with the **Sustainable Development Goals (SDGs) of the United Nations**.

This year, we have taken our reporting a step further by involving a third-party service-provider to conduct non-financial assurance of the report based on the **International Standard on Assurance Engagements (ISAE) 3000**. Through this, we are reinforcing the transparency and reliability of the data provided in our sustainability reports.

Table 2. Report profile

<b>Reporting cycle:</b>	<b>Annual</b>
<b>Reporting scope:</b>	1 January, 2021 – 31 December, 2021
<b>Reporting boundary:</b>	Silk Way West Airlines LLC
<b>Organization name:</b>	Silk Way West Airlines LLC
<b>Headquarters:</b>	Baku, Azerbaijan
<b>Reporting frameworks:</b>	<ul style="list-style-type: none"><li>• The report is written in accordance with the Global Reporting Initiative (GRI) Standards (Core)</li><li>• Stakeholder Capitalism Metrics</li><li>• UN Sustainable Development Goals (SDGs)</li><li>• International Standard on Assurance Engagements (ISAE) 3000</li></ul>
<b>Language:</b>	English
<b>Third-party involvement:</b>	External assurance on selected indicators

# 1.3. Stakeholder engagement

GRI 102-40, GRI 102-43, GRI 102-44

At Silk Way West Airlines, we continually seek ways to enhance our engagement with stakeholders. We have developed a number of channels to communicate directly with both internal and external stakeholders to ensure that we hear back on our performance. The expectations and feedback from the groups and individuals that are affected by our operations are among the foundational pillars that help us make the decisions that bring the highest value for everyone.

The groups and individuals that we have identified as our stakeholder are presented in Figure 1, as well as the engagement methods utilized to communicate with them. We use our sustainability reports as a means to communicate with all of our stakeholder groups, outlined below.

Figure 1. Stakeholder groups and communication channels of Silk Way West Airlines

## EMPLOYEES

- Trainings
- Internal recruitment
- Development programs
- Internal events
- Feedback boxes
- Sustainable development report



Our employees make up the most valuable pillar of our business. By maintaining continuous engagement with our employees, we seek to encourage growth, boost retention levels, and cultivate a motivating working environment.

## CUSTOMERS

- Representative offices
- Call centers
- E-mail communication
- Website
- Sustainable development report



We value every customer that works with us and always look to facilitate mutual trust and transparency in our cooperation through a guarantee of quality of our work and the protection of rights.

## SUPPLIERS & CONTRACTORS

- Meetings
- On-site visits
- Sustainable development report



We recognize the potentiality for indirect negative and positive impact of our work with suppliers and contractors. Therefore, we seek to strengthen our supplier relations and ensure that they are in full compliance with our requirements and standards.

## GOVERNMENT ENTITIES & REGULATORS

- Regular reporting
- Public meetings
- Inspections and audits
- Sustainable development report



We seek to cultivate a relationship with the governmental agencies based on mutual trust and transparency by complying with local laws and regulations and participating in a variety of government events to ensure that we continually engage in a mutual dialogue.

## FINANCIAL INSTITUTIONS & INVESTORS

- External audit reports
- Tax declarations
- Sustainable development report



We maintain our financial liquidity by placing utmost importance on the financial parties that we engage with. We foster transparent relations with financial institutions to ensure our continued business development.

## LOCAL COMMUNITIES

- Community development programs
- Public event sponsorship
- Social media
- Sustainable development report



We strive to contribute to the development of thriving local communities by providing support to those in need and implementing a variety of projects for the benefit of society.

## MEDIA

- Press releases
- Interviews
- Official media platforms
- Sustainable development report



Through our engagement with the media, we enable ourselves to communicate with all of our stakeholder groups on the major activities and achievements of our Company, as well as provide timely updates on our business operations.

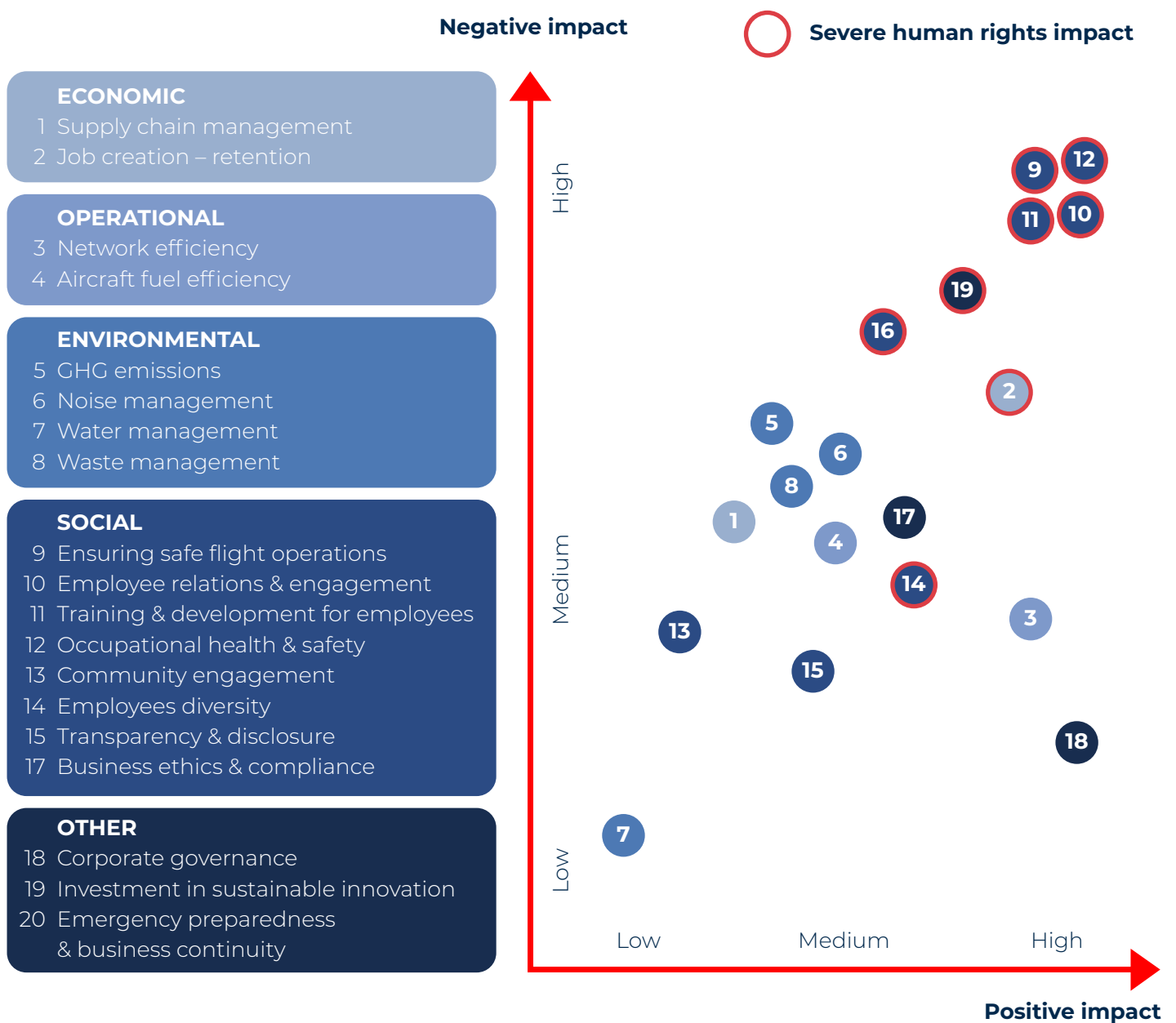
# 1.4. Materiality analysis

GRI 102-32, GRI 102-46, GRI 102-47, GRI 103-1

To ensure that the range of our activities reflects the issues that are of the highest importance to us and our stakeholders, we have conducted a comprehensive materiality analysis with reference to GRI Standards guidelines.

As a result of our analysis, we have identified five categories and 19 material topics, which we have scaled by their potential negative and positive impacts, as well as the severity of their impact on human rights.

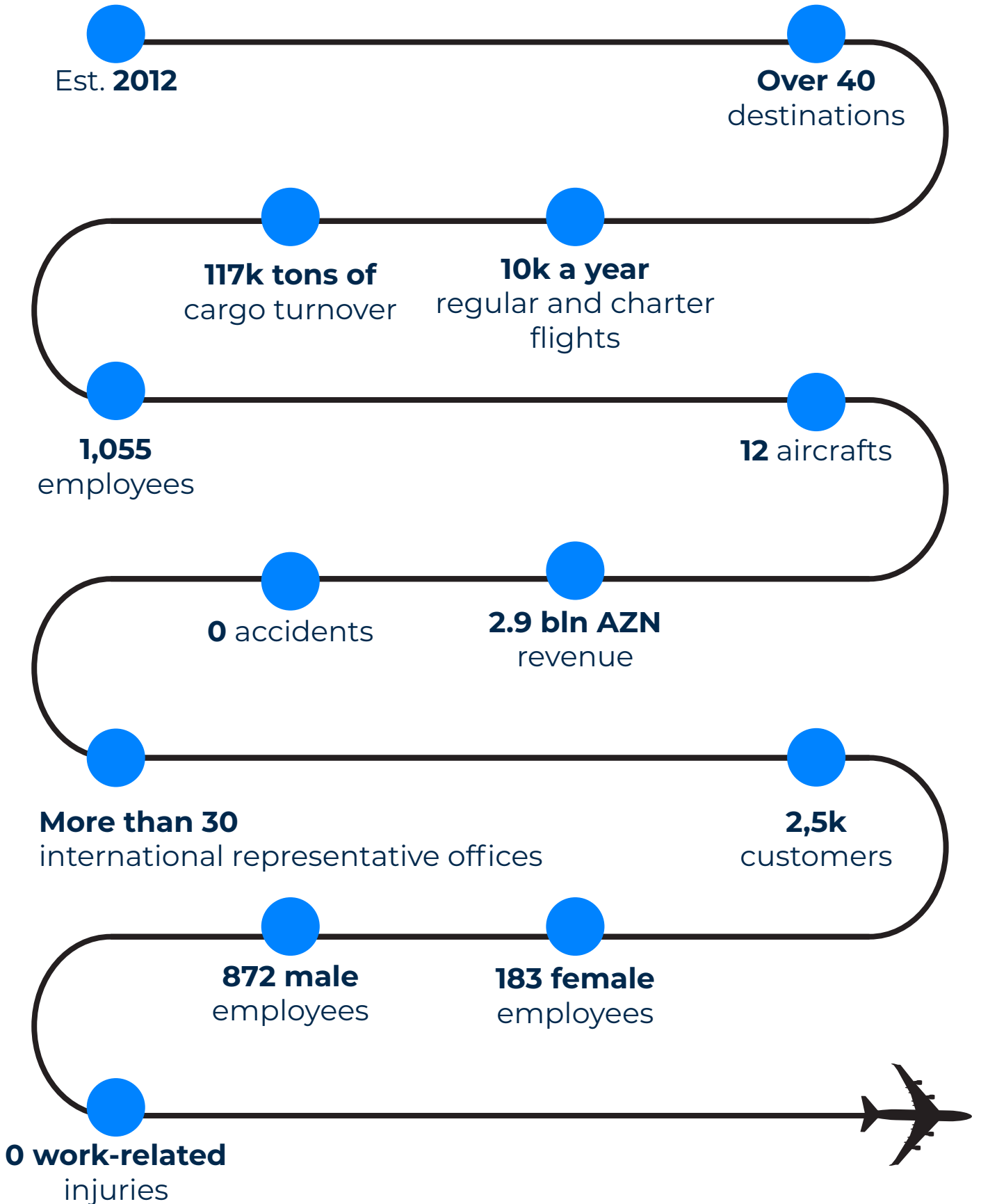
Figure 2. Materiality matrix of Silk Way West Airlines



# About us



# 2.1. Silk Way West Airlines at a glance



## 2.2. Our mission, vision and values

GRI 102-11, GRI 102-16

Headquartered in Baku, Azerbaijan and founded in 2012, Silk Way West Airlines, an Open Joint Stock Company, is the leading regional cargo airline with a wide network of destinations around the world. At the moment, we operate with 1,055 employees and 12 aircrafts, and deliver cargo to over 40 destinations. Our branch, Silk Way West Technics (hereafter, SWW Technics) provides aircraft maintenance services not only to our aircrafts, but to all cargo airlines arriving in Baku, Azerbaijan.

We believe in delivering top-notch services to our customers, connecting locations around the world, and providing equal opportunities to those who work with us.

At the core of our business we have set the foundation of a strong mission, vision, and values, upon which we have built our goals and ambitions.

Our mission is to provide prompt and reliable transportation services that meet the highest safety standards, taking responsibility for the economic, environmental, and social implications of our business decisions to create long-term value for all our stakeholders. Our vision is to sustain our position as a regional air cargo leader through continuous maintenance of our vision principles.

Figure 3. The vision of Silk Way West Airlines

1	Innovation	We seek to find the best and most cost-effective solutions for all cargo
2	Fairness	We strive to cultivate a favorable business environment
3	Safety	We always put in the extra work to ensure safe flight operations
4	Good management	We provide our employees with the necessary tools to be well-adapted to contemporary management principles
5	Value creation	We believe in creating shared values for all our stakeholders
6	Wellbeing	We hold safety and well-being of our customers, employees, and local communities to the highest regard
7	Development	We facilitate network efficiency in all of our operations
8	Preparedness	We are always prepared for emergency and any unfavorable contingencies

Our values are the building block of our decision-making on every level. As we are committed to creating true value for our stakeholders, we seek to embed these values into our daily activities and high-level decisions.

To read more about our core values, please refer to Figure 4.

Figure 4. Our core values

**COMPLIANCE**

We manage our business processes in accordance with a robust set of ethical standards that are compliant with the local law and regulations, as well as international standards and best practices.



**SAFETY**

We minimize the adverse impact of our operations by identifying risks through reports and timely investigations, as well as implementing advanced safety systems.



**HUMAN DEVELOPMENT**

We contribute to the professional growth of each of our employees by fostering a strong corporate culture and a fair work environment.



**ENVIRONMENT**

We are committed to implementing initiatives to decrease fuel consumption and improve network efficiency that will reduce our environmental footprint.



**RESEARCH AND INNOVATION**

We conduct regular research to improve our operations and quality of service by continuous introduction of innovative solutions and advanced technology.





## 2.3. Corporate governance

GRI 102-18, GRI 102-19, GRI 102-27

At the heart of successful operation and business conduct lies a strong corporate governance structure.

We at Silk Way West Airlines are committed to establishing a corporate governance structure which ensures the application of sustainability principles across the whole Company operations as we continue to grow and innovate.

### 2.3.1. Supervisory Board

GRI 102-22, GRI 102-23, GRI 102-24

Being part of the Silk Way Group, our corporate governance is merged with the Group, for all-encompassing and continuous operations. The Supervisory Board is the highest governing body, which operates based on the Company Charter. The Board consists of six members, which are appointed by our shareholder. As the highest governance body, the Supervisory Board oversees both the long- and short-term strategies of the Company in line with our values, interests, culture.

**The main responsibilities of the Board include:**

- Determination of the Company direction and strategy;
- Creation of committees and internal structure divisions;
- Approval of the organizational structure;
- Approval of Company budget;
- Evaluation and decision on the continuation of activities of Company branches and representative offices;
- Report to the President of the Company;
- Appointment of external auditors.

### 2.3.2. Ethics & integrity

GRI 419-1, GRI 416-2, GRI 407-1, GRI 205-1

We have built our business on the solid foundation of robust values and principles, where integrity and ethical business conduct are our primary concern at every stage of decision-making. As a business, we are committed to full compliance with local laws and regulations, as well as international standards and best practices. To act on this commitment, we have built a number of control tools that allow us to maintain our integrity through rigorous checks.

Established under the Supervisory Board in 2020, our Audit Committee works closely with the internal audit department to review the conduct of regular internal audits in the areas of regulatory compliance, information transparency, and business process enhancement. Further to that, we engage third-party service providers in the audit of our financial and operational performance, including our safety procedures.

Our compliance with international regulators, such as IATA, CORSIA, IOSA, and SCAA, serves as further evidence of our commitment to upholding ourselves to the highest standards of business conduct.

We take integrity as a guiding principle not only in our corporate culture, but in the personal conduct of each individual employed at Silk Way West Airlines. Our employees hold themselves to the highest standards of professional behavior and are guided by our Code of Conduct and Ethics.

The Code covers issues of discrimination, equal opportunities and fair treatment, corruption, and ethical behavior. Constructing effective communication channels between employees and the HR management ensures that any violations of the Code are highlighted. To encourage employees to speak up, we have placed feedback boxes allowing anonymous communication of ethical concerns.

## 2.3.3. Operational structure

GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-7

At Silk Way West we trust that the highest management positions set the tone for the whole Company which contributes to every aspect of the business. For that reason, it is in our utmost attention to make sure our management consists of highly qualified people with strong expertise.

Silk Way West Airline's management consists of our President & CEO, Vice Presidents, and Advisors to the President. The roles of the various Vice-Presidents and Advisors to the President are very important when considering the sheer nature of our operations. To make sure all areas of business are given proper attention we have appointed three advisors to the President responsible for such areas as:

Corporate QA&QC and Aviation Security, Flight Safety, and the branch Director, responsible for "SWW Technics".

Apart from Advisors to the President, Silk Way West has divided areas of responsibilities to Senior Vice Presidents and Vice Presidents to further ensure an all-encompassing governance structure. Silk Way West Airlines has two Senior Vice Presidents for Corporate Finance and Operations and Corporate Affairs. The Vice-Presidents are divided into areas of responsibilities the following way: Vice-President for Flight Operations, Vice-President for Maintenance and Engineering, Vice-President for Global Logistics and Standards and Vice-President for Legal and Corporate Affairs. Below is Silk Way West's organizational structure:

Figure 5: Silk Way West Organizational structure

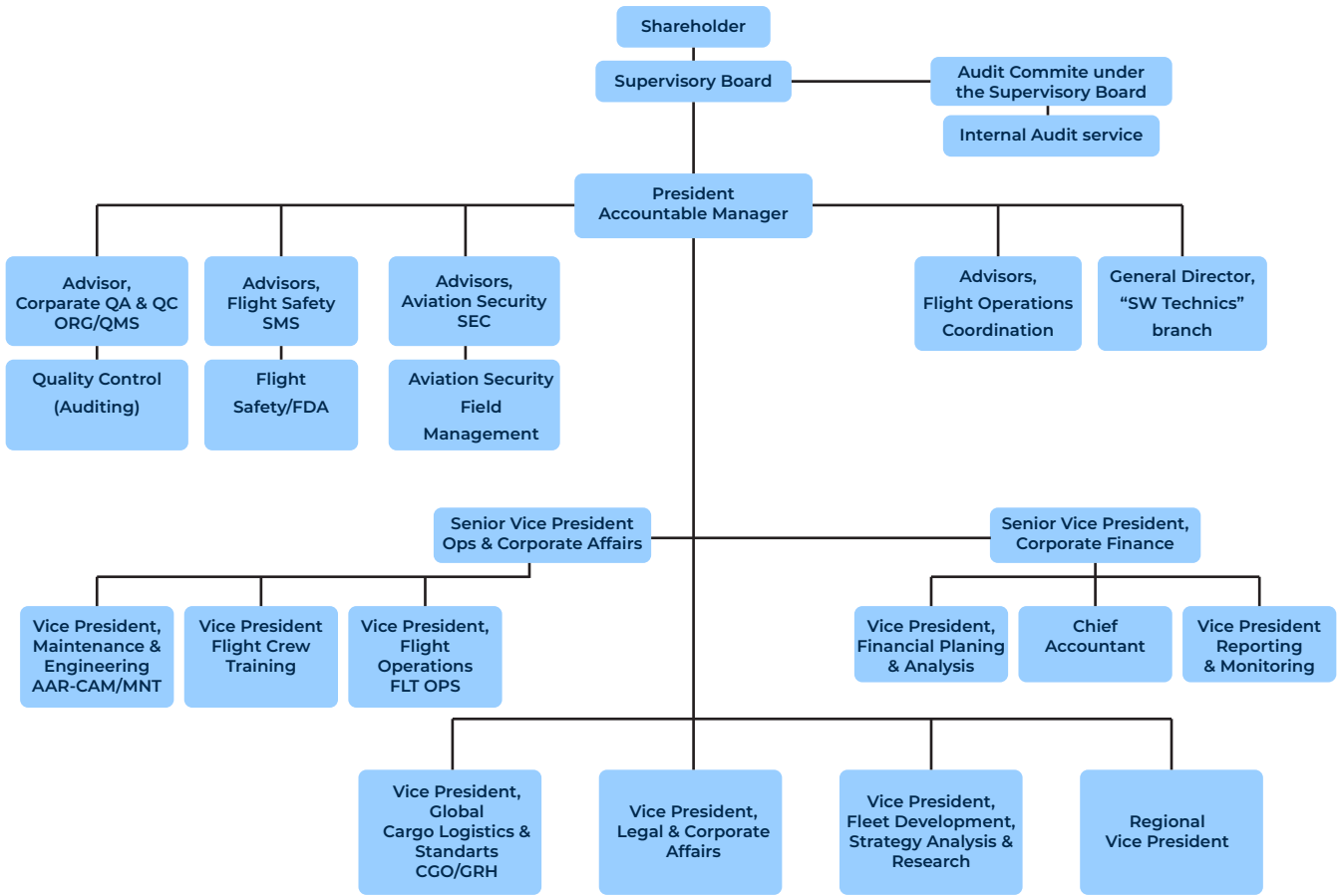


Figure 6. Key management group



**Kamran Gasimov**  
Senior Vice-President,  
Operations & Corporate  
Affairs



**Jamila Alimirzoyeva**  
Senior Vice-President  
Financial Affairs



**Adil Baghirov**  
Vice-President  
Maintenance & Engineering



**Aydin Huseynov**  
Vice-President  
Global Cargo  
Logistics & Standards



**Elgar Alekperov**  
Vice-President  
Legal & Corporate Affairs



**Rasim Ashrafov**  
Vice-President  
Flight Operations



**Firangiz Mammadova**  
Advisor  
Corporate Quality

We find it a good practice to tailor our corporate structure to the nature of our operations. Therefore, some of our functions are governed on a company level and others like our main functions are governed on a Group Level for the Corporate QA&QC and Aviation Security, Flight Safety, and the branch Director, responsible for "SWW Technics".

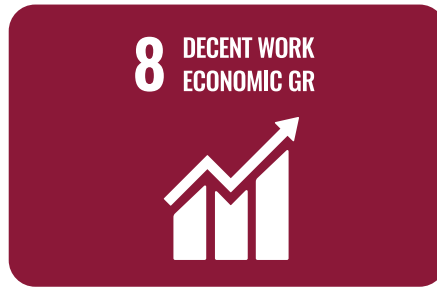


# Operational sustainability





Our meticulous approach to operational safety and employee wellbeing allows us to positively reinforce our contribution to the SDG 3.



By maintaining sustainable economic growth, we ensure stability of employment, generation of job opportunities, as well as contribution to a thriving business environment in the country.



We take our supply chain management with the utmost importance and seek to minimize our negative impact on the society and the environment through a rigid selection procedure.

## 3.1. Sustainability management approach

As a company, we recognize the responsibility we hold to our stakeholders through our impact on the environment, society, and economy. We strive to ensure that our approach to sustainability embraces our core mission and values as a Company. Through our commitment to becoming the catalysts of sustainable air cargo in the region, we are constantly looking for opportunities to embed sustainability into all our operations.

As we believe in a top-down approach to sustainability management, we are making efforts to maintain ESG-related topics at the agenda of the Supervisory Board meetings. We are also looking for ways to foster sustainability awareness among our employees to ensure that our approach to doing business sustainably is reflected in the individual efforts of every person at Silk Way West Airlines.

Our efforts continue to be directed at ensuring that all our operations remain guided by international standards of IATA and SCAA, through which we seek to integrate sustainability principles into our business processes.

## 3.2. Safety and Quality policies

GRI 416-1

Health and safety (H&S) is an integral component of Silk Way West Airlines, and our responsibility towards supporting H&S spans across the entirety of our Company. This includes operational safety, which centers on the resolution of operational issues for the betterment of worker, contractor, and customer security and dependability.

To ensure operational safety, Silk Way West Airlines employs a number of policies, such as the Safety Quality Policy, and Safety Transport Policy. These policies, which meet the SCAA, IATA and ISO standards, lead to fewer issues and disturbances during flight operations, which decreases the likelihood of accidents.

### 3.2.1. Safety Awareness

GRI 403-4, GRI 403-5, GRI 403-6

We uphold our H&S awareness by continuously conducting employee trainings, utilizing learning tools to reflect the latest H&S requirements, and improving health & safety performance and figures. We provide mandatory training sessions to each of our employees, and an evaluation system is used to guarantee that the trainings reach the highest possible quality. Employees engage in comprehensive internal trainings and are awarded certificates upon their completion. The list of internal trainings consists of various guiding engagements, including but not limited to Aviation Security Procedures, Emergency Equipment, and Fatigue Management, which are provided by various vendors such as FLYCO. External trainings also take place which are conducted with the aid of foreign experts.

We believe that with transparent and timely communication among our people, we will keep maintaining our current zero-accident OHS performance and effectively upgrade our OHS system. To help us maintain and track our H&S processes and procedures, we implement the Safety Management System (SMS), which consists of the Safety Reporting System (SRS) and Flight Data Monitoring (FDM).

The Safety Reporting System (SRS) at Silk Way West Airlines encourages employees to raise safety concerns and report any possible hazards or deficiencies. Employees send reports via radio or in a written form to the air traffic control office of Silk Way West Airlines to communicate safety-related issues. OHS team of the Company is also open for any suggestions, concerns and complaints that might be raised by employees. Reports and concerns can also be submitted through an SRS mobile application that streamlines the process.

To identify and assess operational risk data, we implemented the Flight Data Monitoring (FDM) program. All flight data and information is compiled in the FDM program and is monitored. The program quantifies operational risks, tracks the effectiveness of processes and helps to establish a risk mitigation plan. The FDM program is administered according to safety and security regulations of Silk Way West Airlines to preserve the confidentiality of information and ensure data security.

## 3.2.2. Silk Way Technics

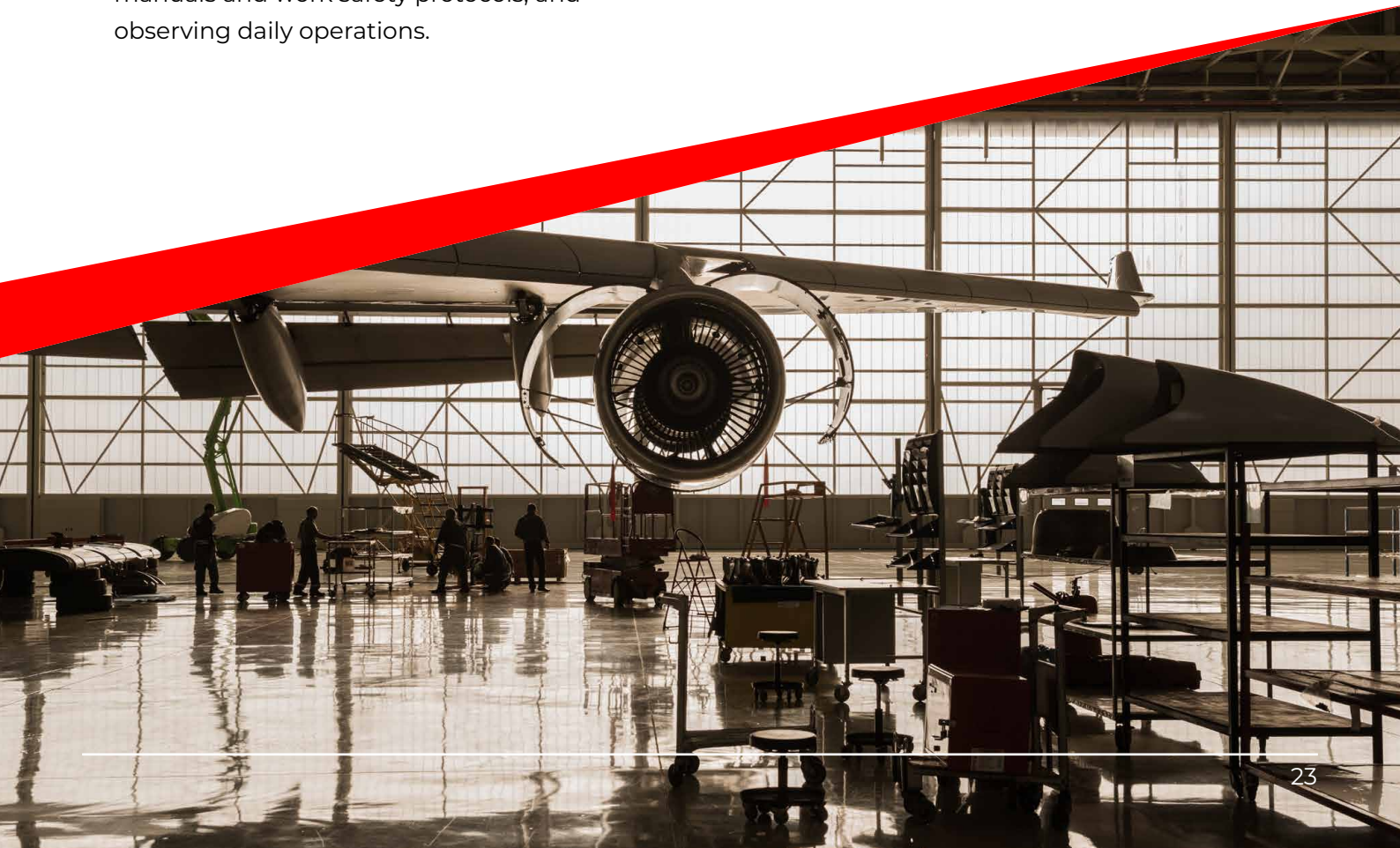
GRI 403-2

Silk Way Technics is a branch of Silk Way West Airlines that provides line and base maintenance services and is responsible for the safety of maintenance operations. SWW Technics sets its targets in line with those of Silk Way West Airlines, and operates to monitor and regulate the following H&S goals:

- Evaluating possible threats to health and safety and put preventative measures in place;
- Conducting internal safety audits, providing employees with personal protective equipment (PPE), and ensuring that all work is performed in a safe environment;
- Providing programs and systems for proper training to guarantee that they can carry out their responsibilities effectively;
- Developing and sustaining an organizational culture that prioritizes worker safety and wellness;
- Establishing what role each employee has in maintaining a safe workplace;
- Creating, implementing, and reviewing H&S manuals and work safety protocols, and observing daily operations.

We recognize the vital role that our employees plays in our efforts to ensure flight safety at all stages, therefore we seek to assure that our employees receive appropriate training. The employees of SWW Technics are primarily trained abroad and receive regular attestation to stay on top of industry requirements.

As part of our flight safety procedures, upon each maintenance check of the planes, certified staff issue an airworthiness certificate for the aircraft cleared for flight. The employees are divided into groups, which are responsible for the maintenance of a specific type of aircraft, creating a clear scope of responsibility and expertise.





# Safety risk management

GRI 102-15, GRI 102-30, GRI 403-2, GRI 403-8

As we recognize that our line of work is prone to human error, we ensure that our employees follow a strict procedure that eliminates such occurrences.

As such, we have identified 12 most common risks associated with the human factor, which are outlined in Figure 6.

Figure 7. 12 risks of the human factor in aviation

	<b>Lack of communication</b>	Before and after any task is completed, as well as during handover of shifts, our employees pass down detailed information, including use of logbooks and checklists.
	<b>Complacency</b>	We encourage our employees to always expect to find a fault in order to maintain a certain level of acute awareness while performing routine and habitual tasks.
	<b>Lack of knowledge</b>	We provide learning opportunities to our employees to ensure that they continually go through training and maintain professional development to stay well-informed on the developments in the industry.
	<b>Distraction</b>	To respond to the risk of distraction, our employees tag incomplete work to ensure that the one performing the task or the one completing it will be informed on the status of completion.
	<b>Lack of teamwork</b>	We continually make efforts to encourage strong teamwork among our employees by fostering an environment of personal and team leadership, accountability, as well as defining a clear and structured approach to work and responsibilities.
	<b>Fatigue</b>	Our employees maintain a regular and healthy program of sleep and diet to ensure that they are equipped to fight with fatigue. Simultaneously, they are trained to recognize symptoms of fatigue both in themselves and others.



**Lack of resources**

We sustain efficient resource planning to provide our employees with all the resources and tools necessary to perform their tasks.



**Pressure**

Our employees are trained to recognize when they are working under pressure and given the freedom to be assertive in the instances when they have concerns.



**Lack of assertiveness**

We continually encourage our employees to remain calm in every situation, to take ownership of their task, and continually seek out feedback on their performance.



**Stress**

As we recognize that our line of work involves a number of potential stress triggers, we ensure that our employees are aware of healthy coping mechanisms with stressful situations, including breathing and relaxation techniques.



**Lack of awareness**

As part of our comprehensive approach to risk management, we encourage our employees to seek feedback from others, have their colleagues check their work, and constantly maintain situational awareness.

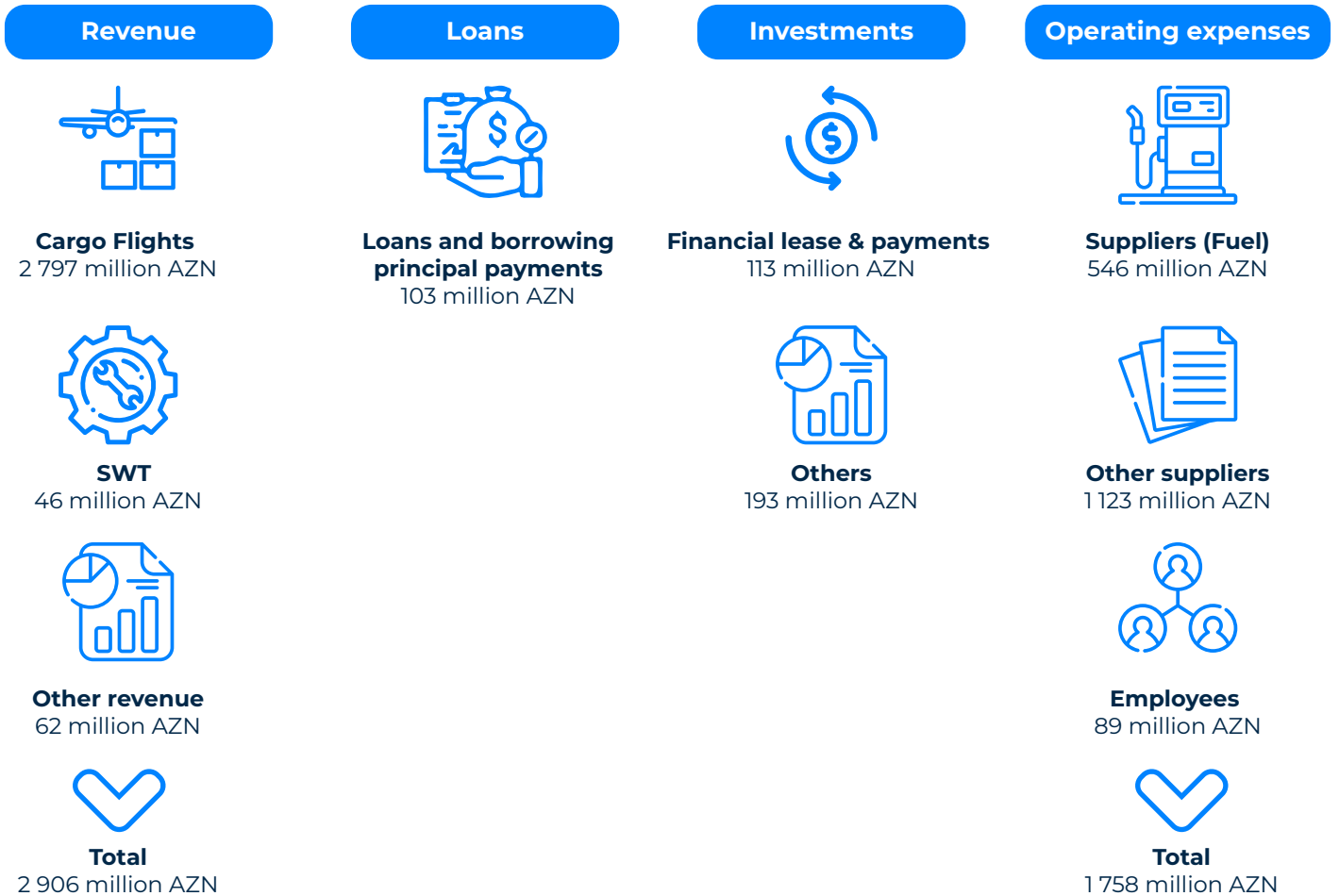


**Norms**

Our norms and regulations are regularly communicated to our employees through mandatory trainings, written communication, and one-on-one meetings.

# 3.3. Our economic footprint

GRI 201-1, GRI 201-2, GRI 203-2



Silk Way West Airlines continues to demonstrate its operational resilience with regards to global trade and supply chains. Due to the global increase in tariffs and prices of logistics services following the COVID-19 pandemic resulting from a rise in demand, our overall revenue saw an increase from 2020. Our employee expenses also increased due to a larger number of flight hours in the reporting year, which stemmed from the higher demand. Rapidly changing flight routes and volatile demand were also present in 2021, but we continued to demonstrate our commitment to our clients and our growing economic footprint.

We offer highly appealing business environments at our main hub at Heydar Aliyev International Airport and we continue to contribute to economic development locally and in the affiliate region.

Our economic impact is important to our employees, customers, shareholders, suppliers, and communities in which we operate and is measured by our provided jobs and benefits, and contribution to the GDP and trade. Constantly analyzing our business practices and the full extent of their externalities is one way we work to boost efficiency and productivity. Each factor of our economic impact is measured by its contribution to GDP, trade, and job creation.

## 3.3.1. Contribution to GDP of Azerbaijan

GRI 201-1

Being an air cargo company, Silk Way West Airlines plays a fundamental role in connecting Azerbaijan to global supply chain and ensuring connectedness with foreign markets. This makes Silk Way Airlines a major driver of the country's economic progress. The global pandemic showed that Silk Way Airlines plays a key role in the delivery of goods and vital products in the region. As such, we saw significant growth due to the increase in the scope of our operations. This growth continued through to 2021, with Silk Way West Airlines contributing to the GDP by generating a total revenue of 2.9 billion AZN, which corresponds to 3% of the total GDP of Azerbaijan.

Silk Way West Airlines also makes a sizable contribution to state finances through tax payments, fringe benefits, airport fees, and other means. Taxes and fees that Silk Way West Airlines generated in 2021 amount to a sizable contribution to public coffers.

## 3.3.2. Contribution to trade

GRI 203-2

As the largest national cargo company in the country, Silk Way West Airlines plays a vital role in supporting the local economy through its trade and connectivity across the region. The route network and logistics infrastructure of Silk Way West Airlines have played an imperative role in facilitating the necessary services on the wider economic landscape.

With 40 destinations and more than 30 representation offices around the world, we continue to engage in international trade while representing Azerbaijan on a global scale.

## 3.3.3. Contribution to job creation

GRI 203-2

The socio-economic impact of the Company can also be traced by its contribution to the employment rate of the Country providing various job opportunities for all in the region. The job opportunities at Silk Way West range from engineering positions to pilots and crew members.

As the only national cargo airline operating in Azerbaijan, Silk Way West Airlines represents a significant portion of direct employment opportunities in the region.

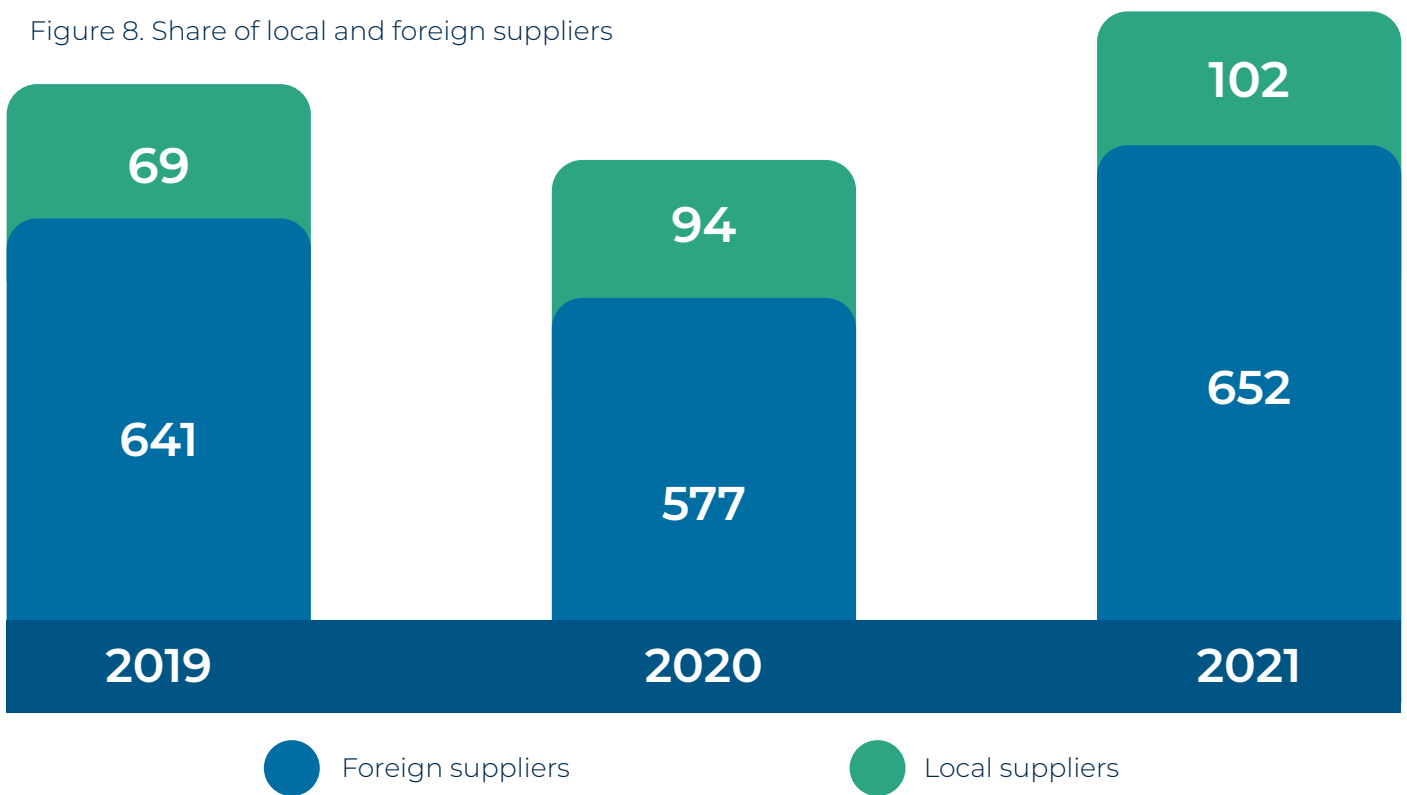
# 3.4. Supply chain

GRI 102-9, GRI 102-10, GRI 204-1, GRI 308-2, GRI 414-2

We continue to uphold the highest standards of procurement processes while also conducting our operations within our sustainability framework. When assessing vendors, we ensure that they meet all applicable industry standards, IATA and SCAA requirements, and company specifications. Silk Way West Airlines has also started the actions to achieve the objectives of its “Green procurement” strategy.

Keeping sustainable business practices as part of its main principles, the strategy streamlines the process of identifying vendors that best align with applicable sustainability standards. The recent reductions of EUA (European Union Allowance) and UKA (United Kingdom Allowance) carbon emission quotas have also affected supplier operations in terms of sustainability practices.

Figure 8. Share of local and foreign suppliers



Our selected suppliers go through a vetted process to ensure that they abide by the procurement rules and regulations set by the Company and have a positive impact on our business processes. Our tender process involves careful evaluation and selection of vendors based on bids received under specific requirements. We currently have 754 suppliers in total, with 102 of them being local vendors. The growing number of local suppliers reflects our continuous support of local business development and expansion (See Figure 7).

A growing proportion of vendors are turning to utilizing biofuel, which would reduce the ecological footprint and is therefore more sustainable than existing energy supplies. As part of our sustainability strategy, we aim to reduce the footprint of our procurement services by increasing the reliable supply of biofuel. To help achieve this target, we plan to establish at least eight different vendor locations by 2023.

# Social responsibility





We seek to ensure that our employees receive regular training and learning opportunities, continuing their professional development through quality education.



Our contribution to Goals 5 & 10 stems from our commitment to equality. We do not discriminate on any basis, and strive to provide equal opportunities to all people.



Our contribution to economic growth and the business ecosystem in the country allows us to leave a mark on the development of sustainable communities in Azerbaijan.



We continue to build partnerships based on transparency and fairness to ensure complete implementation of our sustainability goals.

## 4.1. Working with our people

GRI 102-8, GRI 102-35, GRI 401-1, GRI 410-2, GRI 412-2, GRI 413-2

Our people are our drivers of fast development and success. Despite the challenging times following a number of political and economic disruptions, our employees ensured that their work remained uninterrupted and continued providing our services with the highest quality.

We strive to maintain our stance as an attractive employer and continue improving the working environment with significant focus on labor relations and benefits, talent development, inclusion, and diversity. We prioritize making work a friendly place for all where every employee feels recognized for his/her efforts and is motivated to bring new initiatives and have support for personal development.

Our Human Resources (HR) Department acts in full compliance with the Labor Code of the Republic of Azerbaijan and provides great support to Silk Way West Airlines through its high performance.

The Department consists of 3 directions of HR management: labor relations, remuneration, assessment, recruitment, and talent development.



Table 3. Number of employees by position

Category	2021
Total number of employees	1,055
Executive	170
Flight crew	92
Other	793
Number of foreign pilots	59
Number of employees at stations	139

Table 4. Number of employees by gender

Category	2021
Total number of employees	1,055
Male	872
Female	183

## 4.1.1. Ensuring inclusion and diversity

GRI 404-1, GRI 404-2, GRI 412-2

We continue cultivating a diverse and inclusive working environment for all social groups, where all employees feel empowered, valued and practice mutual trust. Despite the fact that the industry continues to be considered as “male-dominated”<sup>1</sup>, Silk Way West Airlines does not relate jobs to a specific gender or age group.

Silk Way West Airlines is against all kinds of discrimination and is maintaining a safe and fair working place. We also believe that transparent work culture will create more favorable environment for proper communication and feedback.

Table 5. Percentage of male and female members of the governance body, %

Category	2021
Male	86%
Female	14%

Table 6. Oxford school program

Category	2021
Number of students	7

This year a number of students from Baku Oxford School participated in an internship program at Silk Way West Airlines.

Students were assigned to various departments where they learn about the processes and work of the relevant departments, as well as the aviation industry in general.

<sup>1</sup>IATA has raised awareness that the industry is male-dominated.



## 4.1.2. Employee training and development

GRI 401-2

As there are continuous technological advancements in the aviation industry, we maintain our commitment to fostering talent development, as well as recognizing its high value in the workplace. We place great emphasis on creating a comfortable environment for our employees and encourage their personal and professional development.

Our Talent development team at Silk Way West Airlines provides employees with various learning tools and regular training courses. Trainings are conducted offline and on online learning platforms. Online courses are divided into subgroups according to department specifics and the area of learning. Trainings for the flight crew are mostly conducted on-site where simulators are utilized.

During the reporting period, the HR Department of Silk Way West Airlines conducted 82 types of trainings for employees. The talent development team invites internal and external certified instructors, and outsources training programs. Major training providers also include IATA, National Aviation Academy, Aviation Quality Services, JAA TO, Cargolux, etc. All of the trainings included in the program have been approved by to national authorities (SCAA).

To ensure continuous development of our employees, we cooperate with a number of training providers who offer a variety of training programs, ranging between operational topics to soft skills training. As part of this framework, we have been partnering with FLYCO, a leading UK-based aviation industry training company, to provide 47 training sessions for our employees in 2021.



Table 7. List of trainings conducted by FLYCO in 2021

OPERATIONAL SAFETY	OPERATIONAL TRAINING	GENERAL TRAINING	REGULATORY TRAINING
<ul style="list-style-type: none"> <li>• AVIATION SECURITY PROCEDURES</li> <li>• DANGEROUS GOODS TRAINING CAT-10</li> <li>• DANGEROUS GOODS TRAINING CAT-8</li> <li>• EMERGENCY EQUIPMENT</li> <li>• SAFETY MANAGEMENT SYSTEM – SMS</li> <li>• FATIGUE MANAGEMENT</li> <li>• FIRST AID (COCKPIT)</li> <li>• PROCEDURES CONCERNING POTENTIALLY DISRUPTIVE PASSENGERS</li> <li>• RISK MANAGEMENT</li> <li>• SAFA SANA SACA AWARENESS</li> <li>• B747 COLD WEATHER OPERATIONS</li> <li>• B747 CONTAMINATED RUNWAY</li> <li>• B747 DE/ANTI-ICING PROCEDURES</li> <li>• B747 LOW VISIBILITY PROCEDURES (LVTO, CAT I-II-III)</li> <li>• B747 VOLCANIC ASH AVOIDANCE</li> <li>• B747-400F - FIRE PROTECTION</li> <li>• ENHANCED GROUND PROXIMITY WARNING SYSTEM – EGPWS</li> <li>• TRAFFIC COLLISION AVOIDANCE SYSTEM</li> <li>- TCAS / ACAS 7.1</li> <li>• HUMAN FACTORS</li> </ul>	<ul style="list-style-type: none"> <li>• BASIC AVIATION PSYCHOLOGY</li> <li>• EASA REGULATIONS</li> <li>• EXTENDED RANGE TWIN ENGINE OPERATIONS (ETOPS) 120 TO 180 NM</li> <li>• EXTENDED RANGE TWIN ENGINE OPERATIONS – ETOPS</li> <li>• HIGH ALTITUDE FLIGHT PHYSIOLOGY</li> <li>• ICAO FLIGHT PLAN (ATS FLIGHT PLAN)</li> <li>• NAT - HLA (MNPS)</li> <li>• PERFORMANCE BASED NAVIGATION – PBN</li> <li>• SWW Performance Based Navigation Course (PBN)</li> <li>• EUROPEAN REDUCED VERTICAL SEPARATION MINIMA - EUR RVSM</li> <li>• B747 4 ENGINE PERFORMANCE</li> <li>• B747 HYDROPLANING</li> <li>• B747-400F - AIR CONDITIONING SYSTEM</li> <li>• B747-400F – ENGINES</li> <li>• B747-400F – HYDRAULICS</li> <li>• B747-400F - PRESSURIZATION SYSTEM</li> <li>• Boeing 747-400F Differences Familiarization Course 4K-BCH/BCI RB211 Engines</li> <li>• Boeing 747-400F Differences Familiarization Course VP-BCR/BCV PW4056 Engines</li> <li>• SWW ILS Precision Runway Monitor Approach (ILS PRM)</li> <li>• SWW Performance Based Navigation Course (PBN)</li> </ul>	<ul style="list-style-type: none"> <li>• COMMUNICATION AND BODY LANGUAGE</li> <li>• CREW RESOURCE MANAGEMENT (CRM)</li> <li>• GENERAL MASS &amp; BALANCE KNOWLEDGE</li> <li>• GENERAL PERFORMANCE</li> </ul>	<ul style="list-style-type: none"> <li>• INTERNATIONAL RVSM</li> <li>• GDP</li> <li>• AIR LAW</li> <li>• SWW Operational Specifications and Limitations</li> </ul>

The training program for the following year is tailored at the end of the year and is approved by the management.

## 4.1.3. Employee Benefits and Motivation

GRI 401-2

We strongly believe in the power of motivation and encouragement, and care for the well-being of our people. At Silk Way West Airlines we emphasize the importance of providing benefits and rewarding our employees for their hard work and professional achievements.

We continue providing such social benefits as two-way free shuttle buses, mobile SIM cards with monthly allowance, monthly airport entry card, vehicles and monthly fuel allowance for senior management of the Company.

We also keep investing in our people's education and offer to pay for tuition fees of Silk Way West Airlines employees with more than 3 years work experience to study at Azerbaijan's National Aviation Academy. For those with less working experience, the Company covers half of the tuition providing a 50% discount on the fee.

Table 8. Employee awards in 2021

Name of the Award	Job title of the employee
The Civil Aviation Merit Medal	Vice President for Flight Control
The Civil Aviation Merit Medal	First Officer of Boeing 747-400 F
The Civil Aviation Merit Medal	Aviation Technician for Aviation and Radio-Electronic Equipment

Besides benefits, we consider it highly important to recognize the achievements of our employees. Every year, all employees of Silk Way West Airlines celebrate professional holidays and get nominated for various awards.

On Civil Aviation Day, people with exceptional performance and high professionalism get awarded by the order of the Ministry of Transport, Communications and High Technologies of the Republic of Azerbaijan.

## 4.1.4. Ensuring employee safety and wellbeing

At Silk Way West Airlines we work relentlessly towards maintaining zero work-related injuries and accidents. Our goals, ambitions and principles are built around the significance of safety.

The implementation of health and safety procedures is aligned with the standards and recommendations of SCAA.

Silk Way West Airlines is passing audits regularly and maintains its compliance with safety requirements of IATA Operational Safety Audit (IOSA). The Company continues to monitor its compliance with health and safety requirements, standards and recommendations in all spheres, including flight and cargo operations, ground operations, etc.

Along with IOSA audit, we conduct yearly internal audits to measure compliance with operational safety requirements.



We identify possible risks, analyze existing trends and continue monitoring our daily operations. During the audits we inspect our operational and safety performance, as well as other internal operations. Health and safety trainings are mandatory for all employees at Silk Way West Airlines. The trainings include mandatory inductions for newcomers, as well as regular extensive OHS training sessions. High emphasis is put on technicians and flight crew due to higher risks in the field. Trainings for each work areas are tailored to the nature and scope of the work specifics and are strictly mandatory.

## 4.1.5. COVID-19 measures

GRI 403-6

Concern for safety and health-related matters is one of the top priorities at Silk Way West Airlines. Throughout the pandemic, Silk Way West Airlines complied with all requirements set by the government of the Republic of Azerbaijan and provided the necessary support to all employees. During the pandemic we maintained uninterrupted operations while adhering to all safety measures. Silk Way West Airlines was the only cargo company transporting pharmaceuticals, vaccines, and other necessary medical equipment to the country. The Company is GDP (Good Distribution Practice)-certified in delivering of time- and temperature-sensitive pharmaceutical goods and operated more than 100 charter flights transporting medical supplies.

The employees received all necessary trainings to safely transport and deliver temperature-sensitive cargo.

Considering the demands, latest logistics technologies were used to upgrade the necessary facilities for such types of cargo.

During the reporting year we continued to implement necessary actions to protect the health of our people based on advice from the government, aviation and medical organizations. The measures taken include assistance for the employees in accessing vaccines, regular disinfections of the office premises, COVID-19 tests, and temperature checks. Moreover, we continued to provide our employees with necessary material supplies that include masks and sanitizers.

## 4.2. Working with our customers and partners

Our customers remain our top priority as we constantly seek to deliver the highest quality of services. We strive for excellence in everything we do to ensure that our customers receive the best services and care, including improving our overall performance and regularly probe new opportunities to upgrade our equipment and grow our destination portfolio.

As we continue to expand our operations in the post-pandemic economy, we constantly explore new opportunities to build our network of cooperation with airports around the world. In January 2021, we have successfully inaugurated twice-weekly flights to and from Tokyo Narita Airport, following an agreement with the Nippon Cargo Airlines. Following that, we launched the second route serving the Indian air through the commencement of a new weekly flight to the Mumbai Chhatrapati Shivaji Maharaj International Airport in Mumbai, India in July of the reporting year. Later in the year, we have signed an interline agreement with Kenya's Astral Aviation to expand our network in the African continent. As part of this agreement, the Al Maktoum International Airport of the UAE, also known as the Dubai World Central (DWC), will act as the main transit point.

As the COVID-19 pandemic hit the global economy and affected the usual course of business, we readily assumed responsibility for ensuring constant availability of supplies during the most pressing times and lockdowns.

Later, as 2021 marked a period of slow recovery from the effects of the pandemic, we continued our operations in the regular stream of work.

Since the start of the pandemic, we have operated over 100 charter flights to deliver a wide range of medical supplies, including vaccinations against COVID-19. We have taken a number of measures to ensure safe delivery of such temperature-sensitive freight, including receiving certification by Good Distribution Practice (GDP) for a thorough audit conducted by Global Cold Chain Consultants.

This signifies a new step to expand our presence in the pharmaceutical logistics sector. As the result of the measure, we have upgraded our internal procedure to align them with the GDP principles, as well as carriage capability to ensure that the necessary storage services are available. Furthermore, we have provided relevant training to the entire company employees.



During the reporting year, we have made the decision to join the global innovative trend of Digital Air Cargo to maximize our cargo capacity utilization and booking. Starting from mid-January, our 12 freighters will be available over WebCargo's air cargo booking platform to forwarders from around the world to allow for real-time pricing and booking of our services. By partaking in such innovative solutions, we are making strides in further integrating into the global network of freighters and continuing to expand our partnerships to bring more opportunities to connect destinations across the world.



# 4.3. Destinations map

GRI 102-1

Country	City	Airport
Austria	Vienna	VIE
Bangladesh	Dhaka	DAC
China	Hong Kong	HKG
China	Shanghai	PVG
China	Zhengzhou Xin Zheng	CGO
Georgia	Tbilisi	TBS
Germany	Hahn	HHN
India	Mumbai	BOM
India	Delhi	DEL
Iraq	Erbil	EBL
Iraq	Baghdad	BGW
Israel	Tel-Aviv	TLV
Italy	Milan	MXP
Japan	Osaka	KIX
Japan	Tokyo	NRT

Country	City	Airport
Kazakhstan	Almaty	ALA
Kazakhstan	Aktau	SCO
Kazakhstan	Atyrau	GUW
Kuwait	Kuwait	KWI
Kyrgyzstan	Bishkek	FRU
Luxembourg	Luxembourg	LUX
Netherlands	Amsterdam	AMS
Norway	Oslo	OSL
Russia	Moscow	SVO
Singapore	Singapore	SIN
South Korea	Seoul	ICN
Turkey	Istanbul	IST
UAE	Dubai	DWC
Ukraine	Kyiv	KBP
USA	Chicago	ORD



# Environmental responsibility





We have been making strides in our efforts to combat climate change through a variety of initiatives aimed at curbing our emissions and enhancing fuel efficiency.



Our noise pollution control measures aid us in reducing any potential harmful effects on the local ecosystems and the society.

# 5.1. Environmental management

GRI 303-1, GRI 305-5

As Silk Way West Airlines is the leading cargo airline company in the Caspian region, we recognize our duty of preserving the environment and natural resources, preventing its degradation for the next generations.

Guided by this purpose and seeking to expand our business in a sustainable way, we have recently introduced a new Environmental Management System, which is outlined in Figure 8.

Figure 9. Priority areas of our environmental management approach



Furthermore, we have determined target values for several environmental indicators that we aim to achieve through the course of operations in 2022.



Figure 10. Environmental Policies

	Policy	Description
	Environmental Aspects and Impacts Identification Procedure	Aims to identify environmental aspects, adopt relevant control mechanisms, and prioritize identified aspects based on their potential environmental impacts and take remedial actions to reduce those impacts.
	Emergency Spill Response	Aims to establish a comprehensive set of rules and regulations for handling and minimizing the damage that can be caused by unintentional spills.
	Pollution Prevention Monitoring and Control	Aims to identify, control and monitor pollution produced by Silk Way West Airlines activities. The assessment is being implemented at the agreed frequency and nominated competent person.
	Waste Management	Aims to define the requirements for waste generated as a result of Silk Way West Airlines activities. The assessment is being implemented at the agreed frequency and nominated competent person.

Figure 11. Environmental targets of Silk Way West Airlines

Environmental Management		
Objectives	KPIs to achieve the objective	Performance Targets for 2022
Improving waste data collection & storage	Share of the number of notification reports from the total number of skips collected per month	95%
Minimizing generated waste	<ul style="list-style-type: none"> <li>- Number of initiatives to minimize waste production</li> <li>- Percentage of waste recycled versus total volume of waste produced</li> </ul>	<ul style="list-style-type: none"> <li>- 2 times per year</li> <li>- 25% recycled</li> </ul>
Minimizing the generated spill incidents and improving accurate reporting	<ul style="list-style-type: none"> <li>- Number of repeated spills from the same source</li> <li>- Number of spill response exercises per year</li> <li>- Spills, number of incidents &lt;100 liters</li> <li>- Close out of actions raised in spill reports and spill response exercises</li> </ul>	<ul style="list-style-type: none"> <li>- 0</li> <li>- 2 exercises per year</li> <li>- less than 8</li> <li>- 90% of outstanding actions closed</li> </ul>

## Social Aspects

Objectives	KPIs to achieve the objective	Performance Targets
Avoiding causing nuisance to local communities	<ul style="list-style-type: none"> <li>- Close cooperation with Environmental &amp; Social responsible personnel of Airports where Silk Way West Airlines performs its flights.</li> <li>- Regular communities' engagement, nuisance management and monitoring.</li> </ul>	"ZERO" complaints from local communities concerning nuisance especially during the anti-social hours.

## Management of Internal Functions

Objectives	KPIs to achieve the objective	Performance Targets
Improving the efficiency of tracking and closing out of actions	Close out of environmental performance related actions	90% of outstanding action closed
Establishing eco-friendly culture by raising staff awareness of environmental issues	To roll-out environmental awareness campaigns	2 times per year

## 5.2. Responding to climate change

GRI 201-2, GRI 302-3, GRI 302-5, GRI 304-2

As a cargo airline, we recognize our potential impact on the environment and the wider consequences it may have, culminating in irreversible effects on the climate. To ensure that we minimize our negative footprint on the environment and subsequently curb our contribution to climate change, we have begun the implementation of a number of initiatives aimed at reducing our CO2 emissions.

We have been implementing route optimization methods, which has so far enabled us to contribute to our goal of combatting climate change through improved flight performance. Route optimization allows us to minimize our emissions and bolsters our efforts to maximize fuel efficiency. Since the start of our endeavor to combat climate change, we have joined a number of international organizations and agreements.

We are aligned with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), establishing a practice of adherence to its regulations. We have been meticulously reporting our emissions, ensuring sustained legal compliance and alignment with CORSIA's environmental standards. We have also been certified by VeriFavia for our compliance with the requirements for CO2 emissions reduction set out by the EU Monitoring System.

We are currently developing a plan on integrating environmental management into our corporate structure by assigning a responsible sustainability team. While this action will take some time due to the large scope of its execution, it is a necessary step on our way towards fully sustainable business conduct.

Table 9. Specific Direct CO2 Emissions from all regular and charter flights, per tons

Category	2019	2020	2021
Specific direct CO2 emissions from all flights, CO2 per ton	4.6	4.7	3.4

## 5.3. Resource management

GRI 301-2, GRI 301-3, GRI 302-4, GRI 302-5, GRI 304-2

### 5.3.1. Fuel management

GRI 302-4, GRI 302-5

The complexity of commercial aviation's climate change impact reflects the range of emissions such as CO2 accounting for over 70% of the exhaust, which makes up the majority of aircraft emissions.<sup>2</sup> One of the most promising methods to reduce emissions is the invention of low-emission aircrafts and engines. The major producers of commercial aircrafts and engines have made significant advancements in this field and made new solutions available. Since we acknowledge and take cognizance of our duty of being an environmentally friendly company, we use one of the sustainable aircrafts, Boeing 747-8 operators, in our daily operations.

The Boeing 747-8 serves as a showcase for the Company's dedication to ecologically responsible design innovation. The aircraft sets a new standard for fuel efficiency and noise reduction, enabling airlines to reduce fuel costs and fly into a larger number of airports more frequently. The Boeing 747-8 was constructed with a redesigned wing, sloped wingtips for aerodynamic performance, new high-efficiency engines, and a variety of other innovations that improve its fuel efficiency as well as enable the aircraft to improve its cruise performance and be more environmentally friendly by offering 16 percent improvement in fuel use and CO2 emissions.

As part of our fleet management process, we are gradually eliminating less efficient aircrafts and are planning to completely renew our fleet starting from 2024 under our fleet renewal program. As part of this program, we have signed a strategic agreement with Rolls-Royce at the Dubai Airshow 2021 during the reporting year, under which we will be provided with new engines for five of our RB211-524 powered Boeing 747-400F aircrafts until 2026, as well as a minimum of 20,000 flight cycles of engine life for the next five years. Furthermore, we have signed a purchase agreement with Boeing for five state-of-the-art Boeing 777 Freighter aircrafts between 2023 and 2027, making it the first Boeing 777 Freighters in the Central Asian and Caspian regions.

Our fleet renewal program enables us to act upon our commitment to ensure efficiency of our aircrafts and therefore allows us to manage and ultimately curb our fuel consumption. We continually look for ways to minimize our negative impact on the environment, recognizing the responsibility we hold to the society at large to be conscious of the consequences of our business approach.

<sup>2</sup>CO2 is the largest component of aircraft exhaust (IATA, Federal Aviation Administration Office of Environment and Energy)

## 5.3.2. Waste management

GRI 301-3

At Silk Way West Airlines, we approach our environmental management practice in a holistic and exhaustive manner. One of the priority areas of our environmental sustainability is establishing a rigid waste management system.

Our attempts to be environmentally sustainable at Silk Way West Airlines are extensive and carefully thought out. Our strict waste management program, which places particular emphasis on paper waste and is run in conjunction with a reputable external party that specializes in waste treatment and recycling, is a key component of our commitment.

We diligently follow our three main waste reduction principles: Reduce, Reuse, and Recycle.

Our partnership with the outside party reinforces these values because they use state-of-the-art equipment and techniques to properly recycle paper trash, converting it into reusable materials and preserving natural resources, cutting down on waste from landfills, and lowering our carbon footprint. This partnership ensures that our waste management procedures are carried out in accordance with international best practices.

However, we recognize that waste management begins at waste generation. Therefore, we continue our digitalization efforts to further reduce our paper waste generation, including the reduction of paper-based flight information dissemination by pilots. This initiative will also enable us to digitalize flight plans and weather reports.

## 5.3.3. Noise management

GRI 304-2

Noise pollution is the foremost concern associated with airlines and airport operations, as it affects the social environment as well as the surrounding ecosystems. Our noise pollution control is in line with the regulations imposed by the State Civil Aviation Agency (SCAA) for the oversight of environmental noise. Our departure and arrival processes for each aircraft type are designed with the consideration of aircraft noise. Furthermore, our aircraft certification process includes two criteria related to noise pollution, which are noise reduction at close and long range.

By maintaining the noise and exposure levels within the admissible boundaries set out by SCAA, we ensure that our planes are certified in line with the local and international requirements. We operate within the legal limits imposed by the government, ensuring that our noise and exposure levels are not just within the admissible boundaries set out by the SCAA but also comply with the on-land noise limits outlined by the Ministry of Ecology.



# Conclusions



# Conclusions

As we conclude this report, we hope that it would help our stakeholders get more familiar with us as a company and serve as evidence of our commitment to sustainable development. Continuing on the journey to embed sustainability into the core of who we are as a business, we strive to ensure that we are held accountable for our progress towards our goals and ambitions. We recognize that our current performance has room for improvement and we strive to continually work towards finding innovative solutions to our challenges on the road to sustainability.

Through our sustainability reports, we hope to communicate that we hold our impact on the community and the environment to the highest regard. We hope to facilitate the creation of a prosperous and thriving society through direct engagement and economic impact, as well as through curbing our negative impact on the environment, including reducing noise pollution and GHG emissions.

We will continue engaging with our stakeholders and disclosing our progress through sustainability reports in the future, while unceasingly working on bettering our performance and instilling sustainability as a core principle of our business.

## List of abbreviations and acronyms

ATS	Air Traffic Safety
CEO	Chief Executive Officer
CO2	Carbon Dioxide
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CRM	Crew Resource Management
CSR	Corporate Social Responsibility
DWC	Dubai World Central
EASA	European Union Aviation Safety Agency
EASA	European Union Aviation Safety Agency
EGPWS	Enhanced Ground Proximity Warning System
ESG	Environmental, Social & Governance
ETOPS	Extended Range Twin Engines Operations
EU	European Union
EUA	European Union Allowance
EUR RVSM	European Reduced Vertical Separation Minima
FDM	Flight Data Monitoring
FRMS	Fatigue Risk Management System

GDP	Good Distribution Practice
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
H&S	Health & Safety
HR	Human Resources
IASB	The International Accounting Standards Board
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IFRS	International Financial Reporting Standards
ILS PRM	ILS Precision Runway Monitor Approach
IOSA	IATA Operational Safety Audits
ISAE	International Standard on Assurance Engagements
ISO	International Standardization Organization
JAA TO	Joint Aviation Authorities Training Organization
kg	Kilogram
km	Kilometer
KPI	Key Performance Indicators
LVTO	Low Visibility Take-Off
Mln	Million
MNPS	Minimum Navigation Performance Specifications
OHS	Occupational Health and Safety
PBN	Performance Based Navigation
PPE	Personal Protective Equipment
RVSM	Reduced Vertical Separation Minima
SASB	Sustainability Accounting Standards Board
SCAA	State Civil Aviation Agency
SCM	Stakeholder Capitalism Metrics
SDG	Sustainability Development Goal
SIM	Subscriber Identification Module
SMS	Safety Management System
SRS	Safety Reporting System
SWT	Silk Way Technics
TCAS	Traffic Collision Avoidance System
UAE	United Arab Emirates
UK	United Kingdom
UKA	United Kingdom Allowance

# Data tables

GRI 0000

## Financial Indicators

Financial Indicators (AZN) ( in thousands)	2019	2020	2021
Total revenue generated, by category	n/a	2,388,576	2,906,667
SWW cargo flights	n/a	2,269,503	2,797,114
SWT	n/a	49,497	46,901
Other revenue	n/a	69,576	62,652
Proceeds from loans and borrowings	n/a	156,031	71,400
Total investments, by category	n/a	261,386	307,061
Financial lease and payments	n/a	117,640	113,922
Others	n/a	143,746	193,139
Total expenses, by category	n/a	1,561,300	1,768,079
Suppliers (fuel)	n/a	387,191	546,327
Other suppliers	n/a	1,125,654	1,123,103
Employees	n/a	48,455	88,846

## Human Resources

Total number of employees, by gender	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Total number of employees, by gender and by category	739	138	851	143	872	183
Number of execution position employees	115	23	108	26	137	33
Number of flight crew	88	0	175	0	92	0

Employee indicators, by age	2019			2020			2021		
	Under 30	30 to 50	OVER 50	Under 30	30 to 50	OVER 50	Under 30	30 to 50	OVER 50
Total number of employees by age	269	375	233	262	453	279	243	602	210



Turnover indicators,	2019	2020	2021
Total number of new employee hires	102	87	225
Total number of employee turnover	46	45	58
Rate of employee turnover	5%	5%	5%

Parental leave indicators	2019		2020		2021	
by gender	Male	Female	Male	Female	Male	Female
Total number of employees that took parental leave, by gender	0	2	0	4	0	2
Total number of employees that returned to work after parental leave ended, by gender	0	2	0	2	0	3
Total number of employees due to return to work after taking parental leave, by gender	0	2	0	0	0	0
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	0	2	0	4	0	3

Diversity of governance bodies	2019		2020		2021	
by gender	Male	Female	Male	Female	Male	Female
Total number of individuals within the governance bodies, by gender	26	3	27	4	31	5

Diversity of governance bodies	2019			2020			2021		
by age	Under 30	30 to 50	OVER 50	Under 30	30 to 50	OVER 50	Under 30	30 to 50	OVER 50
Number of individuals within the governance bodies, by age	0	18	11	0	14	17	1	18	17

Talent development	2019		2020		2021	
Average number of training hours provided to employees, by category	Male	Female	Male	Female	Male	Female
Executive	1263	198	318	24	581	126
Specialist	7709	559	6461	278	1,156	385
Technician	546	0	3412	0	1,135	5
Other	0	0	0	0	26	9

Parental leave indicators	2019	2020	2021
Average number of training hours spent on simulators	1,908	1,824	1,775

## Environment

Emissions and Consumption indicators	2019	2020	2021
Total direct CO2 emissions of flights, mln kg/year	1,107,519	1,477,860	1,546,021
Specific direct CO2 emissions from all flights, per tons	4.6	4.7	3,4
Fuel consumption (kmpL)	n/a	611,620,045	630,541,836

## Supply Chain

Supply chain indicators	2019	2020	2021
Total number of suppliers	710	671	753
Number of local suppliers	69	94	102
Number of foreign suppliers	641	577	651
Number of suppliers of goods	192	181	202
Number of suppliers of services	518	490	552
Share of local suppliers/contractors (%)	10%	14%	14%
Share of suppliers of goods (%)	27%	27%	27%

## Operational

Operational indicators	Unit	2020	2021
Total number of all flights	number	11,978	12,091
Number of charter flights	number	1,309	1,664
Number of regular flights	number	10,669	8,782
Number of other flights	number	n/a	1,561
Total flight hours	number	58,643	58,914
Tonnes transported	tons	429,073	449,807
Tonnes transported on regular freight flights	tons	342,444	332,961
Tonnes transported on charter freight flights	tons	86,629	116,846
Total km-s flown in 2021 (distance flown)	km	22,767,341	35,925,043

# GRI Index

	Disclosure	Status	Location
<b>General disclosures</b>			
GRI 2: General Disclosures 2021	2-1 Organizational details	Disclosed	About us: Silk Way West Airlines at a glance
	2-2 Entities included in the organization's sustainability reporting	Disclosed	About the report: Our approach
	2-3 Reporting period, frequency and contact point	Disclosed	About the report: Our approach
	2-4 Restatements of information	Disclosed	No such cases reported
	2-5 External assurance	Disclosed	About the report: Our approach
	2-6 Activities, value chain and other business relationships	Disclosed	About the report: Stakeholder engagement
	2-7 Employees	Disclosed	Social responsibility: Working with our people
	2-8 Workers who are not employees	Not disclosed	
	2-9 Governance structure and composition	Disclosed	About us: Corporate governance
	2-10 Nomination and selection of the highest governance body	Not disclosed	
	2-11 Chair of the highest governance body	Not disclosed	
	2-12 Role of the highest governance body in overseeing the management of impacts	Partially disclosed	Operational sustainability: Sustainability management approach
	2-13 Delegation of responsibility for managing impacts	Disclosed	Message from the President

GRI 2: General Disclosures 2021

2-14 Role of the highest governance body in sustainability reporting	Partially disclosed	Operational sustainability: Sustainability management approach
2-15 Conflicts of interest	Disclosed	Conflicts of interest arising from related-party transactions are disclosed in accordance with the Civil Code of the Republic of Azerbaijan. Other issues are partially covered in the Code of Conduct.
2-16 Communication of critical concerns	Disclosed	About us: Ethics & Integrity
2-17 Collective knowledge of the highest governance body	Disclosed	Each business owner at the Company operates using their own development plan, hence improving their operational efficiency and sustainability awareness.
2-18 Evaluation of the performance of the highest governance body	Not disclosed	
2-19 Remuneration policies	Not disclosed	
2-20 Process to determine remuneration	Not disclosed	
2-21 Annual total compensation ratio	Not disclosed	
2-22 Statement on sustainable development strategy	Partially disclosed	Throughout the report
2-23 Policy commitments	Partially disclosed	Throughout the report
2-24 Embedding policy commitments	Partially disclosed	Throughout the report
2-25 Processes to remediate negative impacts	Disclosed	Throughout the report
2-26 Mechanisms for seeking advice and raising concerns	Partially disclosed	About us: Ethics & Integrity
2-27 Compliance with laws and regulations	Partially disclosed	Throughout the report

GRI 2: General Disclosures 2021	2-28 Membership associations	Not disclosed	
	2-29 Approach to stakeholder engagement	Disclosed	About the report: Stakeholder engagement
	2-30 Collective bargaining agreements	Disclosed	Collective bargaining agreements are regulated by the Labor Code of the Republic of Azerbaijan.

**Material topics**

GRI 3: Material Topics 2021	3-1 Process to determine material topics	Disclosed	About the report: Materiality analysis
	3-2 List of material topics	Disclosed	About the report: Materiality analysis

**Economic performance**

GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Disclosed	Operational sustainability: Our economic footprint
	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	Benefit plan obligations and retirement plans are based on the appropriate provisions of the Labor Code of the Republic of Azerbaijan.
	201-4 Financial assistance received from government	Not disclosed	

**Market presence**

GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not disclosed	
	202-2 Proportion of senior management hired from the local community	Not disclosed	

## Indirect economic impacts

GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Partially disclosed	Operational sustainability: Our economic footprint,
	203-2 Significant indirect economic impacts	Disclosed	Throughout the report

## Procurement practices

GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Disclosed	Operational sustainability: Supply chain
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## Anti-corruption

GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Partially disclosed	About us: Ethics & Integrity
	205-2 Communication and training about anti-corruption policies and procedures	Partially disclosed	Social responsibility: Employee training and development
	205-3 Confirmed incidents of corruption and actions taken	Disclosed	No such incidents occurred during the reporting year.

## Anti-competitive behavior

GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Disclosed	No such incidents occurred during the reporting year.
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## Tax

GRI 207: Tax 2019	207-1 Approach to tax	Partially disclosed	Operational sustainability: Contribution to GDP of Azerbaijan
	207-2 Tax governance, control, and risk management	Disclosed	Tax governance is guided by the Tax Code of the Republic of Azerbaijan.
	207-3 Stakeholder engagement and management of concerns related to tax	Partially disclosed	About the report: Stakeholder engagement
	207-4 Country-by-country reporting	Not disclosed	

## 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	Not disclosed	
	302-2 Energy consumption outside of the organization	Not disclosed	
	302-3 Energy intensity	Not disclosed	
	302-4 Reduction of energy consumption	Not disclosed	
	302-5 Reductions in energy requirements of products and services	Not disclosed	

## Water and effluents

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Not disclosed	
	303-2 Management of water discharge-related impacts	Not disclosed	
	303-3 Water withdrawal	Not disclosed	
	303-4 Water discharge	Not disclosed	
	303-5 Water consumption	Not disclosed	

## Biodiversity

GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not disclosed	
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GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Partially disclosed	Environmental responsibility: Noise management
	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	Partially disclosed	Environmental responsibility: Responding to climate change
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions	Not disclosed	
	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	Environmental responsibility: Waste management
	306-2 Management of significant waste-related impacts	Disclosed	Environmental responsibility: Waste management
	306-3 Waste generated	Partially disclosed	Environmental responsibility: Waste management
	306-4 Waste diverted from disposal	Partially disclosed	Environmental responsibility: Waste management
	306-5 Waste directed to disposal	Disclosed	Environmental responsibility: Waste management



## Supplier environmental assessment

	308-1 New suppliers that were screened using environmental criteria	Partially disclosed	Operational sustainability: Supply chain
	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	Social responsibility: Working with our people
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Partially disclosed	Social responsibility: Employee Benefits and Motivation
	401-3 Parental leave	Disclosed	Regulation on parental leave is based on the Labor Code of the Republic of Azerbaijan.

## Labor/management relations

GRI 402: Labor /Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Not disclosed	
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## Occupational health and safety

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Disclosed	Social responsibility: Ensuring employee safety and wellbeing
	403-2 Hazard identification, risk assessment, and incident investigation	Partially disclosed	Social responsibility: Ensuring employee safety and wellbeing
	403-3 Occupational health services	Disclosed	Social responsibility: Ensuring employee safety and wellbeing
	403-4 Worker participation, consultation, and communication on occupational health and safety	Disclosed	Operational sustainability: Safety awareness
	403-5 Worker training on occupational health and safety	Disclosed	Operational sustainability: Safety awareness
	403-6 Promotion of worker health	Disclosed	Social responsibility: Ensuring employee safety and wellbeing
	403-6 Promotion of worker health	Disclosed	Social responsibility: Ensuring employee safety and wellbeing

GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosed	Social responsibility: Ensuring employee safety and wellbeing
	403-8 Workers covered by an occupational health and safety management system	Disclosed	Operational sustainability: Safety awareness
	403-9 Work-related injuries	Disclosed	No such incidents occurred during the reporting year.
	403-10 Work-related ill health	Disclosed	No such incidents occurred during the reporting year.

**Training and education**

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Not disclosed	
	404-2 Programs for upgrading employee skills and transition assistance programs	Disclosed	Social responsibility: Employee training and development
	404-3 Percentage of employees receiving regular performance and career development reviews	Disclosed	Social responsibility: Employee training and development

**Diversity and equal opportunity**

GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Disclosed	Social responsibility: Ensuring inclusion and diversity
	405-2 Ratio of basic salary and remuneration of women to men	Not disclosed	

**Diversity and equal opportunity**

GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Disclosed	No such incidents occurred during the reporting year.
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**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 incidents occurred during the reporting year.
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**Child labor**

GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Disclosed	No such incidents occurred during the reporting year.
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## 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 incidents occurred  
during the reporting year.

## Security practices

GRI 411:  
Rights of  
Indigenous  
Peoples 2016

411-1 Incidents of violations  
involving rights of indigenous  
peoples

Not  
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

About the report: Stakeholder  
engagement

413-2 Operations with  
significant actual and  
potential negative impacts  
on local communities

Partially  
disclosed

About the report: Stakeholder  
engagement

## Supplier social assessment

GRI 414:  
Supplier Social  
Assessment 2016

414-1 New suppliers that were  
screened using social criteria

Not  
disclosed

414-2 Negative social impacts  
in the supply chain and  
actions taken

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

Social responsibility: Ensuring  
employee safety and  
wellbeing

416-2 Incidents of  
non-compliance concerning  
the health and safety impacts  
of products and services

Disclosed

No such incidents occurred  
during the reporting year.

## Marketing and labeling

GRI 417:  
Marketing and  
Labeling 2016

417-1 Requirements for  
product and service  
information and labeling

Not  
disclosed

417-2 Incidents of  
non-compliance concerning  
product and service  
information and labeling

Disclosed

No such incidents occurred  
during the reporting year.

GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	Disclosed	No such incidents occurred during the reporting year.
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**Customer privacy**

GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Disclosed	No such complaints have been recorded.
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## INDEPENDENT ASSURANCE REPORT

**Independent practitioner's limited assurance report by Deloitte & Touche LLAC ("Deloitte") to the Board of Directors of Silk Way West Airlines ("the Company") on the 2021 Sustainability Report for the year ended 31 December 2021:**

### Scope of assurance

We have been engaged by the Company to perform an assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) ("the Standard") to provide independent limited assurance on the accuracy of selected data presented in "Silk Way West Airlines Sustainability Report 2021" ("the Report") prepared in accordance with the "Core" option requirements of Global Reporting Initiative ("GRI") Sustainability Reporting Standards for the year ended 31 December 2021.

### Assurance procedures and roles

We carried out limited assurance on the accuracy of the following data related to 2021 year and included into the Report:

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

### Our key assurance procedures

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

To form our conclusions, we undertook the following procedures:

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

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

## **Inherent limitations**

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

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

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

## **Roles and responsibilities**

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

Our responsibility is to independently express a conclusion on the Selected Data based on our procedures. We conducted our engagement in accordance with the Standard issued by the International Auditing and Assurance Standards Board.

## **Independence and quality control**

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

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

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

We have been engaged by the Company to perform limited assurance procedures on the accuracy of the following key performance data of the 2021 reporting year included in the Report:

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<b>Operational</b>	<ul style="list-style-type: none"><li>• Total number of all flights</li><li>• Number of charter flights</li><li>• Number of regular flights</li><li>• Total flight hours</li><li>• Tonnes transported</li><li>• Tonnes transported on regular freight flights</li><li>• Tonnes transported on charter freight flights</li><li>• Total km-s flown in 2021 (distance flown)</li></ul>
<b>Environmental</b>	<ul style="list-style-type: none"><li>• Specific direct CO2 emissions from all flights, per tons</li><li>• Fuel consumption</li></ul>

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<b>Social</b>	<ul style="list-style-type: none"> <li>• Total number of employees</li> <li>• Total number of employees, male</li> <li>• Total number of employees, female</li> <li>• Total number of flight crew</li> <li>• Number of hired employees</li> <li>• Number of dismissed employees</li> <li>• Employee turnover rate</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Total number of suppliers</li> <li>• Number of local suppliers</li> <li>• Number of foreign suppliers</li> </ul>

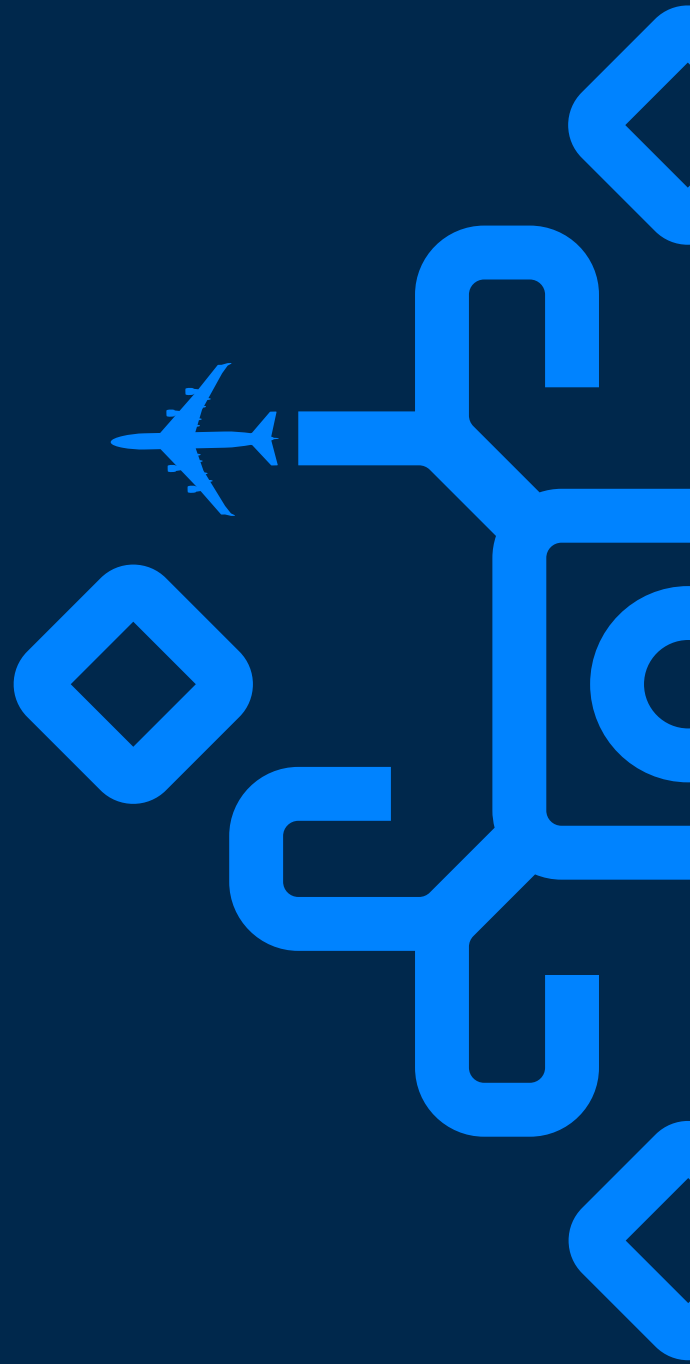
**Limited assurance conclusion**

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

Deloitte + Touche



04 November 2023



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