

silkway
west airlines

Annual Sustainability Report

2022-2023



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01 About the Report



We are pleased to present our sustainability report, covering the years 2022 and 2023, highlighting our efforts to integrate sustainability into our operations and engage with stakeholders on key ESG issues.

This report acts as a platform to convey our dedication to sustainability and its effects, pinpointing crucial areas through thorough assessments for our varied stakeholders. It is crafted based on insights from our Materiality Assessment, illustrating the convergence of environmental, social, and governance (ESG) elements with our sustainability initiatives.

The report emphasizes our notable accomplishments in 2022-2023, offers an analysis of our performance in relation to sustainability trends, and outlines our upcoming plans. It is compiled following the Global Reporting Initiative (GRI) standards and demonstrates our alignment with the UN Sustainable Development Goals (SDGs).

Figure 1. Our approach



01

Company Name

“Silk Way West Airlines” LLC

02

Reporting Cycle

Annual (This report consolidates data for the years 2022 and 2023)

03

Reporting Scope

Silk Way West Airlines
1 January 2022- 31 December 2023

04

Reporting framework

Global Reporting Initiative (GRI) Standards
UN Sustainable Development Goals (SDGs)

05

Third-party engagement

External Assurance on selected indicators
(for more details, please refer to the
Independent Assurance Statement)

Message from the President & CEO of Silk Way West Airlines

Wolfgang Meier
President & CEO of Silk Way West Airlines



Dear reader,

As we reflect on the past two years, Silk Way West Airlines has made significant strides in our journey toward sustainability, innovation, and social responsibility. Our adaptability in the face of global challenges has strengthened our position as a leader in cargo aviation. Guided by our commitment to growth, resilience, and community engagement, we continue to connect the world while building a sustainable future.

Our resilience became especially crucial in the wake of the COVID-19 pandemic, motivating us to expand our services to key destinations such as Houston, Dammam, and Tashkent, broadening our global footprint and enhancing our role in reliable cargo solutions.

Our 10-year anniversary in 2022 marked a milestone that highlights our success in forging partnerships with global industry leaders and underscores our commitment to excellence.

A core element of our progress has been our investment in technology and digital transformation. Over the last two years, we have enhanced cargo access through multiple digital booking platforms, resulting in double-digit growth in online sales year-over-year and underscoring our commitment to efficiency and transparency. Our partnerships, like the one with cargo.one, allow us to offer real-time pricing and booking, meeting our clients' needs seamlessly. Additionally, our collaboration with L3Harris on advanced training technologies allows us to provide state-of-the-art flight simulation for our Boeing 777 freighters, ensuring our teams are well-prepared, positioning us for future growth.

Sustainability remains a cornerstone of our strategy. In 2023, we commenced the construction of a new airport and cargo village, incorporating sustainable technologies as part of our long-term environmental commitment. The acquisition of fuel-efficient Boeing 777-8 and Airbus A350 freighters represents a major step in reducing our carbon footprint and advancing our fleet renewal strategy. Our alignment with CORSIA, through precise CO2 emissions calculations and collaboration with Verifavia, reflects our commitment to measuring and managing environmental impact. We are also actively exploring Sustainable Aviation Fuel (SAF) solutions to further reduce emissions.

Social responsibility is equally important to us. Through corporate social responsibility (CSR) initiatives, we continue to uplift the communities we serve. Looking ahead to 2024 and beyond, we are confident that our focus on sustainability, innovation, and responsibility will continue to guide us toward new heights. We remain dedicated to achieving the highest standards of operational excellence while minimizing our environmental impact and uplifting the communities we serve. Together, we are not just connecting the world but also building a brighter, more sustainable future for generations to come.

Thank you for being a part of this journey with us.



Wolfgang Meier
President & CEO of Silk Way West Airlines



02 Key Highlights



During the reporting years of 2022 and 2023, **Silk Way West Airlines** accomplished several notable milestones that contribute to building a more sustainable business development, which we take great pride in.

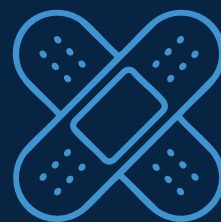
Figure 2. Silk Way West Airline at a glance



*5 175 million AZN
of revenue generated
in 2022 and 2023*



Zero spills in 2022 and 2023



Zero fatalities and injuries in 2023



*70 countries flown to, 20 selling
agents, 10 representative offices*



*686 thousand tonnes transported in
2022 and 2023*



23 thousand flights in 2022 and 2023

03 Our Mission, Vision and Values



 **Our Mission**

Our mission is to provide prompt, reliable transportation services that adhere to the highest safety standards. As we connect locations around the globe, we take responsibility for the economic, environmental, and social impacts of our operations, creating long-term value for our stakeholders through sustainable practices.

 **Our Vision**

Celebrating a decade of growth and excellence since our founding in 2012, our vision is to strengthen our position as one of the leading regional air cargo provider, renowned for our commitment to excellence, safety, and sustainable impact. We strive to foster a business environment rooted in integrity and compliance with international standards, ensuring the safety and well-being of our customers, employees, and communities. By prioritizing the continuous development of our people, we empower our workforce to grow with the organization, embracing modern management practices and personal growth opportunities. Recognizing the aviation industry's goal of achieving net-zero carbon emissions by 2050, we are actively working to minimize our environmental impact through responsible operations, fleet modernization, and sustainable practices. We aim to lead by example in building a resilient, forward-looking organization that connects the world through safe, reliable, and environmentally responsible cargo services.

 **Our Values**

Our values are at the heart of our decision-making, guiding our actions across all levels of the organization. These values inspire and guide us as we work to create lasting value for our stakeholders and achieve a sustainable, responsible future for Silk Way West Airlines.

Our values have been the foundation of the company's journey over the decade, reflecting our commitment to:

Compliance:

Upholding the highest standards of integrity and transparency, we ensure strict adherence to international regulations and best practices, fostering a culture of accountability and ethical conduct.

Safety:

We prioritize the safety and well-being of our customers, employees, and communities in every aspect of our operations, striving to maintain the highest levels of safety and security across our network.

Research and Innovation:

As a forward-thinking organization, we continuously invest in research and innovation to drive progress in cargo operations, adopting new technologies and solutions that enhance efficiency and service quality.

Human Development:

We are dedicated to the growth and empowerment of our employees, providing opportunities for learning, development, and advancement to foster a motivated, skilled, and adaptive workforce.

Environment:

Minimizing our environmental impact is central to our mission. We are committed to sustainable operations, from reducing emissions to incorporating eco-friendly practices throughout our supply chain and facilities.

A Decade of Growth and Milestones



Silk Way West Airlines embarked on its journey in **July 2012**, with its inaugural cargo flight operated by a **Boeing 747-400F** on the **Baku – Frankfurt-Hahn** route. Over the past **10 years**, the airline has evolved from a young player to one of the **largest cargo airlines in Europe**, serving a diverse global network of scheduled and charter destinations. This journey marks a significant contribution to **Azerbaijan's economy and regional leadership**.


04 Approach to Sustainability










4.1 Alignment with Sustainable Development Goals



Silk Way West Airlines consistently aligns its operations with the principles of sustainable development as outlined by the United Nations Sustainable Development Goals (SDGs). As a leading cargo airline in the Caspian region, we recognize our responsibility to make a positive contribution to global sustainability efforts. We demonstrate our commitment to the SDGs through comprehensive environmental management practices, effective waste management systems, strategic investments in green technologies, and active engagement in various initiatives that support sustainable development. In addition to improving fuel efficiency and exploring the potential of sustainable aviation fuels, we focus on fostering both social and economic progress by supporting projects that benefit the communities we serve globally. To ensure a better and more sustainable future, we are dedicated to adhering to all relevant international standards and continuously enhancing our sustainability performance.

Table 1. Silk Way West Airlines’ contribution to UN SDGs

SDG	Related SDG target(s)	Our contribution
	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	Silk Way West Airlines conducted training sessions for National Aviation Academy students at a state-of-the-art hangar, providing hands-on experience in air transportation logistics and process safety to deepen their understanding of industry safety standards and practices.
	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	We provide comprehensive internal and external training sessions for the employees, and give opportunities for qualification improvement. These trainings include simulator training, human factors training for SW Technics, induction and on-site trainings every six months, and specific trainings such as first aid, spill response, and Radiation Safety external training, which was organized for relevant personnel of SW Technics, ensuring compliance with legal requirements and enhancing operational safety and Occupational Health and Safety. In 2023, we have conducted 3267 hours of trainings for our employees and 36 distinct trainings.

SDG	Related SDG target(s)	Our contribution
	5.1 End all forms of discrimination against all women and girls everywhere	Our dedication to gender equality is further reflected in our equal pay ratio of 1, emphasizing our stance against discrimination and commitment to equal opportunities to women as much as men.
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
	5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Silk Way West Airlines upholds equal opportunity employment, with 36 females in leadership roles in 2023, up from 26 in 2020, and maintains a consistent 17% female workforce representation.
	7.3 By 2030, double the global rate of improvement in energy efficiency	By upgrading to aircrafts that have higher fuel efficiency, Silk Way West Airlines is directly reducing its carbon footprint. This initiative reflects an alignment with more sustainable practices in aviation, which is a significant step towards addressing climate change.
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	

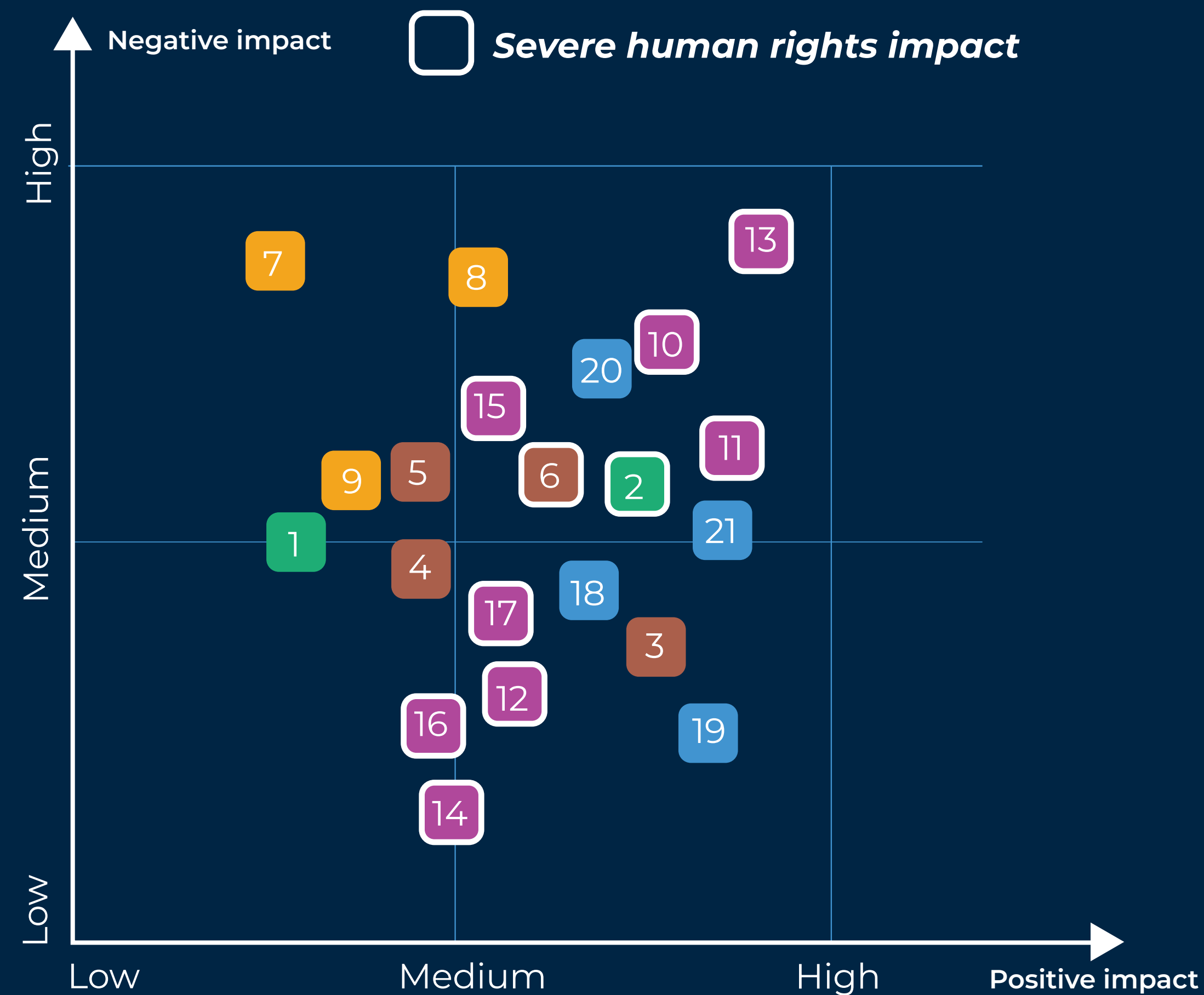
SDG	Related SDG target(s)	Our contribution
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	Silk Way West Airlines plans to develop a dedicated cargo village in the Alat Free Economic Zone (AFEZ) and comprehensive airport services. This project aims to optimize cargo operations, create jobs in the area and beyond, and improve local infrastructure, underscoring our commitment to sustainable and resilient infrastructure, support strategic economic growth, and social development.
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Silk Way West Airlines’ initiative to launch online sales at three EU stations aligns with SDG 9.4 by promoting resource efficiency and adopting sustainable practices in the logistics sector. The development of an online sales channel and a booking platform reduces the reliance on traditional, resource-intensive methods. The development of an online sales channel and booking platform streamlines cargo handling, reduces administrative burdens, and accelerates service delivery, saving time for both customers and operational teams.
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Our company is committed to effective waste management, aligning with SDG Target 12.5 by implementing a robust system that emphasizes reducing, reusing, and recycling waste. We actively use a waste register and detailed waste transfer notes to monitor and manage waste efficiently. Looking ahead, we plan to further minimize our environmental footprint by digitalizing flight plans and weather reports, which is likely to dramatically cut our paper waste creation

SDG	Related SDG target(s)	Our contribution
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Silk Way West Airlines is committed to transparency and accountability, ensuring that our stakeholders are kept informed about our environmental, social, and governance (ESG) activities. Our 2023 sustainability report highlights our ongoing efforts to enhance operational sustainability, reduce environmental impact, and promote positive social outcomes. This report reflects our dedication to integrating sustainable practices across all aspects of our organization.
	13.2 Integrate climate change measures into national policies, strategies and planning	Involvement in the Carbon Offsetting and Reduction Scheme for International Aviation, and the UK and EU emissions trading systems, as well as achieving verification of emission data from VeriFavia and the Monitoring, Reporting and Verification (MRV) of CO2 emissions from international flights in compliance with CORSIA requirements, indicate a systematic approach to managing and reporting emissions. This aligns with integrating climate change measures into business operations and influencing broader policies and strategies.

4.2 Materiality assessment

We remain dedicated to reporting on the most pressing issues, showcasing our commitment to transparency and relevance in the aviation industry. To determine the most relevant sustainability indicators for 2022-2023, we conducted an extensive analysis of the business environment based on our stakeholder engagement, as we consistently engage with our stakeholders to understand their expectations alongside local and global trends in the industry, regulatory requirements and our internal values. We assessed each potential material topic for its positive and negative impacts, using criteria such as the severity and likelihood of these impacts.

Figure 3. Materiality assessment matrix Silk Way West Airlines 2022-2023



4.3 Stakeholder engagement

Our primary purpose in engaging with stakeholders is to ensure that we align our operations with their expectations and requirements. This engagement enables us to gather valuable insights, which help us improve our services, enhance safety protocols, and maintain compliance with industry standards and regulations.

Customers



We fulfill orders per customer requirements, promptly addressing deviations if needed. Non-conforming products are communicated immediately, with reworks or replacements provided. We ensure quality, transparency, and treat client information as confidential unless approved otherwise.

Employees



We comply with all laws, codes, and standards, actively involve employees in safety processes, maintain open communication for addressing complaints and suggestions, and provide necessary resources, insurance, and benefits to achieve top safety levels for our staff.

Suppliers & Contractors



We ensure a safe work environment through monitoring, consultation with contractors, and adherence to a strict Code of Conduct. We provide equal opportunities to suppliers, conduct internal audits of our management system, and uphold compliance to HSE codes.

Local regulators & Government entities



Management and staff are committed to complying with Labor, Occupational Health & Safety, and Environmental laws. We ensure a safe work environment, adhere to State Civil Aviation Administration policies, national laws, and international regulations, and support inspections for safe, compliant operations.

Industry Peers



We foster alignment and communication through active participation in forums, conferences, partnerships, and memberships. Staying connected with industry trends and best practices strengthens alliances and drives innovation, ensuring our commitment to progress and alignment with industry standards.

Local communities



We are dedicated to fostering sustainable livelihoods for local communities by prioritizing the hiring of local residents. Additionally, we adhere to Health, Safety, and Environmental regulations to ensure the well-being of both employees and surrounding communities. We actively collaborate with airport environmental and social services and participate in social projects that enhance the quality of life in the areas where we operate.

Investors & Financial Institutions



We comply with banking and legal requirements, continuously improving communication with banks, creditors, and financial institutions, and adhere to a strict Code of Conduct and Ethics in all dealings. We treat all related information as confidential unless approved otherwise.

Media



We respond promptly to mass media questions and post public information on our website when possible. We comply with local and international laws, including environmental protection, and regularly update our website to communicate applicable requirements to interested parties.

05 How we manage our Company



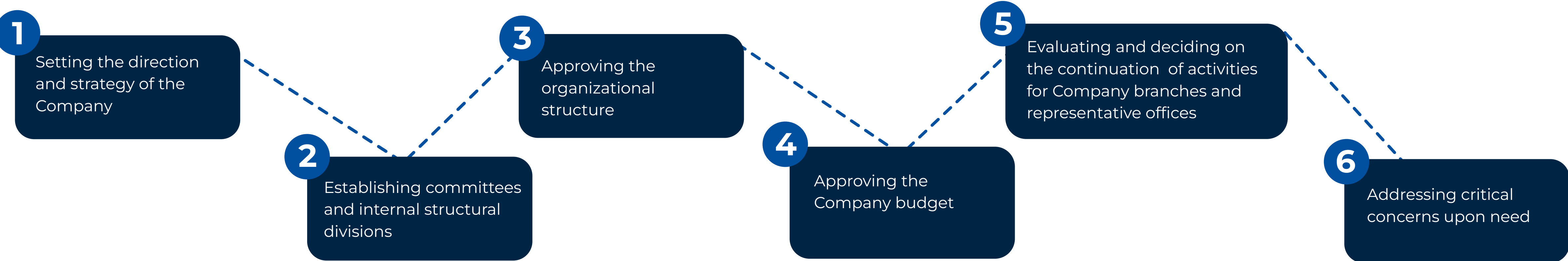
5.1 Corporate governance

Silk Way West Airlines operates under the larger **Silk Way Group**, which includes our branch, **Silk Way Technics**, representative offices, and subsidiaries. Our Corporate governance is integrated with the Group, ensuring comprehensive and continuous operations. The highest governing body is the Supervisory Board, which consists of six members selected and appointed by our shareholder. The Group CEO serves as the chair of this board. **The Supervisory Board** is responsible for overseeing both the long-term and short-term strategies of the Company, aligning them with our values, interests, and culture.



The Supervisory Board members and key stakeholders of Silk Way West Airlines take great pride in managing the sustainability reporting process, reviewing and approving the information while ensuring it provides an accurate and genuine representation of our company. Below are the main responsibilities of the Supervisory Board:

Figure 4. Supervisory Board main responsibilities

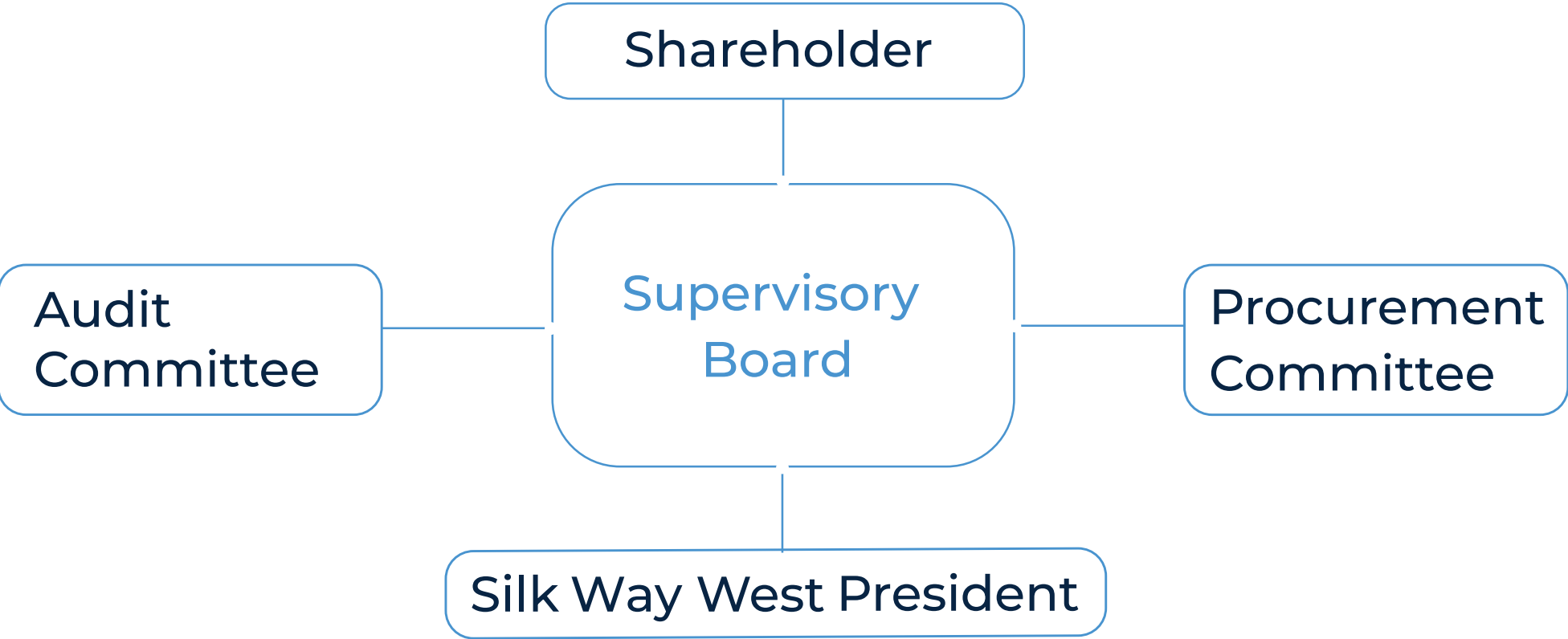


The management team at Silk Way West Airlines includes our President & CEO, Senior Vice Presidents, Vice Presidents, and Advisors to the President. Due to the wide-ranging nature of our operations, the roles of the Vice Presidents and Advisors are vital. To ensure that every aspect of our business receives the necessary attention, each area is overseen by a dedicated Advisor or Vice President.

Under the Supervisory Board, we have established two key committees. The Audit Committee, consisting of two members and a chair, ensures rigorous oversight and accountability. Additionally, as part of our Corporate governance development, in 2022 we introduced a Procurement Committee, also operating independently under the Supervisory Board. This committee, comprising seven members, enhances transparency and integrity in our procurement processes.

In 2022, we established an **Environmental Management System (EMS)** and introduced the new position of **EMS** Advisor to the President of Silk Way West Airlines. This role is crucial for overseeing the implementation and integration of our EMS and a big step for Silk Way West Airlines' management of environmental issues.

Figure 5. Governance structure



For our future plans, one of our top priorities is enhancing and optimizing our Corporate governance. By continually improving our governance practices, we aim to build a more sustainable and transparent business, reflecting our dedication to our stakeholders and the broader community.

5.2 Ethics and compliance

Our business is built on a strong foundation of values and principles, with integrity and ethical conduct being paramount in every decision we make. We strictly comply with all applicable laws, regulations, decrees, guidelines (including export and import control statutes and sanctions lists). To uphold this commitment, we have implemented various control mechanisms that ensure our integrity through rigorous checks.

Integrity is a guiding principle not only in our corporate culture but also in the personal conduct of each individual at Silk Way West Airlines. Our employees adhere to the highest professional standards, guided by our **Code of Conduct and Ethics**. The Code addresses issues such as discrimination, equal opportunities, fair treatment, corruption, and ethical behavior. We have established communication mechanism between employees and HR management to highlight any violations of the Code. According to our policies, each and every one of our employees is free to voice their concerns through their team leaders (or anonymously). These concerns are closely monitored and have the highest priority for us to ensure no cases of violations, corruption, discriminations occur.

Silk Way West Airlines Know Your Customer (KYC) and **Enhanced Due Diligence (EDD)** procedures enable us to ensure that our relations with customers and third parties are transparent and we share the same standards of behavior. The leading compliance software and instruments have been in place to ensure the best practices. Silk Way Group of companies neither operates flights nor has any business in the sanctioned countries, at the same time we do not engage with entities or individuals that are under sanctions or involved in any form of unethical behavior.

Our Audit Committee has worked closely with the internal audit department to conduct regular audits focused on regulatory compliance, transparency, and business process improvements. Additionally, we engage third-party service providers to audit our financial and operational performance, including safety procedures.

Our commitment to maintaining the highest standards of business conduct is demonstrated through adherence to key associations, programs, schemes, and authorities such as the **International Air Transport Association (IATA)** for global airlines; the **IATA Operational Safety Audit (IOSA)** program; the **IATA Environmental Assessment (IEnvA)** program; the **ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**; and compliance with the **State Civil Aviation Agency (SCAA)** regulations.



WE SUPPORT



Moreover, Silk Way West Airlines has joined the **United Nations Global Compact (UNGC)**, marking a significant step in its commitment to ethical business conduct and sustainability. Silk Way West Airlines stands out as the first company in Azerbaijan's aviation industry to join the **UNGC**, highlighting its forward-thinking approach to sustainability and ethical operations.

This membership aligns the airline with globally recognized principles of responsible business, strengthening its adherence to the highest ethical standards. Through this framework, the airline is equipped to advance its environmental conservation efforts, enhance social responsibility, and uphold transparent governance in line with the **United Nations' Sustainable Development Goals (SDGs)**. As part of this commitment, Silk Way West Airlines embeds UNGC core principles - respect for best practices in human rights, labor, environment, and anti-corruption - across its operations, demonstrating its dedication to promoting sustainable development and ethical standards within the aviation industry.

We are pleased to announce that in 2022 and 2023, we experienced no cases of corruption, no legal issues regarding anti-competitive behavior, anti-trust, or monopoly practices, and no occurrences of discrimination, child labor, forced or compulsory labor, or human rights violations.


5.3 Risk Management

Our comprehensive risk management framework is designed to ensure we operate in strict accordance with all national and international aviation regulations, including those set by the *International Civil Aviation Organization (ICAO)*, *the International Air Transportation Association (IATA)*, *IATA Operational Safety Audit (IOSA)* program and other relevant authorities.

Our approach to risk management is proactive, data-driven, and implemented across all functions. Key elements of our framework include:



Compliance with Regulatory Standards: We meticulously adhere to all regulatory requirements, continually reviewing and updating our practices to align with the latest safety, environmental, and operational standards in aviation.



Operational Risk Assessments: Our teams of each operational division conduct thorough risk assessments across all areas of operations, including flight operations, maintenance, ground handling. These assessments guide decision-making and operational planning, ensuring risk is minimized at every stage.



Safety Management System (SMS): Our integrated Safety Management System enables us to identify, assess, and mitigate risks before they impact operations.



Training and Development: We invest in ongoing training programs for all personnel to maintain the highest levels of competency in risk awareness, safety practices, and regulatory compliance.



Crisis Management and Emergency Preparedness: We maintain comprehensive crisis management and emergency response plans, regularly conducting simulations to ensure our teams are fully prepared to respond to any situation effectively.

5.4 Responsible supply chain

At Silk Way West Airlines, we continue to prioritize sustainability and excellence in our procurement processes. Our approach integrates rigorous standards, ensuring all vendors meet industry benchmarks set by **IATA and ICAO**, alongside our own stringent company requirements.

As part of our ongoing efforts to enhance sustainable business practices, we are exploring a more sustainable approach to vendor selection, focusing on identifying suppliers who align with our environmental objectives. We have also begun researching suppliers for **Sustainable Aviation Fuel (SAF)**, which offers a more sustainable alternative to traditional energy sources. By promoting the use of biofuel and ensuring a reliable supply, we aim to reduce the ecological footprint of our operations.

A significant development in recent years is the digitalization of our procurement process. This transition to a central data system has enhanced convenience and transparency across all procurement activities. We have also established a Procurement Committee responsible for making final decisions on the selection of shortlisted suppliers. This committee evaluates potential vendors through a comprehensive vetting process, ensuring adherence to our procurement rules and regulations and positive contributions to our business operations.

Sustainable aviation fuel (SAF) is a biofuel used to power aircraft that has similar properties to conventional jet fuel but with a significantly reduced carbon footprint. SAF is produced from sustainable feedstocks, such as waste oils, agricultural residues, or other biomass, and can reduce lifecycle greenhouse gas emissions by up to **80%** compared to traditional jet fuel, depending on the feedstock and production method.

International Air Transport Association (IATA),
"What is Sustainable Aviation Fuel (SAF)?"

Benefits of Digital Procurement



**Boosts
Cost
Efficiency**



**Enhances Data
Management**



**Improves
Supplier
Relationship**



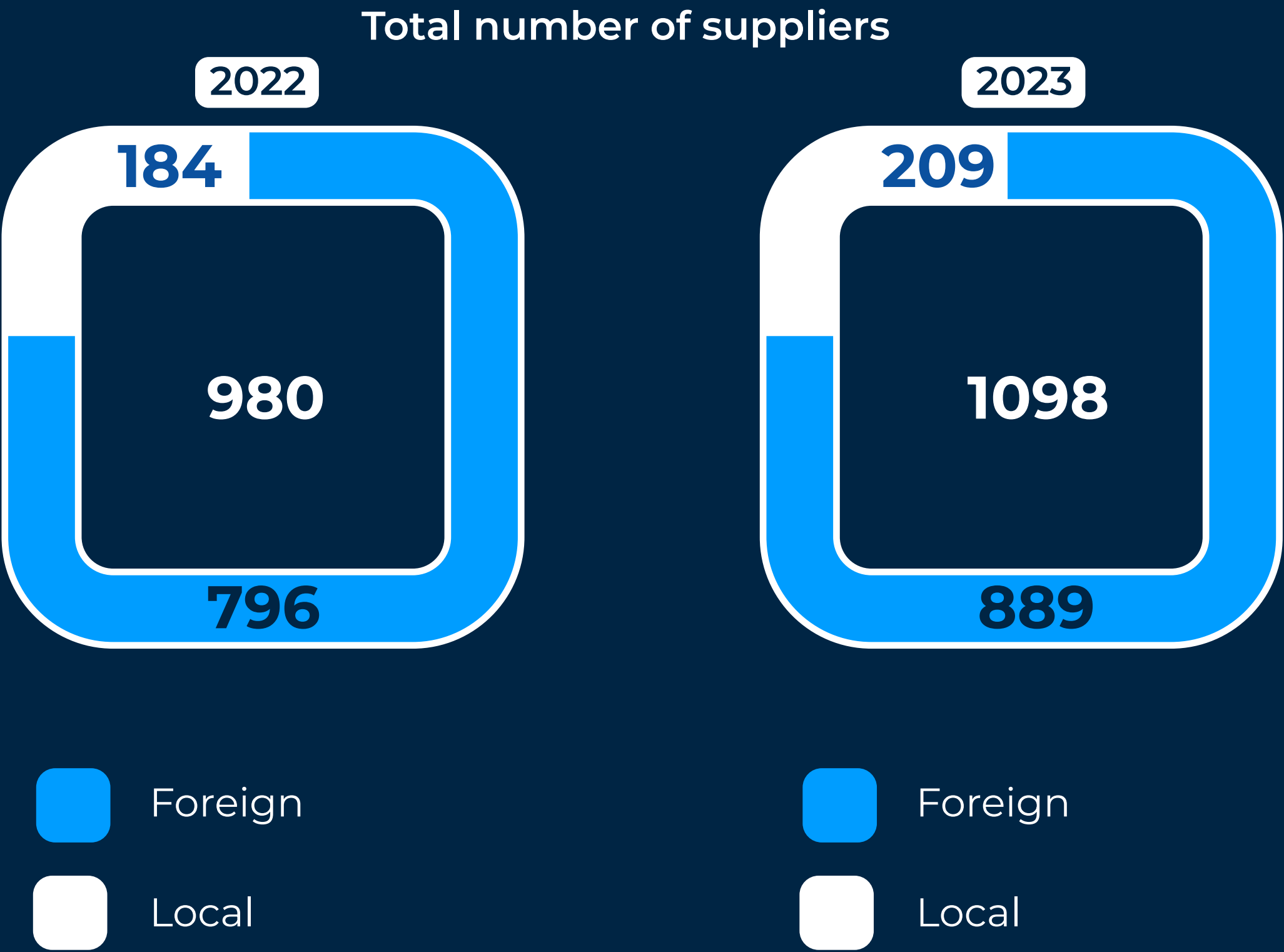
**Bolsters
Business
Agility**



**Emphasizes
Sustainability**

Our tender process remains thorough, involving careful evaluation and selection of vendors based on specific bid requirements. Currently, we work with a diverse group of suppliers, including a substantial number of local vendors. With **19%** of the total number of suppliers being local in both 2022 and 2023, this reflects our ongoing support for local business development and expansion.

Figure 6. Total Number of Suppliers



We remain dedicated to enhancing our supply chain through sustainable practices, transparent procurement processes, and robust vendor partnerships. These efforts not only support our environmental goals but also contribute to the overall efficiency of our operations.

5.5 Operational excellence

Silk Way West Airlines is dedicated to achieving operational excellence through continuous improvement and innovation. This commitment is reflected in our efforts to expand our network, modernize our fleet, develop new infrastructure, and enhance customer engagement.



5.5.1 Network expansion

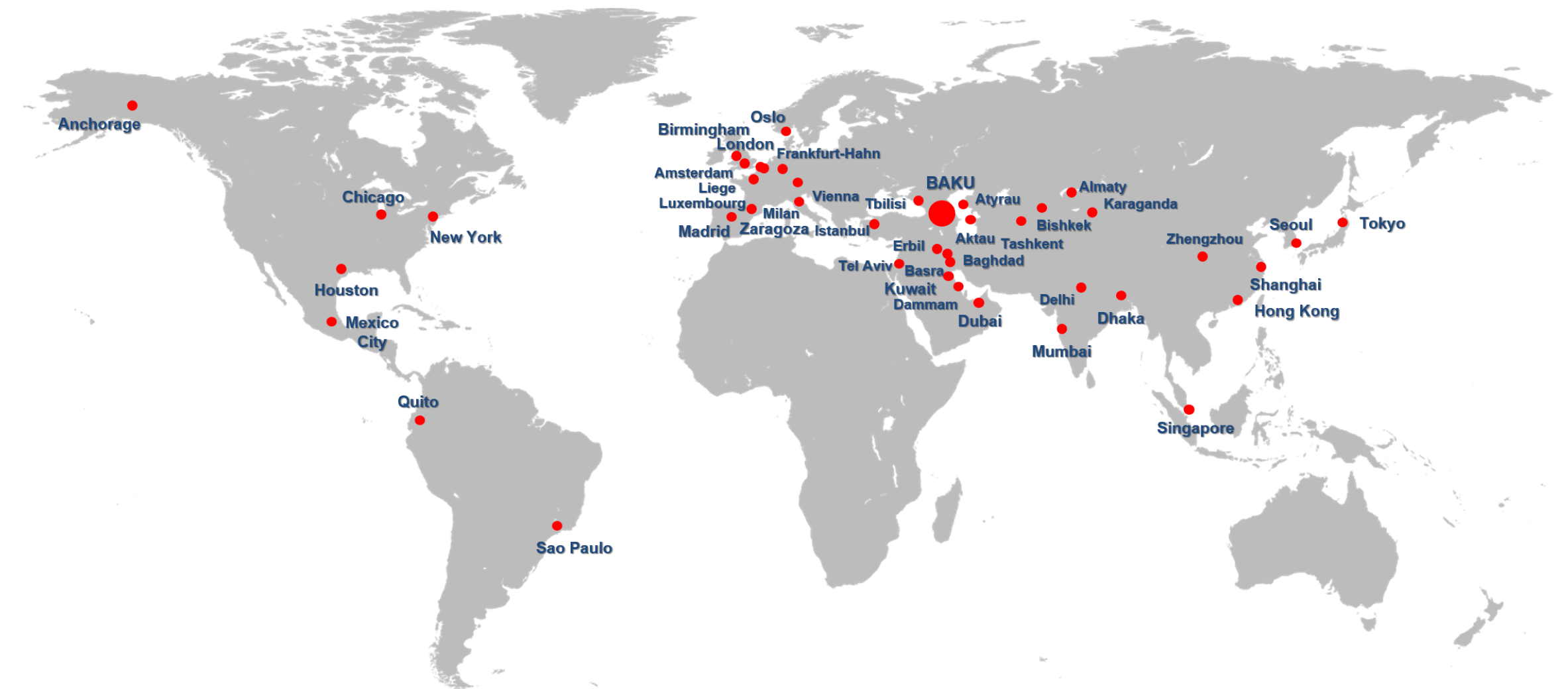
Silk Way West Airlines continues to strengthen its global presence, expanding its network to meet the growing demands of international cargo transportation. Operating from its hub in Baku, Azerbaijan, the airline's expansive reach connects key global markets through an extensive network of representative offices, branch offices, and trusted sales agents.

In Asia, Silk Way West maintains a robust presence with representative offices in major logistics hubs such as Shanghai, Zhengzhou, Tokyo, and Almaty, with additional branch offices in Seoul and Singapore, key cities for facilitating the flow of goods across the continent. The network is further supported by sales agents in Hong Kong, Dhaka, Kuwait, Delhi, Mumbai, Bishkek, Tbilisi, and Tashkent, ensuring full coverage across critical trade routes.

The airline's presence in the Middle East is equally prominent, with agents in Dubai, Erbil, Baghdad, Basra, Tel Aviv, and Dammam, positioning Silk Way West as a key player in the region's logistics and cargo transportation sector.

Across Europe, Silk Way West has an extensive network of sales agents in pivotal locations such as Amsterdam, Luxembourg, Vienna, Milan, Madrid, Oslo, and Istanbul. Representative offices in Hahn and Stansted further facilitate operations in this vital region for global trade. Expanding further, the airline reaches into the Americas via destinations in Chicago, New York, Houston, Mexico City, and Quito.

This strategic expansion not only enables Silk Way West to provide reliable and efficient services to customers but also supports sustainable business growth by fostering strong relationships with local partners in each region. Through this carefully designed network, Silk Way West continues to contribute to global trade while maintaining its commitment to sustainable and responsible operations.



5.5.2 Our Fleet

Modernizing our fleet is a cornerstone of our strategy to enhance sustainability and operational efficiency. In the recent years significant investments have been made which we are incredibly proud of.

Our fleet comprises **13 aircraft**, including seven **Boeing 747-400F** and four **Boeing 747-8F** models, with the addition of two **Boeing 777** aircraft delivered in 2023. These two aircraft are part of a larger purchase of five **Boeing 777** aircraft initiated in 2021 as part of our fleet renewal strategy. Alongside this purchase, we also ordered and entered into purchase agreements for two **Boeing 777-8F** and extended our contract to include another **Boeing 777**, expected **in 2025**. This aircraft is renowned for its fuel efficiency and reduced environmental impact, making it a key component of our sustainability efforts. With its two-engine design instead of four, the aircraft significantly reduces fuel consumption and **CO2** emissions, enhancing the environmental efficiency of our fleet.



A GREENER HORIZON: SILK WAY WEST'S FLEET EVOLUTION

*Silk Way West Airlines proudly announced in **October 2023** the inaugural flight of its first **Boeing 777F**, the world's largest and most fuel-efficient twin-engine freighter, from **Seattle to Baku**, followed by a commercial flight to Istanbul. This advanced aircraft replaced the **Boeing 747-400F** on the Baku-Istanbul route, supporting the airline's sustainability goals with reduced emissions and enhanced efficiency.*



In 2022, we have also ordered two **Airbus A350F** aircrafts, set for delivery between **2027 and 2028**. The **A350** is designed to be a quieter, cleaner aircraft delivering **25%** less fuel burn and CO2 emissions, aligning perfectly with our commitment to reducing our environmental impact. Additionally, Silk Way West Airlines' TotalCare® agreement with **Rolls-Royce for Trent XWB engines on its Airbus A350** freighters reinforces the airline's commitment to sustainability, utilizing one of the most efficient engines in service to minimize environmental impact. This partnership provides predictable, cost-effective maintenance while maximizing **A350** aircraft availability, supporting Silk Way West's sustainable growth amid rising global cargo demand.



For efficient flight planning, we utilize a software, enhancing operational effectiveness and ensuring precise scheduling. The software provides comprehensive tools for crew and fleet management, allowing for real-time tracking, resource optimization, and compliance with regulatory requirements. Additionally, we employ another software service that leverages advanced flight data analytics to reduce fuel consumption. For each aircraft, the software builds a finely tuned model to optimize the climb phase, significantly improving fuel efficiency and reducing CO2 emissions.

By integrating these advanced aircraft into our fleet and utilizing advanced digital solutions, we are not only enhancing our operational capabilities but also reducing our carbon footprint, which aligns with our long-term sustainability objectives.



STRENGTHENING GLOBAL REACH WITH A350 FREIGHTERS

*In a landmark agreement, **Silk Way West Airlines** is set to expand its fleet with two **Airbus A350 Freighters**, arriving in 2027-2028. This purchase – the first of its kind in the **Central Asia and CIS** region – enhances the airline's capacity to meet growing cargo demands while aligning with its sustainability goals. These cutting-edge freighters offer a 109-tonne payload, a 30-ton weight reduction, and are built with **over 70%** advanced materials for improved efficiency.*

5.5.3 Silk Way's New Airport and Cargo Village

Complementing our fleet modernization, Silk Way Group is embarking on a significant infrastructure project with the development of a new **airport and 'Cargo Village'** in the Alat **Free Economic Zone (AFEZ), 65 km south of Baku.** This project, announced at the **Caspian Air Cargo Summit in October 2023**, represents a major step forward in our expansion plans.

The project includes the establishment of a state-of-the-art airport designed to accommodate various aircraft types and provide comprehensive airport services, including operational support facilities. The initial phase, set to begin in 2024, will focus on developing essential logistics infrastructure, such as cargo processing facilities and industrial units, with plans for phased operational rollouts in the coming years.

The development of the new **airport** alongside with **Cargo Village** will significantly enhance our cargo handling capabilities and establish Silk Way West Airlines as a key player in the region's logistics infrastructure.



Individual Forwarder Warehouses



General Air Cargo Terminal



Shared Forwarder Warehouses



Perishables Air Side Facility



Prefab Units



Admin Offices

silk way
cargo **village**



Office Tower

5.5.4 Our Customers

At Silk Way West Airlines, our commitment to operational excellence extends to how we engage with our customers. We prioritize leveraging digital platforms and focusing on customer satisfaction to deliver superior service, resulting in notable achievements and recognition.

Expansion of Online Sales:

In 2022, we launched online sales at three **EU stations—HHN (Germany), AMS (Netherlands), and MXP (Italy)—handling 351 tons of shipments and generating €820,000 in revenue.** Building on this success, we expanded to **BRU (Belgium) and STN (UK)** in 2023, introducing a booking platform that boosted online sales to 1,879 tons and €3 million in revenue. This growth reflects our strategic commitment to embracing digital innovation. Looking ahead, we aim to further expand online sales, driving continued growth and enhancing efficiency in the digital age.

Customer Engagement and Recognition:

Building strong professional relationships and maintaining an extensive client network are central to our operations. While we do not conduct formal customer satisfaction surveys, our evaluation includes metrics such as freight volume and the frequency of contractual engagements. We prioritize personalized interactions and responsive service to exceed client expectations.

Customer Claims and Payouts:

We are committed to minimizing customer claims and continuously improving our handling processes. Despite operational challenges, payouts incurred during this period, primarily covered by insurance, demonstrate our diligence in maintaining financial security while addressing customer concerns.

Air Cargo Summit

As part of our customer engagement efforts, Silk Way West Airlines hosted the **Caspian Air Cargo Summit 2023 on October 23-25.** The region's largest aviation event welcomed **400 delegates** from over **40 countries**, including government officials, air cargo leaders, and logistics experts. Discussions centered on airfreight trends, challenges, and opportunities, with insights on future cargo aircraft, next-gen engines, sustainability, and supply chain innovation. The summit highlighted e-commerce's growing role in the industry.



5.5.5 Certifications and Authorizations

Our commitment to high standards and our excellence is further validated by a list of our certifications which we are always striving to expand. The most recent **Good Distribution Practice (GDP)** audit was conducted in 2021, with the next audit scheduled for late 2024 or early 2025.

In 2023, Silk Way West Airlines has been recognized by the International **Air Transport Association (IATA)** as a **CEIV Lithium Batteries Certified company**. The **CEIV Lithium Batteries Certification** represents IATA's rigorous global standard for the secure handling and transportation of lithium batteries throughout the supply chain. By achieving this global benchmark, Silk Way West Airlines has strengthened its operational protocols to mitigate risks and ensure safe transport, reinforcing trust among its customers, stakeholders, and partners

"The benefit for us, besides procedural improvements regarding the transport of lithium batteries, is to ensure that we continue to maintain the highest applicable safety and compliance standards"

**Darko Vucic, Vice President, Corporate Quality Assurance & Quality Control
QMS of Silk Way West Airlines**



Our **IEnvA (IATA Environmental Assessment) Certification** underscores our commitment to environmental sustainability by targeting reductions in emissions, enhancing fuel efficiency, managing waste, and mitigating noise pollution.

The **IATA Operational Safety Audit (IOSA) Certificate** reinforces our dedication to operational safety and governance, ensuring the highest standards for the welfare of our employees and passengers.

With permissions from various authorities to carry dangerous goods, we ensure safe, responsible handling while prioritizing worker safety and environmental protection.

The **EU Live Animals Transportation Authorization** highlights our ethical commitment to the humane treatment of animals during transport.

Through the **EASA Authorization (EASA.TCO.AZE-0001.01)**, we comply with stringent European safety and environmental standards, including those for emissions control, fuel efficiency, and noise reduction.

Our **ACC3 Certification** from **ENAC** Italy and the UK Department for Transport attests to our adherence to rigorous aviation security regulations, essential for secure air cargo operations.

The Noise Certificate issued by the **SCAA** of Azerbaijan Republic confirms our compliance with noise regulations, significantly reducing noise pollution and benefiting the communities near our operational areas.



06 How we influence the Economy



6.1 Our economic impact

	Revenue	
	2022	2023
 Cargo Flights	3 155 million AZN	1 847 million AZN
 SWT	48 million AZN	53 million AZN
 Other revenue	42 million AZN	31 million AZN
Total	3 245 million AZN	1 931 million AZN
	Expenses	
 Fuel	887 million AZN	711 million AZN
 Other Expenses	1 042 million AZN	936 million AZN
 Employees	84 million AZN	79 million AZN
Total	2 013 million AZN	1 726 million AZN

Silk Way West Airlines demonstrated robust economic performance in 2022 and 2023, reflecting our resilience and strategic growth in the aviation industry. **Our total revenue for 2022 increased by 11.6% since 2021**, driven primarily by cargo flights, which generated around **3 155 million AZN in year 2022**. Despite an **increase in operating expenses by 14% in 2022**, including fuel costs amounting to around **887 million AZN** and handling, landing, and navigation charges totaling to around **317 million AZN**, our strategic financial management ensured positive operating cash flow.

In 2023, we invested in expanding our fleet with the addition of new aircrafts and the construction of a new airport together with international cargo village, supporting our long-term sustainability and operational efficiency. These strategic investments are part of our commitment to enhancing our infrastructure and service capabilities, as our focus remains on stabilizing post-pandemic and developing a sustainable financial strategy.



Our economic performance directly impacts our sustainability goals, enabling us to invest in green technologies, community development programs, and sustainability research. As part of our community investment initiatives, for instance, in 2023, we allocated around 45 million AZN towards social responsibility initiatives, a significant increase from the 4 million AZN spent in 2022. These funds have supported projects that align with our broader sustainability objectives, demonstrating our growing commitment to making a positive impact in the communities where we operate.

We have established a financial cushion to safeguard against economic volatility, aiming for positive cash flow by 2024. To assess our financial stability, we have set targets for key financial ratios such as working capital surplus, current ratio, quick ratio, interest coverage ratio, and debt-to-asset ratio.

Our economic contributions extend to employees, customers, shareholders, suppliers, and the communities we serve, with a focus on job creation, GDP contribution, and trade enhancement. By continuously analyzing our business practices and their externalities, we strive to boost efficiency and productivity, ensuring long-term economic value distribution among all stakeholders.

6.2 Tax compliance

Silk Way West Airlines is committed to maintaining full compliance with tax code requirements and related regulations, in alignment with our code of conduct. Although we do not have a formally prescribed tax strategy, we ensure that our tax governance, control, and risk management processes are robust and transparent.

Figure 7. Silk Way West Airlines’ total tax contributions

Total tax contributions, thsd AZN



Our tax-related procedures and report submissions adhere to the **Tax Code requirements governed by the Ministry of Economy of the Republic of Azerbaijan.** The control and oversight of our tax compliance are managed by the newly appointed Advisor to the Chairman of the Board of Directors, who brings extensive professional experience in tax matters. This ensures that our tax practices are well-governed and meticulously monitored.

Silk Way West Airlines is proactive in engaging with both internal and external stakeholders regarding tax-related matters. We communicate transparently with tax representatives to seek clarifications when interpretations of the tax code are required. Additionally, we keep internal stakeholders, including top management, informed about any interpretations or the current status of general tax obligations through quarterly financial reports.

By adhering to these practices, Silk Way West Airlines ensures that we remain compliant, transparent, and responsible in all our tax-related activities, reflecting our commitment to good Corporate governance and sustainability.

07 How we build our Team



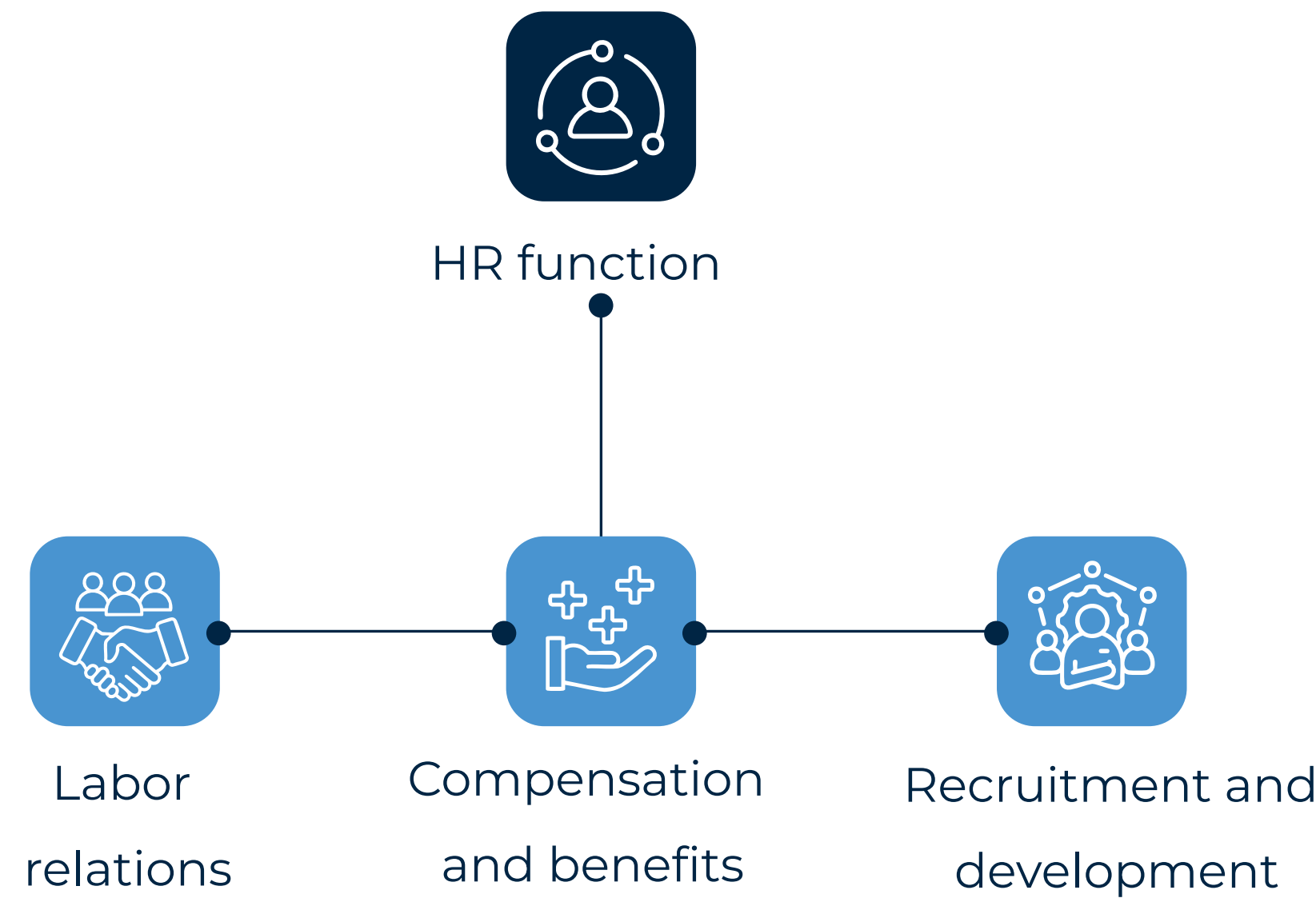
Our workforce propels our rapid progress and achievements. We are dedicated to retaining our status as an appealing employer, continually enhancing the workplace environment with a strong emphasis on labor relations, benefits, talent cultivation, diversity, and inclusion. Our goal is to foster a supportive and inclusive workplace where every team member feels valued for their contributions, is inspired to introduce new ideas, and receives ample support for personal growth.

7.1 Labor relations

Our HR governance

Our Human Resources (HR) function operates in strict adherence to the Labor Code of the Republic of Azerbaijan, providing invaluable assistance to Silk Way West Airlines through its exceptional performance. This department encompasses three key areas of HR management:

Figure 8. HR sub-departments



As depicted in the graph provided, our total employee count has shown a steady and consistent upward trend, primarily driven by the expansion of our operations. Concurrently, our organizational evolution has led to the introduction of new roles aimed at enhancing our company's sustainability and management practices. These roles include environmental management, fleet development, international affairs and government relations, and others. Since 2020, our workforce has experienced a notable **20% increase**, reflecting our ongoing growth and development. While our industry historically leans towards male representation, we actively champion female participation, striving to cultivate an inclusive and supportive workplace environment. We eagerly anticipate the growth of female representation within our organization from 2020 as we remain dedicated to fostering diversity and equality.



Figure 9. Total number of employees by gender

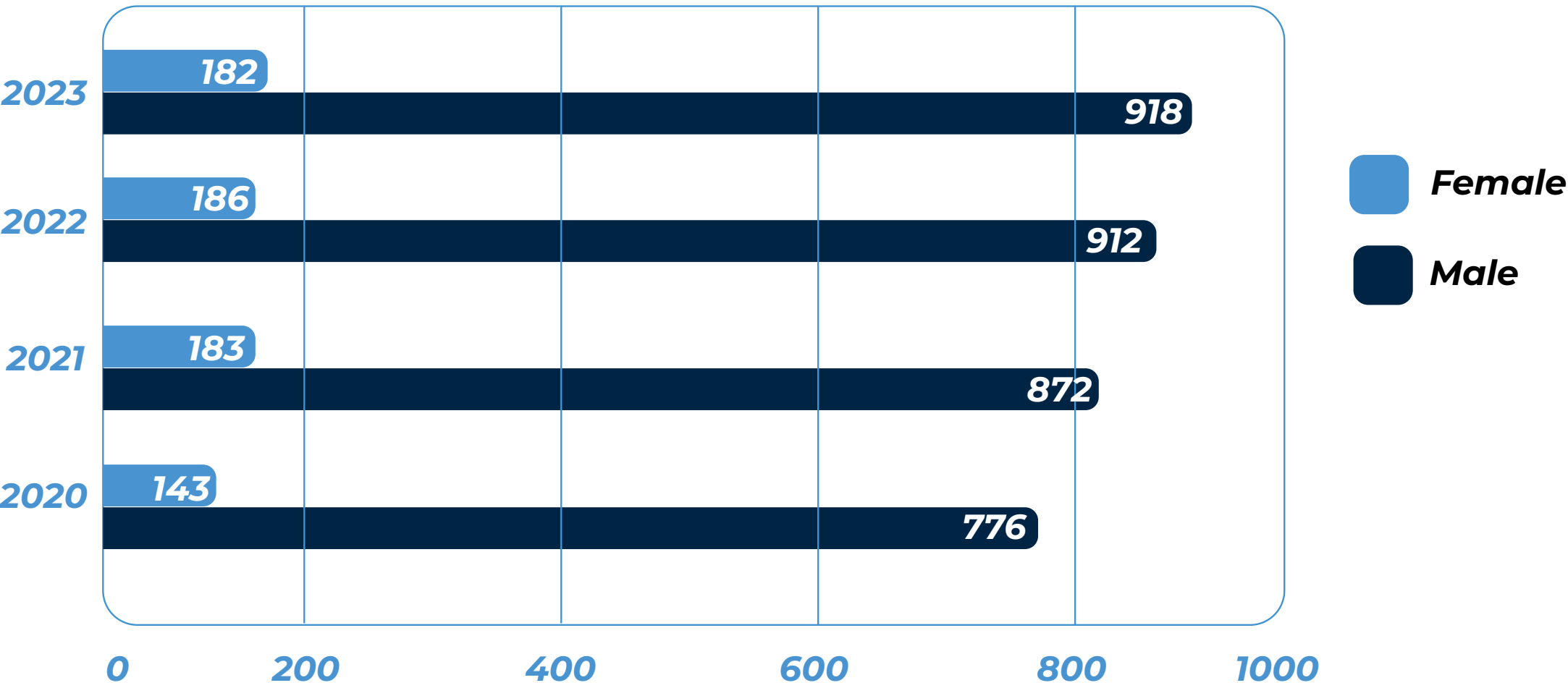
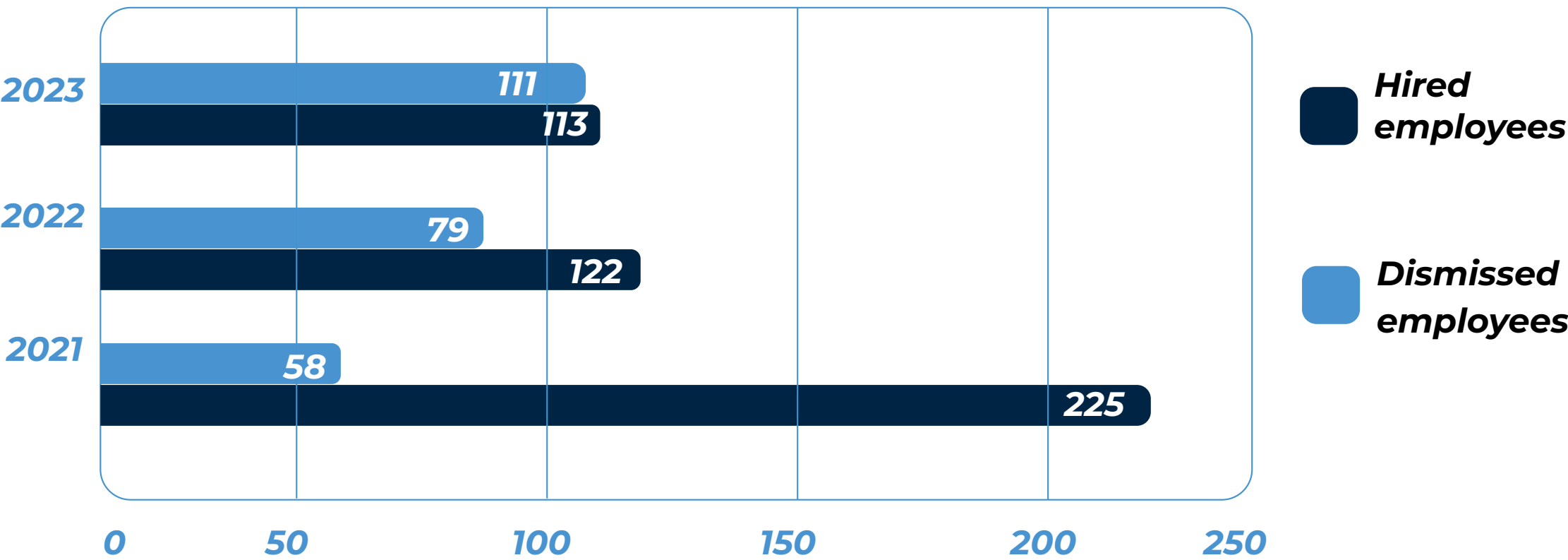


Figure 10. Number of dismissed and hired employees



We place significant emphasis on acknowledging the accomplishments of our employees. Silk Way West Airlines employees commemorate professional holidays and are nominated for a variety of accolades. On Civil Aviation Day, individuals who demonstrate exceptional performance and outstanding professionalism are honored through recognition by the **Ministry of Transport, Communications, and High Technologies of the Republic of Azerbaijan**. Six of our employees were presented an award in 2022 and five were presented an award in 2023.

Moreover, we do not differentiate between our part-time and full-time employees as all employees are provided the same benefits. Our remuneration policy and grading system is based on the **Unified Tariff and Qualification Guide of Works and Professions of Workers of the Republic of Azerbaijan**. Matters such as parental leave and notice periods for operational changes or termination of contracts are based on the Labor Code of the Republic of Azerbaijan. At our company, we prioritize labor relations with our employees, and we strive to provide the best possible services and benefits to our employees.

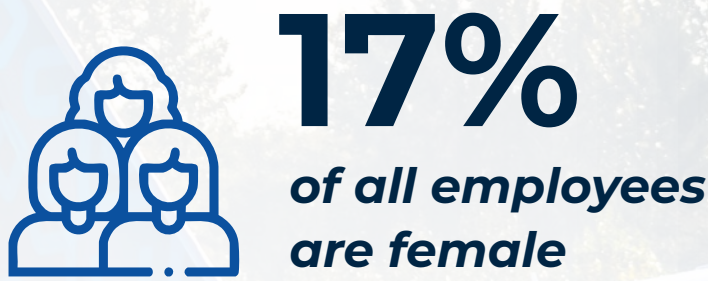


While the past three years have seen fluctuations in both the hiring and dismissal of employees due to operational changes within the Group, we anticipate a period of steady development ahead with minimal fluctuations in our workforce.

7.2 Inclusion and diversity

We are committed to fostering an inclusive and diverse workplace environment that embraces individuals from all social backgrounds, ensuring every employee feels empowered, valued, and trusted. Despite prevailing perceptions of the industry as “male-dominated” Silk Way West Airlines is dedicated to equal opportunity employment, devoid of gender or age biases. In 2023, Silk Way West Airlines saw **36 females in leadership positions**, an **increase from 26 females** in 2020, showcasing our commitment to gender diversity. Additionally, we have maintained a consistent representation of around **17%** female employees across the organization. The standard entry level wage by gender is **53%** more compared to local minimum wage for both male and female workers.

This combination of local and international talent highlights our dedication to fostering a diverse, inclusive, and skilled workforce that supports sustainable growth. We emphasize diversity and inclusion throughout our organization, with **83%** of senior management sourced from the local community, showcasing our commitment to nurturing local talent. Additionally, we benefit from the expertise of **40 expatriate workers and 44 outsourced pilots**, blending local knowledge with global insights to enhance our development efforts.



Our stance against discrimination underscores our commitment to maintaining a safe and equitable workplace. We believe that cultivating a culture of transparency will facilitate open communication and constructive feedback, further enhancing our working environment. Our Code of Conduct underscores our commitment to anti-discrimination practices, and we are proud to report that there were no instances of discrimination in 2022 and 2023, reflecting our unwavering dedication to maintaining a fair and respectful workplace for all.

7.3 Talent development

Given the ongoing technological advancements in the aviation sector, we remain steadfast in our dedication to nurturing talent and recognizing its paramount importance within our organization. We prioritize cultivating a supportive environment conducive to both personal and professional growth for our employees.

At Silk Way West Airlines, our Talent Development team offers a comprehensive range of learning resources and regular training sessions. These sessions are conducted both offline and through online platforms, tailored to meet departmental needs and individual learning objectives. For flight crew members, on-site training utilizing simulators is prevalent.



~36,000 hours

*combined of flight crew
trainings in 2022- 2023*



35

*distinct trainings in
2023 for SWW*



37

*distinct trainings
in 2023 for SWT*

One of our notable achievements during the reporting period is the acquisition of the latest **Boeing 777-200LR** Interchange Full Flight Simulator, scheduled for delivery in 2024. The FFS will provide a best-in-class training experience at the Flight Training Center in Azerbaijan National Aviation Academy. The upcoming **Boeing 777-F** Reality7e FFS will feature a **Boeing 777-200LR** and a **Boeing 777-300ER** interchangeable capability, allowing Silk Way West Airlines to provide training for its cargo operations.



Throughout the reporting period, our HR Department facilitated **31 distinct training** initiatives in 2022 and an **increase to 35** in 2023 for our workforce. Moreover **20 distinct trainings** were provided to our branch-Silk Way Technics' employees in 2022 and **37 trainings** in 2023. We engage certified internal and external instructors, as well as collaborate with esteemed organizations like **IATA, National Aviation Academy, Aviation Quality Services (was rebranded into Lufthansa Group Quality Services), and JAA TO, ensuring all training programs are approved by national authorities (SCAA)**

In our commitment to ongoing employee development, we collaborate with various training providers offering diverse programs spanning operational topics to soft skills training. Notably, our partnership with **FLYCO**, a leading UK-based aviation industry training company, facilitated training sessions for our employees, underscoring our dedication to continuous improvement and excellence.



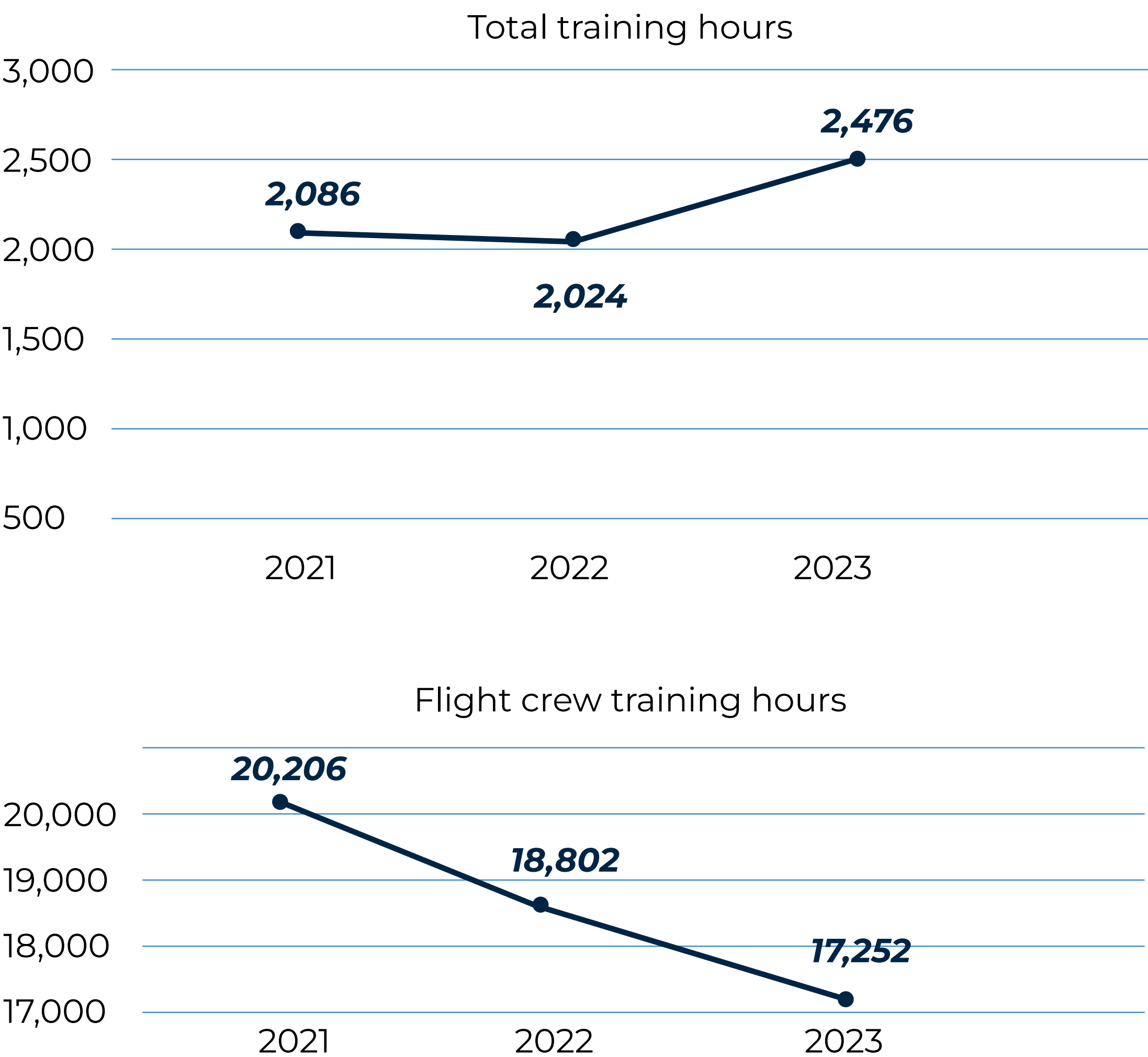
In line with Silk Way West's commitment to continuous employee development, we have consistently invested in training hours across various roles. Between 2021 and 2023, the total training hours for all employees saw an overall increase, with a noticeable rise in 2023 to **2,476 hours**, compared to **2,024 hours** in 2022. This increase underscores our focus on enhancing the skills and knowledge of our employees, ensuring they are well-equipped to meet the evolving demands of the aviation industry.

When looking at training hours for flight crew specifically, there was a slight reduction in 2023, with **17,252 hours** compared to **18,802 hours** in 2022. Despite this decrease, our flight crew continues to receive extensive training to maintain operational excellence and safety standards.

Additionally, we track the average number of training hours by gender. In 2023, male employees received an average of **644 hours**, while female employees received **172.75 hours** of training. This marks a notable increase in female training hours compared to previous years, reflecting our ongoing efforts to promote inclusivity and equal opportunities for professional development.

Our team members undergo routine performance evaluations led by their team leaders, ensuring that their contributions are recognized and rewarded with appropriate promotions. Furthermore, our employees have the opportunity to request for skill enhancement programs year-round, empowering them to continually enhance their qualifications.

Figure 11. Training hours for flight crew and other employees



7.4 Occupational safety

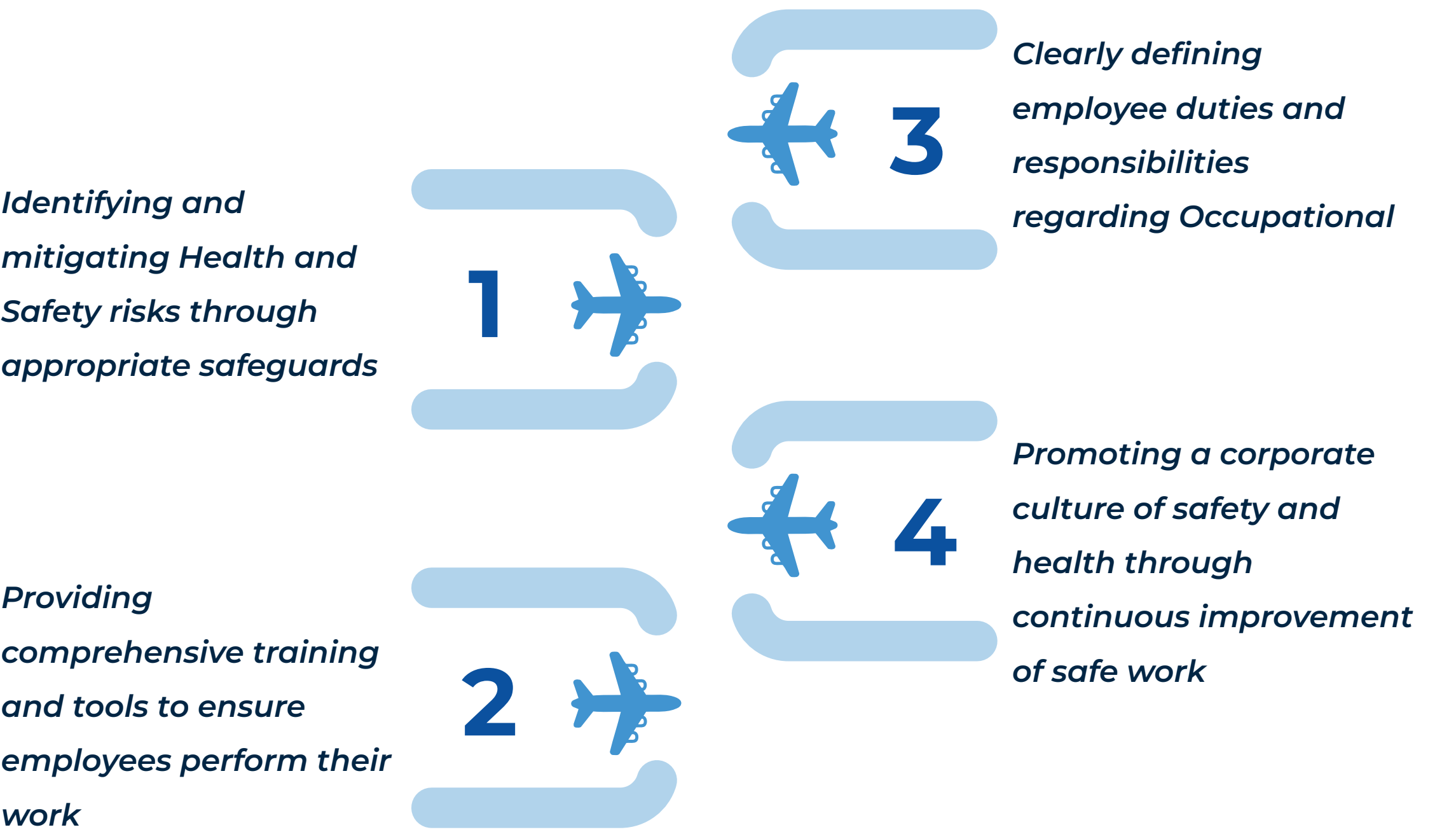
At Silk Way West Airlines, we are firm in our resolve to keep the number of accidents and injuries at work to zero. Our values, aspirations, and guiding principles all center on how crucial safety is to each and every one of our operations.

Our health and safety protocols comply with all applicable local and international regulations, guaranteeing that we uphold the highest standards in all operational domains, such as ground operations, flight and cargo operations, and more. We successfully completed routine audits, proving that we adhere to these strict safety regulations. We perform yearly internal audits in addition to external audits to assess our adherence to operational safety regulations. These audits assist us in spotting possible hazards, examining patterns, and closely observing day-to-day activities. We examine various internal procedures, as well as our operational and safety performance, during these audits.

Silk Way West Airlines requires all of its employees to complete health and safety training. Following mandatory inductions, new hires receive ongoing, in-depth **OHS training**. Technical and flight crew positions carry greater risks, so rigorous enforcement of specialized training specific to their work domains is in place.

Our branch, Silk Way Technics, follows a unified **Health and Safety Policy** that applies to Silk Way West Airlines and Silk Way Technics . Ensuring a safe and healthy work environment for all staff members, clients, visitors, and members of the public is a top priority in this policy. We place an emphasis on removing or reducing risks and hazards to health and safety as much as is practically possible, with management's support in providing the facilities and resources required for individual safety and well-being.

Figure 12. Key objective of the Health and Safety Policy



A fatality at Silk Way Technics in 2022 prompted a thorough evaluation and revision of our HSE-related protocols. In response to this incident, we conducted a thorough evaluation of Task Risk Assessments, issued lessons learned, and updated existing safety procedures to prevent future incidents. This policy, which also extends to our suppliers, defines comprehensive safety guidelines for lifting operations, role definitions, safe working loads, and equipment inspections. All protocols, including those pertaining to work at heights, harness usage, permit-to-work systems, risk identification, and assessment processes integrated into each work order, were also examined and updated. To guarantee a unified approach to safety, these updates also apply to our suppliers.

At Silk Way West Airlines, we systematically gather, aggregate, and examine data in order to assess the performance of our OHS system and pinpoint areas in need of development. All Silk Way West Airlines employees, our subcontractors involved in day-to-day operations, and the General Director bear direct responsibility for the effective implementation of our Health and Safety Policy. Our combined efforts guarantee a safer working environment for all employees, which helps us achieve our main objective of having no workplace accidents or injuries.

We are dedicated to upholding the highest standards of safety, environmental responsibility, and operational security in all our activities. As such, Silk Way West Airlines holds permissions for the carriage of dangerous goods from various authorities, EASA authorization, and ACC3 certification from ENAC Italy and the UK Department for Transport. These certifications ensure compliance with stringent safety, environmental, and security standards, enhancing safe handling of hazardous materials, emissions control, and secure air cargo operations.



7.5 Flight safety

Our **Safety Management System (SMS)** is foundational to our operational integrity, built on regulatory requirements and international standards. It is meticulously implemented in accordance with state regulatory documents, the IOSA Standards and Recommended Practice (ISARPS), and the guidelines outlined in **ICAO Doc. 9859**.

At present, 370 of our employees are registered in our **SMS** system. This includes staff from Flight Operations, the **Operational Control Center (OCC)**, **Continuing Airworthiness Management Organization (CAMO)**, and Load Masters. Third-party contractors are not directly included in our SMS; instead, their SMS functions are managed through service agreements and quality audits to ensure compliance with our standards.

Our SMS system specifically covers operational divisions mandated by regulations. To maintain a high standard of safety, we provide comprehensive training programs for all employees involved in hazard identification and risk assessment. These programs encompass the latest regulatory standards and best practices, supplemented by regular refresher courses and competency training and assessments. Regular audits, both internal and external, are conducted to ensure adherence to our **Standard Operating Procedures (SOPs)** and regulatory requirements, verifying the efficiency of our hazard identification and risk assessment processes.



All identified hazards and assessed risks are meticulously documented and stored in our central database. This data undergoes thorough analysis to identify trends, patterns, and areas of concern. The insights gained from risk assessments inform the development and implementation of risk mitigation plans. Additionally, the results of hazard identification and risk assessments are used to establish **Safety Performance Indicators (SPIs)**. These metrics are crucial in measuring the effectiveness of our **SMS** and identifying areas that require improvement.

Periodic management reviews are conducted to evaluate the overall performance of the **SMS**. During these reviews, senior management assesses the effectiveness of the system based on the results of hazard identification and risk assessments, ensuring continuous improvement.

We utilize a web-based 24/7 online and offline system for safety reporting (**IQSMS**), along with our company email system, to facilitate easy and immediate reporting of safety concerns. According to our Safety Policy:



No punitive action is taken against any employee who discloses a safety concern through the safety reporting system, unless such disclosure indicates gross negligence, a deliberate or willful disregard of regulations or procedures



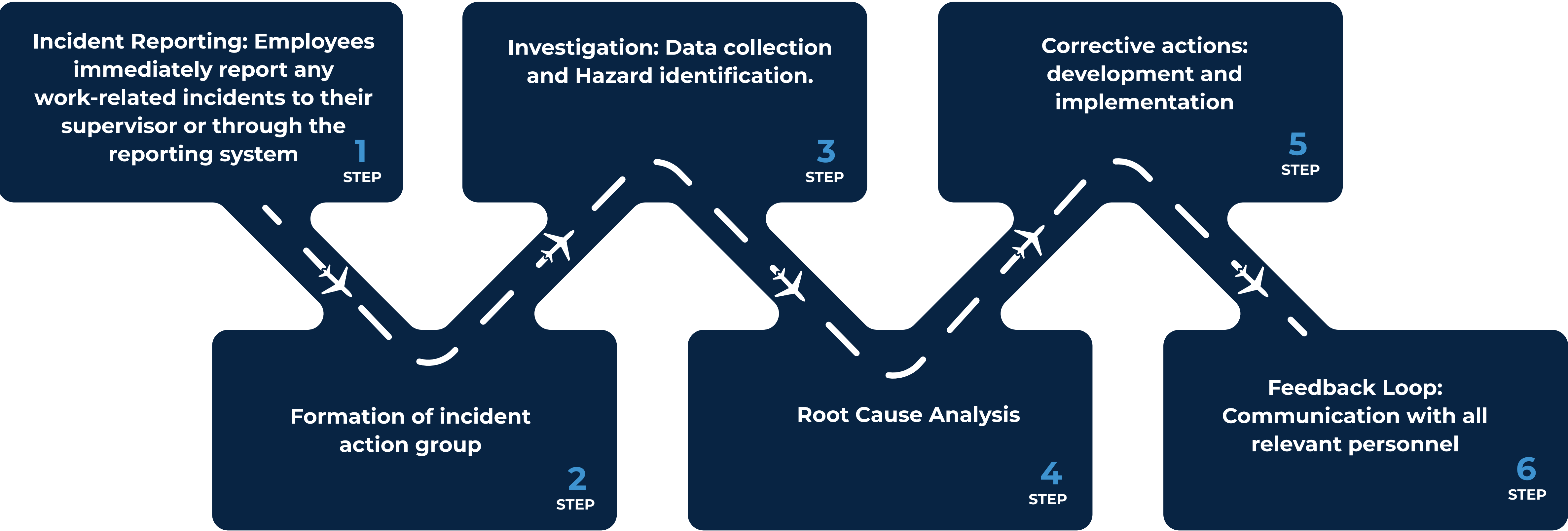
No disciplinary action is taken against any staff member who reports an incident or occurrence and openly participates in the investigation and subsequent development of error prevention strategies.



Clear, accessible, and confidential reporting channels are established for employees to report safety issues, with options for anonymous reporting to ensure that employees can raise concerns without fear of identification.

Employees are instructed to immediately notify their supervisor or manager if they encounter a work situation that they believe poses a risk of injury or ill health. They have the right to stop work and remove themselves from the hazardous situation. After doing so, they must complete a safety report detailing the nature of the hazard, the steps they took to address it, and any immediate actions required. This report is then submitted through our SMS or directly to the safety officer.

Figure 13. Our incident investigation process



08 How we help our Communities



Silk Way West Airlines is deeply committed to supporting and engaging with the communities in which we operate. Our efforts include a range of activities such as donations, sponsorships, hosting of exhibitions and international conferences. Through these initiatives, we aim to contribute positively to social development, promote cultural exchange, and support various community-driven projects. By fostering strong relationships and actively participating in community activities, Silk Way West Airlines demonstrates its dedication to making a meaningful impact beyond our core business operations.

Silk Way West Airlines has contributed to Azerbaijan's educational development through the building and refurbishment of schools. This initiative aligns with the company's commitment to social responsibility, enhancing learning environments and supporting local communities. Our involvement demonstrates a dedication to fostering the growth and well-being of future generations, reflecting Silk Way West Airlines broader sustainable development goals.

Figure 14. Silk West Airlines' community engagement projects

Red Crescent Society humanitarian charity event

Silk Way West Airlines has partnered with the Azerbaijan Red Crescent Society in two consecutive years to support humanitarian efforts under the "Winter Miracle" campaign. In December 2022, the initiative provided over 4 tons of food aid to 674 individuals from 204 families in Khirdalan, Sumgait, Agsu, and Ismayilli, with each family receiving more than 20 kg of essential food items. Continuing this effort, the "Winter Miracle" campaign in December 2023 delivered over 4 tons of aid to 200 families across Ismayilli, Agsu, Sheki, Gakh, Zagatala, Sumgait, and Baku. Each package, weighing over 21 kg, met the monthly nutritional needs of 3-5 member households. The Azerbaijan Red Crescent Society, the country's largest humanitarian organization, delivers aid without discrimination based on nationality, gender, race, religious beliefs, class, or political opinions.



Support of local sports

Silk Way West Airlines actively supports local sports and community initiatives through various sponsorships. We are proud sponsors of Zira, a local football club, fostering athletic talent and community spirit. Additionally, we sponsor the national volleyball federation, contributing to the development and promotion of volleyball in the region. Our commitment to sports extends to mixed martial arts (MMA), where we support events and athletes, encouraging excellence and engagement in this dynamic sport



Nizami Ganjavi International Center sponsorship

Silk Way West Airlines has continued its annual sponsorship of the Nizami Ganjavi International Center by contributing 3.4 million AZN in both 2022 and 2023. This cultural, non-political organization is dedicated to preserving the legacy of the great Azerbaijani poet, Nizami Ganjavi, and promoting his works. The Center's mission is to foster dialogue, tolerance, and understanding between cultures and peoples, helping to build functional and inclusive societies.



Student training sessions

Silk Way West Airlines conducted training sessions for students from the National Aviation Academy at our cargo terminal, focusing on air transportation logistics and process safety. These sessions aimed to provide hands-on experience and deepen students' understanding of industry safety standards and practices.



09 How we care about the Environment

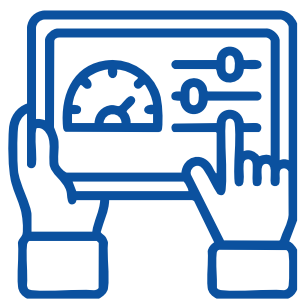


9.1 Environmental management

As the largest all-cargo carrier airline in the Caspian region, Silk Way West Airlines’ commitment to environmental stewardship extends globally, aiming to minimize the environmental impact of our activities.

Our **Environmental Management System (EMS)** is developed, implemented, and maintained in accordance with national laws, international requirements, and globally recognized environmental standards. The **EMS** is overseen by an **Environmental Management System Advisor**, who reports directly to the **CEO**. This direct reporting structure ensures that our environmental policy, issued by the **CEO**, is effectively implemented and regularly reviewed. These reviews and regular management meetings contribute to enhancing the Company’s environmental performance, assessing the effectiveness of the **EMS**, and identifying opportunities for improvement.

Figure 15. Key Environmental policies



Pollution Prevention Monitoring & Control

Identifies, controls, and monitors pollution from Silk Way West Airlines at agreed intervals by a designated individual.



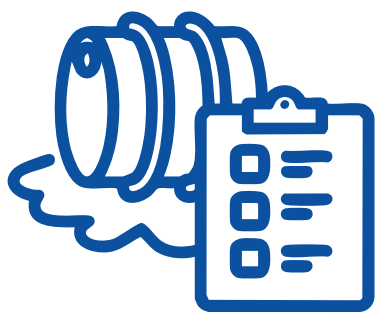
Waste management

Outlines the main waste management procedures, extending responsibility to all employees of the Company.



Environmental Aspects and Impacts Identification Procedure

Defines a process used to identify, assess, evaluate, and control the environmental aspects and impacts of the company's activities.



Emergency spill response

Procedure outlines the steps to promptly contain, control, and mitigate the effects of hazardous spills to protect health, safety and the environment.

Silk Way West Airlines is committed to minimizing the environmental impact of our operations and upholding stringent environmental stewardship standards. We ensure compliance with national laws and international environmental regulations by integrating best practices into our operations. Our **Environmental Management System (EMS)**, oriented to meet legislative requirements, **ICAO** standards, and the **IATA Environmental Assessment Program (IEnvA)** criteria, outlines key environmental objectives and targets.

Figure 16. Key environmental policy goals



We prioritize continuous improvement in environmental performance, implementing proactive measures to mitigate environmental risks and enhance safety. This commitment is essential to protecting the environment, ensuring the health and safety, securing our company's future and achieving long-term success.

9.2 Strategic initiatives in Climate Change Management

At Silk Way West Airlines, we recognize the significant impact our operations can have on the environment and the broader implications for climate change. To minimize our environmental footprint and curb our contribution to climate change, we have implemented a range of strategic initiatives aimed at reducing our CO2 emissions and improving overall environmental performance.

One of our primary strategies involves optimizing flight routes to enhance fuel efficiency and reduce emissions. This method has proven effective in lowering our carbon footprint and aligning our operations with best practices for environmental sustainability.

In alignment with the state commitment to the **Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)**, Silk Way West Airlines diligently monitors, reports and verifies its CO2 emissions from international flights in accordance with the **Monitoring, Reporting and Verification (MRV)** procedures established by **ICAO** and reported to national authorities. Our emissions data is verified by Verifavia, a global independent verifier, ensuring compliance and accuracy. This data is then aggregated by the **SCAA** and reported to **ICAO**, ensuring transparency and accountability in assessing our environmental impact. Moreover, Silk Way West Airlines participates in both the UK and EU emissions trading systems (**ETS**), adhering to regulations that require us to monitor, report and verify our emissions, and to surrender allowances against those carbon dioxide emissions, thereby contributing to efforts aimed at reducing environmental impact across our operations.

We are actively exploring opportunities to commence uplift of sustainable aviation fuels (**SAF**) as part of our long-term strategy to reduce greenhouse gas emissions. This transition to **SAF** is a critical component of our efforts to integrate more sustainable practices into our operations.



A CUSTOMER SUCCESS STORY



In 2023, we undertook a comprehensive review and update of our environmental policies, procedures, plans, manuals, and registers. Following an internal audit of our EMS, management meetings were held to determine the necessary actions for obtaining the **IATA Environmental Assessment (IEnvA)** certification. A **Go-No-Go** process was also arranged to evaluate our readiness for **IEnvA**. As part of our environmental management improvements, we set a target to achieve zero environmental accidents with major environmental impacts. In 2023, we began providing internal environmental protection awareness campaigns, including the Environmental Impacts of Aviation Activities Course and the **Environmental Awareness Course**, which were completed by **439** and **433** employees, respectively. We also began preparations to implement spill response techniques by providing external training for nine individuals on spill prevention and response in 2023. Additionally, we assessed the need for spill response equipment and procured the necessary items.

We successfully passed the **IATA** Environmental Assessment Program external audit in 2023, which was carried out to evaluate the recently formed **EMS** and make necessary improvements to environmental performance. Following the external assessment, we were provided with findings and several recommendations. As we continue to refine our strategies and implement new initiatives, we remain focused on our goal of achieving a sustainable business model that prioritizes environmental stewardship and climate change mitigation.



9.3 Resource management

9.3.1 Fuel efficiency

Silk Way West Airlines is dedicated to achieving global sustainability goals and fostering a sustainable future for international aviation. Our investment in more fuel-efficient aircraft is a testament to our commitment to integrating environmental considerations into our corporate development.

Table 2. Emissions and fuel consumption

	2021	2022	2023
Total CO2 emissions from international flights, tonnes	1,546,021	1,640,832	1,647,117
Fuel consumption, tonnes	630,542	547,305	531,342
Ozone depleting substances (ODS), by halocarbon type, kg			
Chlorofluorocarbons (CFCs)	N/A	N/A	0
Hydrochlorofluorocarbons (HCFCs)	N/A	N/A	0
Hydrofluorocarbons (HFCs)(HCFCs)	N/A	N/A	51.47

We are following the gradual global transition to sustainable aviation fuels (**SAF**), complying with **SAF** mandates in countries within our flight route destinations, including Norway, Sweden, France, and Spain, which require at least **1% SAF** in fuel uplift.

We are gradually phasing out less efficient aircraft and have started to renew our fleet starting in 2023 under our fleet renewal program. In 2023, we received two **Boeing 777 Freighters** following a purchase agreement, with four more scheduled for delivery by 2027, and two **Boeing 777-8 Freighters** planned for delivery by 2030. The **Boeing 777F** is known for its fuel efficiency, offering a **20% reduction** in fuel consumption and emissions compared to previous generation freighters. This addition to our fleet underscores our commitment to reducing our carbon footprint and enhancing operational efficiency.

Additionally, Silk Way West Airlines has reinforced its commitment to fuel efficiency and sustainability through a recent order of **GE9X** and **GE90** engines from **GE Aerospace**, aligning with its long-term environmental goals. The order includes five GE9X engines for two newly purchased **Boeing 777-8F** aircraft and eleven GE90 engines for five **Boeing 777F** aircraft ordered in April 2021. The GE9X engines are not only the most powerful in aviation history but are also engineered for exceptional fuel efficiency, offering up to a **10%** reduction in fuel consumption compared to the previous **GE90-115B** model. This improvement translates to significant savings in fuel costs while reducing carbon emissions across the airline's expanding long-haul fleet.

Both the **GE9X** and **GE90** engines are designed for compatibility with any approved sustainable aviation fuel (SAF), providing Silk Way West Airlines with flexibility to integrate greener fuel options as they become more available. This compatibility with SAF, combined with the advanced efficiency of these engines, supports Silk Way West's goal of a more sustainable operational footprint. By modernizing its fleet with these next-generation engines, the airline is positioning itself as a leader in sustainable cargo transport, enhancing fuel efficiency without compromising the power needed for extensive long-haul routes.



Silk Way West Airlines continues to implement comprehensive fuel management practices, including route optimization methods that have significantly improved flight performance and fuel efficiency. Our efforts in fuel management are part of our broader commitment to environmental stewardship, ensuring we contribute to global climate change mitigation while maintaining high operational standards.

9.3.2 Waste management

Silk Way West Airlines prioritizes a comprehensive and effective approach to environmental management, with a strong focus on waste management. Our commitment to environmental sustainability is demonstrated through the implementation of a robust waste management system that emphasizes reducing, reusing, and recycling waste.

Our waste management system is particularly focused on minimizing paper waste and is executed in collaboration with a reputable external partner specializing in waste treatment and recycling. This partnership ensures that our waste is processed using state-of-the-art recycling techniques, transforming paper waste into reusable materials, conserving natural resources, and reducing landfill waste and our carbon footprint.

To effectively manage and minimize our waste, we utilize a detailed waste register. This register tracks the amounts of waste generated, categorizes waste into hazardous and non-hazardous types, identifies the sources and locations of waste, and records disposal methods. Moreover, we utilize comprehensive waste transfer notes that allow us to monitor waste from generation to final disposal, ensuring adherence to environmental regulations and minimizing environmental impacts.

Table 3. Waste generated, 2023

Total weight of waste generated, kg	33,302
Total weight of non-hazardous waste generated, kg	6,124
Total weight of hazardous waste generated, kg	27,178

Additionally, we plan to reduce waste at its source. We plan to digitalize our flight plans and weather reports, which would decrease paper waste generation, including paper-based dissemination of flight information. By digitalizing flight plans and weather reports, we would further reduce our reliance on paper and enhance operational efficiency.

As part of our dedication to fostering a culture of environmental responsibility, we have also implemented the Waste Management Awareness Course, which has been completed by 435 employees. This training ensures that our staff are well-informed about best practices in waste management, further supporting our sustainability goals.

9.3.3 Noise reduction

We recognize the significant impact of noise pollution on both local communities and ecosystems. To address this, we have implemented comprehensive noise reduction measures in compliance with regulations set by the State Civil Aviation Agency (SCAA).

We fully abide by the airport procedures for aircraft departures, which are specifically designed to reduce noise. Our noise management practices include the thorough implementation of Noise Abatement Departure Procedures (NADPs), enforcement of noise restrictions, and the imposition of bans where necessary. Prior to flights, we communicate relevant noise restrictions, bans, and NADPs to air missions through Notices to Air Mission (NOTAMs), ensuring that all necessary information is conveyed to maintain compliance and minimize noise impact.

We also include stringent noise reduction criteria in our aircraft certification process, focusing on both short-range and long-range noise impacts. All of our aircrafts were issued a noise certificate by the SCAA, ensuring compliance with specific noise regulations and reduction of noise pollution associated with airport operations and aircraft flights, benefiting communities living near airports.

With its headquarters located at Heydar Aliyev International Airport in Baku, Silk Way West Airlines collaborates extensively with airport authorities to manage and monitor noise levels. This partnership extends to all the stations where we operate, ensuring a consistent approach to noise management.

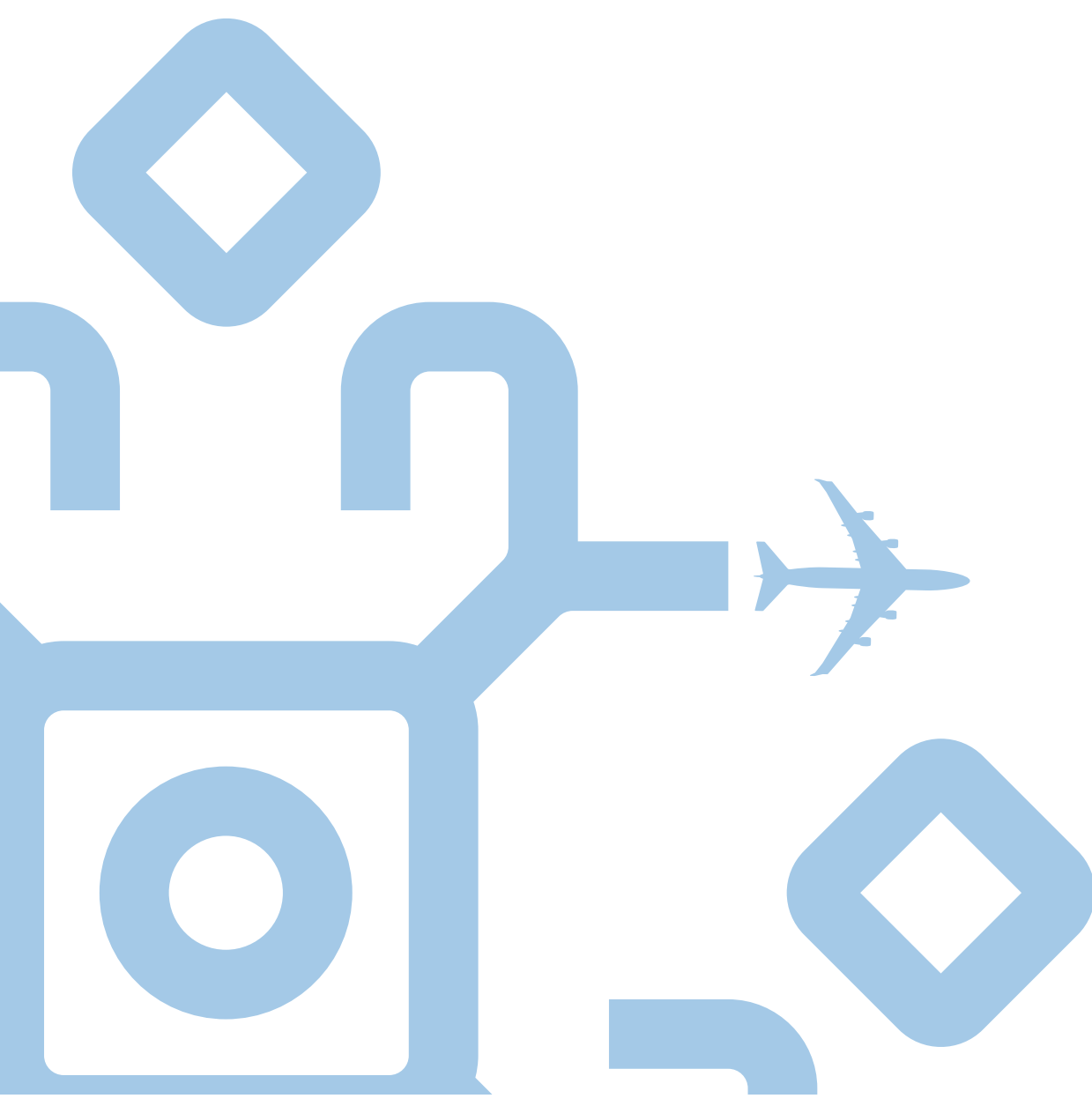


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Closing Remarks



Silk Way West's Sustainability Report for 2022-2023 underscores our unwavering dedication to innovation, sustainability, and community engagement. Through comprehensive analysis of our operations, we have demonstrated our commitment to continuous improvement in all areas. Our efforts to modernize the fleet and develop a new airport jointly with international cargo village highlight our focus on reducing our carbon footprint and supporting economic growth. Additionally, our digital transformation initiatives have enhanced efficiency and customer experience, while our advancements in corporate governance ensure strong oversight and ethical practices.



11 Performance tables



Financial indicators

Table 4. Financial indicators, thousands AZN

Category	2021	2022	2023
Total revenue generated, by category	2,906,667	3,244,528	1,930,612
SWW cargo flights	2,797,114	3,155,118	1,847,358
SWT	46,901	47,670	52,530
Other Revenue	62,652	41,740	30,724
Total investments, by category	307,061	372,173	521,848
Financial lease and payments	113,922	85,230	253,293
Total expenses, by category	1,768,079	2,013,126	1,725,994
Supplies (fuel)	546,327	886,577	710,995
Employees	88,846	84,334	78,725
Other expenses	1,132,906	1,042,215	936,274
Net profit for the year and other comprehensive income	920,230	939,878	106,147

Operational indicators

Table 5. Operational indicators

Category	2021	2022	2023
Total number of flights	12,091	11,719	11,589
Total number of regular freight flights	8,782	10,601	10,489
Total number of charter freight flights	1,664	1,118	1,100
Total hours of flight	58,914	55,111	53,545
Total flown distance (km)	35,925,043	41,050,739	40,119,070
Tonnes transported (thousands, Actual Weight)	449,807	353,900	332,139
Tonnes transported on charter flights (thousands, Actual Weight)	332,961	246,207	232,603
Tonnes transported on regular flights (thousands, Actual Weight)	116,846	107,693	99,537

Human Resources

Table 6. Employee figures by gender

Category	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total number of employees	872	183	912	186	918	182
Number of full-time employees	840	175	877	182	898	178
Number of part-time employees	32	8	33	6	20	4
Number of executive position employees	137	33	149	33	154	36
Number of flight crew	92	0	129	0	122	0
Number of other positions	643	150	632	155	642	146
Dismissed employees	47	11	66	13	94	17
Employee turnover rate	6%	2%	7%	7%	10%	10%
Hired employees	174	51	104	18	111	2
Employees that were entitled to parental leave	0	2	0	4	0	3
Employees that returned to work in the reporting period after parental leave ended	0	3	0	2	0	4
Total number of individuals within the governance bodies	31	5	32	5	41	6

Table 7. Employee figures by age group

	2021			2022			2023		
Category	<30	30-50	50<	<30	30-50	50<	<30	30-50	50<
Total number of employees	243	602	210	206	621	271	206	648	246
Number of execution position employees	12	112	46	9	114	59	12	124	53
Number of flight crew	0	76	16	1	95	33	1	87	34
Number of other position employees	231	414	148	196	412	179	193	437	159

Table 8. Training and development

Category	2021	2022	2023
Total hours of trainings for all employees	2088	2024	2476
Average hours of training per year per employee, male	434.25	698.5	644
Average hours of training per year per employee, female	127.75	75.75	172.75
Total hours of technical trainings	1452	1618	1469
Total hours of health and safety trainings	199	127	208
Total hours of environmental trainings	36	56	526
Total hours of security trainings	401	223	273
Simulator training for flight crew	2355	2674	2082

Table 9. Annual compensation ratio

Category	2021	2022	2023
The ratio of annual total compensation for the highest-paid individual to the median annual total compensation for all employees, excluding the highest-paid individual	43.67	22.23	10.85

Table 10. Ratio of basic male salary to basic female salary

	2021		2022		2023	
Category	Male	Female	Male	Female	Male	Female
Ratio of basic male salary to basic female salary ¹	1		1		1	

¹This ratio indicates the gender pay gap (the difference in the average gross hourly earnings of females and males)

Supply Chain

Table 11. Supply chain indicators

Category	2021	2022	2023
Total suppliers	983	980	1098
Local suppliers	161	184	209
Share of local suppliers (%)	16%	19%	19%

Environmental indicators

Table 13. Environmental indicators

Category	2021	2022	2023
Total direct CO2 emissions of flights, tonnes	1,546,021	1,640,832	1,647,117
Fuel consumption, tonnes	630,542	547,305	531,342
Ozone depleting substances (ODS) (kg)	N/A	N/A	50.85
Paper recycling volume (kg)	N/A	N/A	6,124
Hazardous waste generated volume (kg)	N/A	N/A	27,178

Community investment

Table 12. Community investments

Category	2021	2022	2023
Total amount of community investments	2,200,000	3,930,000	44,681,191

Health & Safety indicators

Table 14. HSE indicators

Category	2021	2022	2023
Total number of injuries	0	1	0
Total number of fatalities	0	1	0

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GRI
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	Disclosure	Status	Location
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	Disclosed	About the report
	2-2 Entities included in the organization's sustainability reporting	Disclosed	About the report
	2-3 Reporting period, frequency and contact point	Disclosed	About the report
	2-4 Restatements of information	Disclosed	There are no restatements of information.
	2-5 External assurance	Disclosed	About the report
	2-6 Activities, value chain and other business relationships	Disclosed	How we manage our company
	2-7 Employees	Disclosed	How we build our team
	2-8 Workers who are not employees	Disclosed	How we build our team
	2-9 Governance structure and composition	Disclosed	Corporate governance
	2-10 Nomination and selection of the highest governance body	Disclosed	Corporate governance

	Disclosure	Status	Location
General disclosures			
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Disclosed	Corporate governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Disclosed	Corporate governance
	2-13 Delegation of responsibility for managing impacts	Disclosed	Corporate governance
	2-14 Role of the highest governance body in sustainability reporting	Disclosed	Corporate governance
	2-15 Conflicts of interest	Partially disclosed	Ethics and compliance
	2-16 Communication of critical concerns	Disclosed	Ethics and compliance, Labor relations
	2-17 Collective knowledge of the highest governance body	Disclosed	Labor relations
	2-18 Evaluation of the performance of the highest governance body	Disclosed	Corporate Governance

General disclosures	Disclosure	Status	Location
GRI 2: General Disclosures 2021	2-19 Remuneration policies	Disclosed	<i>Labor relations, Inclusion and diversity</i>
	2-20 Process to determine remuneration	Disclosed	<i>Labor relations</i>
	2-21 Annual total compensation ratio	Disclosed	<i>Inclusion and diversity</i>
	2-22 Statement on sustainable development strategy	Disclosed	<i>Message from the Group CEO</i>
	2-23 Policy commitments	Partially disclosed	<i>Ethics and compliance</i>
	2-24 Embedding policy commitments	Disclosed	<i>Corporate governance, Ethics and compliance</i>
	2-25 Processes to remediate negative impacts	Disclosed	<i>Throughout the report</i>
	2-26 Mechanisms for seeking advice and raising concerns	Disclosed	<i>Ethics and compliance</i>
	2-27 Compliance with laws and regulations	Disclosed	<i>There were no instances of non-compliance with laws and regulations during the reporting period.</i>
	2-28 Membership associations	Disclosed	<i>Throughout the report</i>
	2-29 Approach to stakeholder engagement	Disclosed	<i>Stakeholder engagement</i>
	2-30 Collective bargaining agreements	Disclosed	<i>There were no collective bargaining agreements during the reporting period.</i>

	Disclosure	Status	Location
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Disclosed	<i>Materiality assessment</i>
	3-2 List of material topics	Disclosed	<i>Materiality assessment</i>
	3-3 Management of material topics		
Economic performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Disclosed	<i>Our economic impact</i>
	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	<i>Labor relations</i>
	201-4 Financial assistance received from government	Disclosed	<i>During the reporting period, the Company did not receive any financial assistance from the government.</i>

	Disclosure	Status	Location
Market presence			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Disclosed	Inclusion and diversity
	202-2 Proportion of senior management hired from the local community	Disclosed	Inclusion and diversity
Indirect economic impacts			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Disclosed	Our economic impact
	203-2 Significant indirect economic impacts	Disclosed	Our economic impact, How we help communities
Procurement practices			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Disclosed	Responsible supply chain

	Disclosure	Status	Location
Anti-corruption			
GRI 205: Anti-corruption on 2016	205-1 Operations assessed for risks related to corruption	Partially disclosed	Ethics and compliance
	205-2 Communication and training about anti-corruption policies and procedures	Partially disclosed	Talent 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
Tax			
GRI 207: Tax 2019	207-1 Approach to tax	Disclosed	Our approach to tax
	207-2 Tax governance, control, and risk management	Disclosed	Our approach to tax
	207-3 Stakeholder engagement and management of concerns related to tax	Partially disclosed	Our approach to tax
	207-4 Country-by-country reporting	Not applicable	

	Disclosure	Status	Location
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	

	Disclosure	Status	Location
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	
	304-2 Significant impacts of activities, products and services on biodiversity	Partially disclosed	Noise reduction
	304-3 Habitats protected or restored	Not disclosed	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not disclosed	

Emissions	Disclosure	Status	Location
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Disclosed	Strategic initiatives in Climate Change Management, Performance tables
	305-2 Energy indirect (Scope 2) GHG emissions	Not disclosed	
	305-3 Other indirect (Scope 3) GHG emissions	Not disclosed	
	305-4 GHG emissions intensity	Not disclosed	
	305-5 Reduction of GHG emissions	Disclosed	Strategic initiatives in Climate Change Management, Fuel efficiency
	305-6 Emissions of ozone-depleting substances (ODS)	Disclosed	Fuel efficiency, Performance tables
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not disclosed	This information is not tracked
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Partially disclosed	Waste management
	306-2 Management of significant waste-related impacts	Disclosed	Waste management
	306-3 Waste generated	Partially Disclosed	Waste management, Performance tables
	306-4 Waste diverted from disposal	Not disclosed	
	306-5 Waste directed to disposal	Not disclosed	

Supplier environmental assessment			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not disclosed	No such criteria exists
	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	How we build our team, Performance tables
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	How we build our team, Labor relations
	401-3 Parental leave	Disclosed	Performance tables
Labor/management relations			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Disclosed	There is a minimum of 1 month notice period for any operational changes

Disclosure		Status	Location
Occupational health and safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Disclosed	Occupational safety
	403-2 Hazard identification, risk assessment, and incident investigation	Partially disclosed	Occupational safety
	403-3 Occupational health services	Disclosed	Occupational safety
	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	Occupational safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosed	Occupational safety
	403-8 Workers covered by an occupational health and safety management system	Disclosed	Operational sustainability: Safety awareness
	403-9 Work-related injuries	Disclosed	Occupational safety
	403-10 Work-related ill health	Disclosed	No such incidents occurred during the reporting year.

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

Diversity and equal opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Disclosed	Inclusion and diversity
	405-2 Ratio of basic salary and remuneration of women to men	Disclosed	Inclusion and diversity

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

	Disclosure	Status	Location
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.
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
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 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Disclosed	No formal human right policies and procedures trainings were provided for security personal
Rights of indigenous peoples			
411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Disclosed	No such incidents occurred during the reporting year.

	Disclosure	Status	Location
Local communities			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Disclosed	How we help our communities
	413-2 Operations with significant actual and potential negative impacts on local communities	Disclosed	How we help our communities
Supplier social assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Disclosed	No social criteria is present for the screening of suppliers
	414-2 Negative social impacts in the supply chain and actions taken	Disclosed	No such incidents occurred during the reporting year.
Public policy			
GRI 415: Public Policy 2016	415-1 Political contributions	Disclosed	There were no political contributions made in the reporting period.

	Disclosure	Status	Location
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	Occupational safety
	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 applicable	
	417-2 Incidents of non-compliance concerning product and service information and labeling	Disclosed	No such incidents occurred during the reporting year.
	417-3 Incidents of non-compliance concerning marketing communications	Disclosed	No such incidents occurred during the reporting year.
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.

13 Independent Assurance Statement





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INDEPENDENT ASSURANCE REPORT

Independent practitioner's limited assurance report by Deloitte & Touche LLAC ("Deloitte") to the Board of Directors of Silk Way West Airlines ("the Company") on the 2022-2023 Sustainability Report for the years ended 31 December 2022 and 31 December 2023:

Scope of assurance

We have been engaged by the Company to perform an assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) ("the Standard") to provide independent limited assurance on accuracy of Selected Data presented in "Silk Way West Airlines Sustainability Report 2022-2023" ("the Report") prepared in accordance with the "Core" option requirements of Global Reporting Initiative ("GRI") Sustainability Reporting Standards for the years ended 31 December 2022 and 31 December 2023.

Assurance procedures and roles

We carried out limited assurance on accuracy of the following data related to 2022-2023 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 requirements of GRI Sustainability Reporting Standards as stated on "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 risk of material error, we planned and performed our work to obtain all of the information and explanations we considered necessary to provide sufficient evidence to support our assurance conclusion.

To form our 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 accuracy of received data to the selected key performance indicators;
- Made enquiries 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 our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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

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 from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Roles and responsibilities

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

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

Independence and quality control

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

Deloitte applies the International Standard on Quality Control 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 accuracy of the following key performance data of the 2022-2023 reporting year included into the Report:

Operational	• Total number of all flights
	• Number of charter flights
	• Number of regular flights
	• Total flight hours
	• Total tonnes transported
	• Tonnes transported on charter flights
	• Tonnes transported on regular flights
	• Total km-s flown
Environmental management	• Fuel consumption


Social	<ul style="list-style-type: none">• Total number of employees• Number of employees by gender, male• Number of employees by gender, female• Total number of flight crew• Number of hired employees• Number of dismissed employees• Employee turnover rate
Procurement	<ul style="list-style-type: none">• Total number of suppliers• Number of local suppliers• Number of foreign suppliers
Health and Safety	<ul style="list-style-type: none">• Number of injuries• Number of fatalities

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 Data, which we were engaged to provide limited assurance on, as specified in the “Roles and responsibilities” section above are materially misstated.

DELOITTE + TOUCHE LLAC

18 March 2025



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