



Azer-Turk Bank OJSC

Sustainability Report

2022 - 2024

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Abbreviations

ABA	Association of Banks of Azerbaijan
ACAMLS	The Association of Certified Anti-Money Laundering Specialists
APM	Automated Payment Machine
DEMA	Republic of Turkey Ministry of Interior Disaster and Emergency Management Authority
ACDA	Agricultural Credit and Development Agency
AR	Republic of Azerbaijan
CBAR	Central Bank of the Republic of Azerbaijan
ATB	Azer-Turk Bank
ATM	Automated Teller Machine
UN	United Nations
BPMD	Business Process Management Department
CDD	Customer Due Diligence
IAD	Internal Audit Department
ICD	Internal Control Department
DLP	Data Loss Prevention
SDG	Sustainable Development Goals
ESG	Environmental, Social, and Governance
ESI	Ethical and Social Issues
FATF	Financial Action Task Force (Working Group on Financial Measures)
I/NP	Individuals (Natural Persons)
GPI	Global Payments Innovation
GRI	Global Reporting Initiative
LE	Legal Entities
GHG	Greenhouse Gases
ILO	International Labour Organization
JCB	Japan Credit Bureau
CBD	Corporate Banking Department
SME	Small and Medium-sized Businesses
CSR	Corporate Social Responsibility
KYC	Know Your Customer
FMD	Financial Management Department

SHCA	State Housing Construction Agency
SB	Supervisory Board
CCMC	Client Communications Management Centre
NFC	Near Field Communication
OFAC	Office of Foreign Assets Control
SEP	Self-Employment Program
RBD	Retail Banking Department
PEP	Politically Exposed Persons
POS	Point of Sale
PCAF	Partnership for Carbon Accounting Financials
RMC	Risk Management Committee
RMD	Risk Management Department
ROA	Return on Assets
ROE	Return on Equity
SOC	Security Operations Centre
TC	Treasury Centre
IVR	Interactive Voice Response
GDP	Gross Domestic Product
GHG	Greenhouse Gas
MB	Management Board
MCGF	Mortgage and Credit Guarantee Fund
DAR	Department of Administrative Resources
IT	Information Technologies
ISC	Information Security Centre
KPI	Key Performance Indicators
AL/CFT	Anti-Money Laundering and Combating the Financing of Terrorism

1. About the Report



Purpose of the report

The Sustainability Report of Azer-Turk Bank ("ATB") covering the period of 2022-2024 aims to provide stakeholders with transparent information on ATB's steps in the field of environment, social responsibility and corporate governance (ESG) and their commitments in this direction. The Report contains the Bank's key sustainability activities, the results achieved and the strategic goals set for it. It also presents the work on the integration of ESG principles into the Bank's operations and decision-making processes.

This Sustainability Report covers all topics material to ATB, takes into account the expectations of stakeholders and complies with the necessary standards, rules and regulatory measures.

Compliance with international reporting standards

This Report has been developed with reference to the Global Reporting Initiative (GRI) Standards, which are widely used in the field of sustainability reporting¹. The United Nations Sustainable Development Goals (SDGs) were also taken into account to ensure that the Bank's activities are aligned with global sustainability priorities. The publication of ATB's first Sustainability Report is an important step for the Bank in terms of increasing transparency in the disclosure of sustainability indicators to stakeholders.

Scope of the Report

Legal name	Azer-Turk Bank Open Joint Stock Company
Head office	Jalil Mammadguluzada Str. 85, 192/193, Nasiminsky District, Baku, AZ1078, Azerbaijan
Website	www.atb.az
Report period	01.01.2022 – 31.12.2024
Standards	<ul style="list-style-type: none"> • Global Reporting Initiative (GRI) • UN Sustainable Development Goals

The report includes the core operational structures of ATB - in particular, the head office and all branches. **ATB's Management Board (MB) is responsible for reviewing and approving the current Sustainability Report.**

¹ Throughout the Report, the terms "ESG" (environment, social, and governance), "sustainability", and "sustainable development" are used interchangeably.

Amendments to previous reporting periods

As the current report is our first sustainability report, there has been no adjustment to previous reporting periods (restatements of information).

Assumptions and expert assessments applied during the reporting period

In order to highlight the assumptions used and expert assessments applied during data collection, special notes have been provided where necessary.

GRI Index Table

The GRI Index Table, representing the status of each material topic and the recommended disclosures, is available on the pages of the **83** Report.

For any comments or suggestions regarding the Report, or if you would like to share your opinions on improving ATB's sustainability initiatives and reporting, you can contact us at husniyya.i@atb.az.



2. Message from the Chairman of the Management Board



Dear stakeholders,

In the realm of sustainable development, we have embarked on a defining chapter of our journey, striving to secure one of the leading roles within Azerbaijan's financial system. It is with great pride that I present to you ATB's very first Sustainability Report - a landmark publication that captures both the progress we have made over the past years and the vision that guides our future. This report embodies our unwavering commitment, core values, and deep sense of responsibility toward building a more sustainable and resilient future for our stakeholders and society.

2024 was strategically important for ATB both in terms of financial sustainability and the integration of ESG initiatives. **The total assets of our bank amounted to 2.07 billion manats, the total regulatory capital - 98.9 million manats, net profit - 21.4 million manats.** These indicators are the result of our optimization measures, effective risk management and our customer-oriented product policy.

The bank's financial stability and strong standing in the global financial system are well recognized by international rating agencies, including Fitch Ratings - "AA-," Moody's - "Aa1," S&P Global Ratings - "B +/B." These ratings reflect the Bank's international credibility, effective governance and long-term sustainability potential, while also enhancing credibility in this system.

ATB's business model is built around three key areas: retail banking, SMEs and with large corporate clients. Every year we strengthen our ties with our customer base, providing banking services in a more accessible, flexible and digital accessibility for all segments of society. **By 2024, the number of retail customers amounted to over 395 thousand, and the number of users using the ATB360 application reached 227 thousand users.** This growth is the result of continuous improvement both in our investments in technology innovation and user experience.

Our digitalisation strategy has been just as successful for our business customers with the ATB Business platform. In 2024, the number of legal entities that joined the platform more than doubled, which significantly increased the ability of entrepreneurs to remotely enter banking services. **By 2024, the Bank's large corporate and SME client base has grown to 18 thousand, reinforcing our position as a reliable financial partner in the business sector.**

Social responsibility and reducing environmental impacts is not only an ethical option for ATB, but also a strategic priority. Within this framework, in 2024, the systemic integration of ESG principles into the bank's management and operating systems began for the first time. **In order to better assess the environmental impact of Azer-Turk Bank's activities, energy and water consumption,**

as well as greenhouse gas emissions and financed emissions were calculated.

These initiatives implemented by our bank also demonstrate our compliance with and support for the universal principles established by the UN Global Compact. **One important step in this direction is ATB's official joining of the UN Global Compact initiative in 2024.**

During the reporting period, ATB achieved significant progress in human resource development and in the strengthening of our team. **In 2024, 182 new employees joined our bank, which operates with a professional workforce of 675 people.** In addition, approximately 8,000 hours of training programmes were implemented to enhance staff knowledge and skills. Our bank which prioritizes individual development, strengthening internal leadership and stimulating an inclusive work environment, continues to make long-term strategic investments in employee knowledge and skills.

During the reporting period, ATB consistently and purposefully continued its activities in the direction of corporate social responsibility.

Supporting the families of martyrs and vulnerable social groups, expanding educational opportunities for youth, improving employee welfare, and protecting the environment reflect the Bank's strong commitment to social responsibility.

In ATB, we believe that sustainable banking is not only measured by financial results. True

achievement is measured by the reliable service provided to customers and partners, condition created for employees, the reduction of environmental impacts and the cost included in the society.

This report is more than just a document - it represents a strategic commitment by our Bank. We are pleased to present the goals and outcomes of the initiatives we have undertaken, marking an important first step in our journey toward transparency, accountability, and values-driven management.

Our future goals include steps such as moving towards green finance, supporting the SME sector, developing innovative and digital products and fully integrating ESG standards. In general, ATB plans to continue its activities in the financial system of Azerbaijan as a Bank that not only monitors existing trends, but also contributes to the formation of a sustainable financial model.

We extend our sincere gratitude to all our customers, partners, and employees. With mutual trust and shared values as our foundation, we will continue to build ATB into a more sustainable, resilient, and future-ready bank.

Respectfully,

Orkhan Huseynov
Chairman of the Management Board

Azer-Turk Bank at a Glance

(31.12.2024)



Financial Indicators

2,071,222 thousand AZN	98,876 thousand AZN	127,428 thousand AZN	6,225 thousand AZN	21,386 thousand AZN	23.6%
Total assets	Total regulatory capital	Total revenues	Tax payments	Net profit	ROE

Portfolio Indicators

312 MLN	299 MLN	193 MLN	1,565 MLN
Corporate and SME loan portfolio	Retail loan portfolio	Mortgage portfolio	Total deposit portfolio

Customer Indicators

17,337	554	395,865	226,893	11,860
Corporate clients	SME clients	Retail clients	Number of "atb360" users	Number of atbBusiness users

Social and Environmental Indicators

675	182	7,820	15%
Total number of employees	Number of new employees	Total training hours	Employee turnover rate

43,015 LITERS	1,824,113 KWH	97,145 M ³	1,181 TCO ² E	41,794 TCO ² E
Fuel consumption	Energy consumption	Natural gas	Scope 1 and 2 emissions	Scope 3.15 emissions

3. About ATB

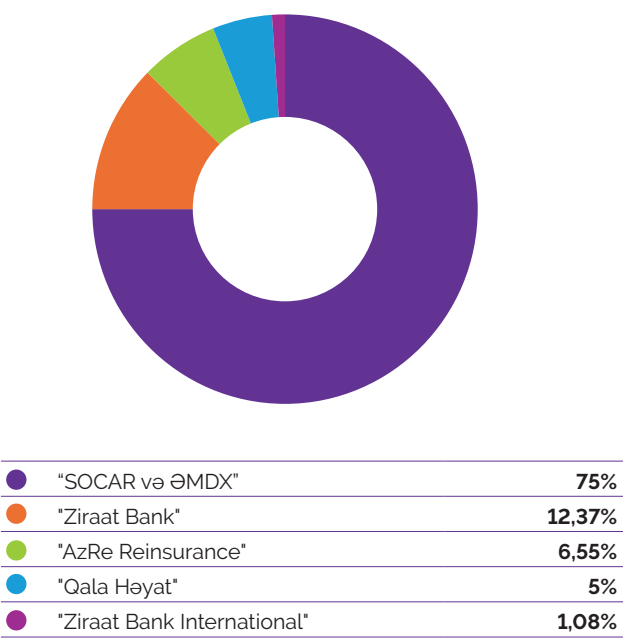
Azer-Turk Bank OJSC (hereinafter “ATB” or “Bank”) is one of the largest and oldest banks in Azerbaijan, with 30 years of experience. Given that the majority of shares are owned by the state, ATB, playing an important role in the development of the country’s financial sector, offers unique services to individual clients and businesses. ATB provides clients with a wide range of services, from daily banking services to corporate and international financial transactions through a network of branches and the introduction of digital technologies located in economically significant regions of the country. The bank’s activities include such areas as improving financial inclusivity, client-oriented approaches and promoting the principles of sustainable development.

Azer-Turk Bank Open Joint Stock Company was established on May 25, 1995 under the license of the Central Bank of the Republic of Azerbaijan No. 29 of June 234, 1995 on July 11, 1995.



The majority of the Bank’s shares are state-owned. Following its designation as a state bank in 2021, by order of the President of the Republic of Azerbaijan, the management of ATB was entrusted to the Azerbaijan Investment Holding.

Figure 1. Our shareholders



Authorized capital

79 000 000 AZN

Par value of the share

1.00 AZN

Working with international money transfer and payment systems, ATB offers its clients various opportunities and benefits. The bank is working on expanding its international ties, creating correspondent relations with banks in Turkey, the USA, England and Germany. ATB stands out with its unique banking solutions, values and approaches and successfully continues its activities.

Tools and resources leading to success

Image and trust

Clients

Security

Digital solutions

Due to its earned positive image and trust, ATB maintains stable ties with stakeholders and is confidently moving towards strategic goals. Maintaining the reputation of the bank, client and labor trust creates the conditions for the implementation of new initiatives and constant success.

In order to provide customers with more affordable and high-quality banking services, ATB facilitates society's access to financial services and promotes financial inclusivity, located in various economically and socially significant regions of Azerbaijan (for example, Baku, Sumgayit, Ganja, Shirvan, Nakhchivan, etc.). In addition, 24/7 access to banking services is provided through automated service channels (ATMs) and automated payment machines (APMs). Modern technologies and innovative approaches used in the bank's infrastructure make it possible to carry out operations quickly, continuously and efficiently.

The bank's core activities are formed around three main areas - retail banking, corporate banking and financial solutions for small and medium-sized businesses (SMEs). The sustainable development of these priority sectors serves to strengthen the bank's strategic position.

Mission, Strategic Vision and Values

ATB's main strategic vision is to become the most innovative bank, delivering high-quality, customer-focused products and services through a professional team dedicated to meeting client needs. Based on this strategy, activities are focused on priority areas with high potential for socio-economic impact. By carrying out the bank's core mission, long-term sustainable value is created for all stakeholders.

The strategic vision is also supported by ATB's mission. **Thus, as a reliable business partner, ATB's main mission is to provide financial support to the real sector of the national economy and to deliver efficient services through the application of modern banking technologies, in which significant success has already been achieved.**



Within the framework of the existing strategic approach, 3 main strategic goals are defined, each of which plays a guiding role in the Bank's activities and supports the implementation of the mission:



Targeted product

Becoming a digital banking ecosystem for clients via customer-oriented product and service offering.



Sales channels

Achieving fast and uninterrupted service through alternative sales channels (digital banking).



Cooperation

To become the closest business partner of the small and medium-sized enterprise (SME) segments.

Our values



Innovativeness We offer innovative products and services, introducing modern banking technologies and creating new trends in the banking sector to more fully pay for rapidly changing customer demand.



Leadership In everything we undertake, we strive to be the best.



Team spirit We foster a strong team spirit, built on professional managers and employees who provide accurate and flexible solutions with progressive, client-oriented thinking.



Employee satisfaction To ensure employee satisfaction and strengthen their loyalty to the Bank and its customers, we have established a system of both material and non-material incentives



Customer satisfaction We deliver high-quality, innovative products and services through multiple channels to fully meet the constantly evolving demands of our customers.



Integrity We earn the trust of our customers and business partners through integrity in all our activities.



Agility Amid rapid technological advancements and growing competition, our professional team consistently provides agile, tailored solutions and services to meet the needs of our customers and partners.



Responsibility Aligned with our civic values, we actively embrace social responsibility and take meaningful action in response to important social developments.

For its activities, the Bank received a number of awards in international and local circles. The achievements and awards achieved reflect the Bank's financial success, approach to social responsibility and innovative outlook.

Awards

	Corporate Social Responsibility Award	Association of Banks of Azerbaijan (ABA)	2022
	Most Active Advocate of Education Award	Association of Banks of Azerbaijan (ABA)	2022
	Premium "For maximum growth in the total volume of payment cards"	VISA International	2023
	Premium "For maximum growth of the volume of trading operations"	VISA International	2023
	Premium "For maximum growth of the total volume of operations"	VISA International	2023
	Fintech Summit - Finance and Technology Exhibition, Partnership and Support Award	Association of Banks of Azerbaijan (ABA)	2023
	Financial Literacy Support Award	Association of Banks of Azerbaijan (ABA)	2024
	Award "For the introduction of innovative projects in the field of digital payments"	Association of Banks of Azerbaijan (ABA)	2024
	Visa Cashless Forum - Award for contribution to the initiative "Digital Azerbaijan"	VISA International	2024

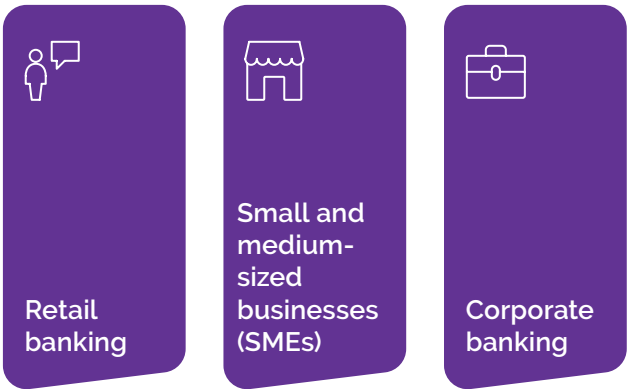
Ratings

S&P Global Ratings	Long-term credit rating	B+ / B
	Short-term credit rating	B+ / B
MOODY'S	Evaluation level	Aa1
FitchRatings	Evaluation level	AA-

3.1 ATB's Business Model and Core Service Lines

The ATB business model is built on three main pillars: **Retail Banking, Small and Medium Business (SME) and Corporate Banking**. In these areas, the Bank provides products and services tailored to the needs of various client segments.

Structural units serving the bank's various client groups include the Retail Banking Department, the SME Credit Centre and the Corporate Banking Department. These divisions provide financial solutions that correspond to the segment:



ATB's financing activities cover various sectors in line with the country's economic priorities. The bank's focus is on agriculture, industry, real estate development, services and trade sectors. By introducing financial instruments in each of these industries, ATB aims to contribute both to economic diversification and regional development.

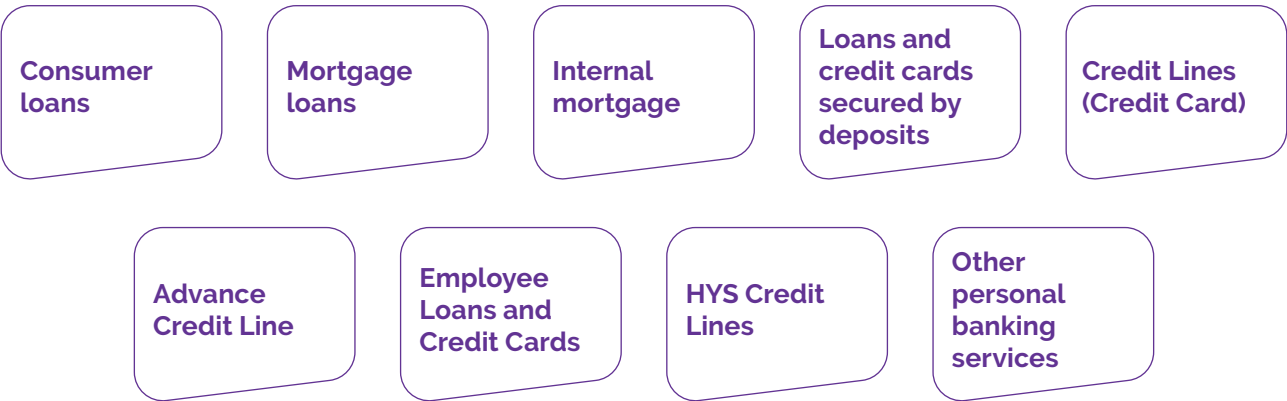
Retail banking

ATB meets their daily and long-term financial needs by providing a wide range of financial products and services to retail customers. The goal of the bank is to improve the financial well-being of customers and ensure high satisfaction via convenient, flexible, innovative banking services.

Bank implements a multi-channel service model to provide fast and uninterrupted banking services

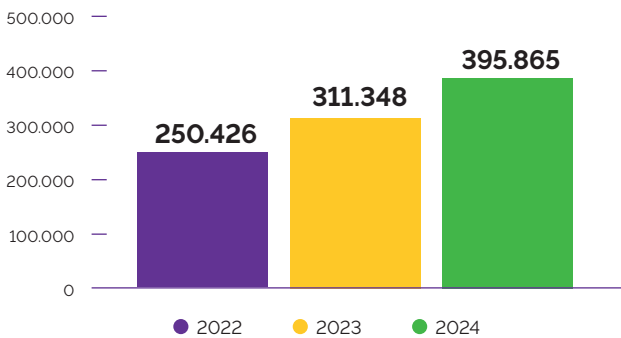
to retail customers. This model includes ATMs, a branch network, payment and information terminals, and the atb360 mobile banking platform. With these features, customers get convenient and complete access to banking products and services in both physical and digital environments.

The main credit and non-credit products presented in the retail banking segment are:



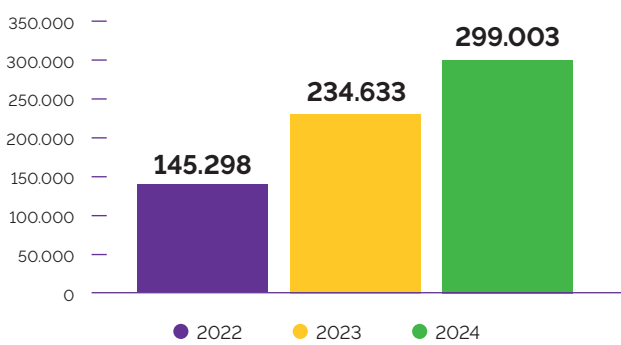
Between 2022 and 2024, the number of ATB's retail customers saw consistent growth. From 2022 to 2023, the number of customers increased by almost 24.3%, and from 2023 to 2024 - by 27.2%. In general, between 2022 and 2024, the number of retail customers increased by 58.1% and demonstrated a significant expansion in the segment of individual clients of the Bank.

Figure 2. Total number of customers in the retail banking segment



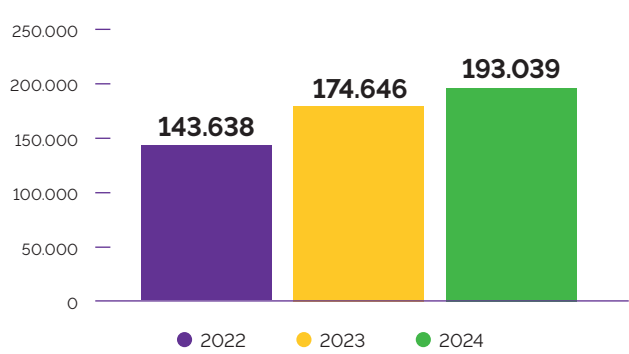
Over the past three years, ATB's total retail loan portfolio has more than doubled. This growth is mainly the result of successful consumer credit campaigns and the expansion of digital channels.

Figure 3. Retail banking segment loan portfolio, thousand AZN



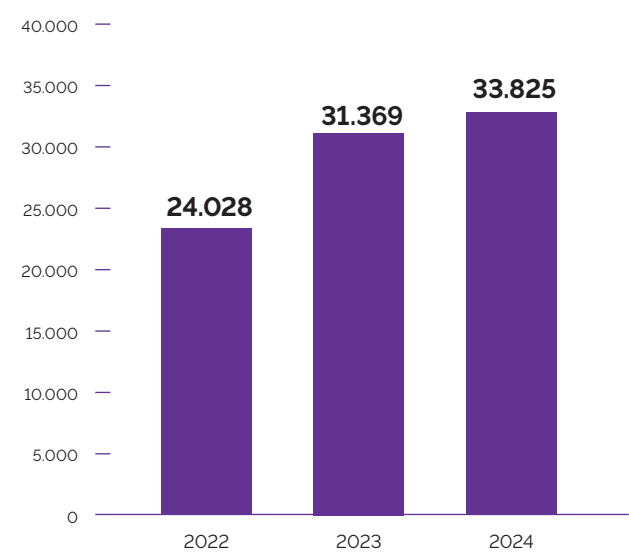
Loans for the same period showed stable growth and for the period 2022-2024 increased by 34%.

Figure 4. Portfolio dynamics of mortgage loans, thousand AZN



During 2022-2024, the total number of customers receiving loans in the retail segment as a whole increased by more than 40%. In 2024, more than 33 thousand retail credit clients were registered.

Figure 5. Total number of retail loan borrowers



Mobile application atb360

The number of users of the atb360 mobile application has increased markedly over the past two years and reached 226.893 users by the end of 2024. Total growth for this period was about 53%, and the most intensive growth was recorded in 2023, at about 27%. For more information on the atb360 mobile application and other innovative digital situations, see the "Innovation and Digital Transformation" section of the Report.

ATB Card, Card Credit and Card Premium

ATB Card - a debit card designed for daily payments. Card users benefit from cashback opportunities when shopping within the partner network, along with commission-free balance top-ups and convenient contactless payment features.

ATB Card Credit - a credit card that provides customers with the opportunity to buy and pay within the pre-set credit limit. Cashback options, interest-free discounts and secure online operations are available on the cards.

ATB Card Premium is a premium card product that provides higher limits, ample cashback capabilities and additional benefits. Cardholders are offered exclusive purchasing services, priority services and advanced security features.

ATB Junior Card

The ATB Junior card is a debit card for children aged 6-16 years old and is managed by parental control. The card provides advantages such as high cashback capabilities, increased balance and cashing out without fees, support for Apple Pay and Google Pay, as well as a revenue of 6% per annum. Parents can monitor transactions through a confirmation code, and the card is provided with an online order for 5 years and without payment.

As a result of successful activities during the reporting period, the number of credit and debit card users increased significantly from 2022 to 2024. During this period, the number of users of the 'atb card' as a whole increased by more than 260%, and for the 'atb junior' card - by almost 100%. **The number of 'atb-card-credit' users has increased fourfold, while 'atb-card-premium' users have grown ninefold.**

Figure 6. Number of card users by type



ATB cashback

ATB Ceshbek is a bonus program designed for ATB debit and credit card holders. Customers receive up to 3% in payment for gas stations, online purchases, clothes, electronics, cafes, restaurants, educational and medical services, and in the partner network - up to 30%. More than 200 brands and 230 points of sale are currently participating in the program.

Mortgage services

Azer-Turk Bank provides clients wishing to purchase accommodation with three main mortgage products:

The standard mortgage loan is provided at the expense of the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan.

These loans are designed for the purchase of residential properties and are offered under specific terms.

Concessional mortgage loans are aimed at socially vulnerable segments of the population and are provided on more favorable terms.

Funded by the Credit Guarantee Fund.

Concessional mortgage under the State Housing Construction Agency (SHCA) are provided in the framework of cooperation with SHCA.

These loans are intended for the purchase of apartments built by SHCA and are provided under special terms.

SMEs and Corporate Banking

ATB supports and promotes the development of the activities of small and medium-sized businesses (SMEs), as well as large corporate clients, providing various financial products and services. One of the main goals of the bank is to expand the financial capabilities of the business, realize their growth potential and establish long-term cooperation through modern banking instruments.

ATB offers a wide range of financial solutions including loans, cards, deposits, online services and other banking products for corporate and SME clients. Each presented product is developed on the basis of an individual approach, encouraging customer loyalty, focused on the needs of various social groups, regardless of financial situation.

The main financial products and services provided by SME and Corporate segments are:



ATB digital banking services allow business customers to save time and resources, and financial transactions are more efficient and controlled. Via the ATB Business Internet banking platform, clients have 24/7 access to their bank accounts, can conveniently execute payment orders, cross-account transfers, tax and customs payments, foreign exchange transactions and other basic financial functions. Digital tools such as POS terminals, e-commerce solutions and electronic document management enable the automation of daily customer operations and ensure greater transparency in process organization.

Prioritizing client convenience, ATB also offers a range of online services. This includes the opening of online accounts, a free tax consulting service and Concessional accounting support. These capabilities are provided through the ATB Hub platform and allow clients to perform operations such as one-way and mutual exchanges and signing of documents by the bank remotely and quickly without entering the bank.

At the same time, ATB continues to deliver corporate and banking services to its clients.

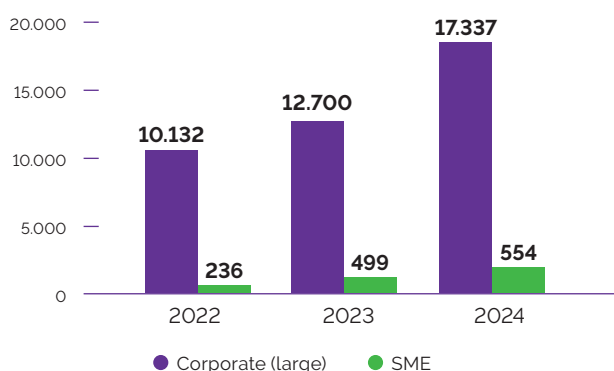
These services include currency exchange operations, cash and settlement services, collection, POS acquiring and smart cash solutions, deposit and withdrawal terminals, as well as the acceptance of damaged banknotes.

ATB offers various financial instruments in cooperation with a number of governmental agencies. Within this framework, the mechanisms of interest subsidy and guarantee are applied through credit products developed jointly with the Business Development Fund of Azerbaijan, the Mortgage and Credit Guarantee Fund, as well as the Agency for Agricultural Credit and Development. ATB also provides special conditions for entrepreneurs operating in the liberated territories.

Customer base

During 2022-2024, there was a steady growth in both large corporate and SME client base of ATB. The number of large corporate clients from 2022 to 2024 increased by more than 71% and showed an increase in the bank's position in this segment. Although the SME segment is relatively new, thanks to successful activities over the same period, the number of clients in this area increased by 134%, which is an indicator of the successful implementation of the bank's initiatives to support small and medium-sized businesses.

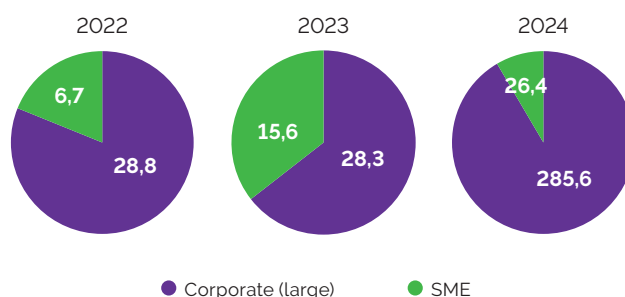
Figure 7. Total number of corporate and SME clients



The indicators for attracting new ATB customers also show positive growth dynamics. **The number of new customers in the corporate segment increased by more than 80% between 2022 and 2024.** Also in 2024, there is a steady increase in the number of SME customers compared to 2022, reflecting a targeted and balanced development strategy in this area.

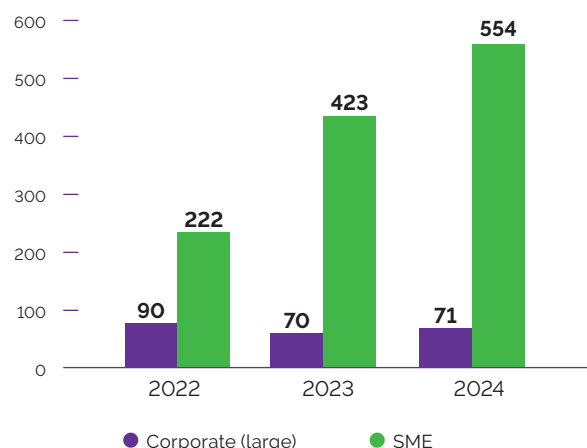
Between 2022 and 2024, ATB's total corporate and SME loan portfolio experienced an estimated ninefold growth. This positive trend has been driven primarily by the Bank's targeted campaigns, the expansion of its product range and an effective client-oriented approach. ATB's active and flexible lending policy, supported by accurate assessments of the real sector's financial needs, has created favorable conditions for expanding the loan portfolio.

Figure 8. Distribution of the loan portfolio by corporate and SME segments, million AZN



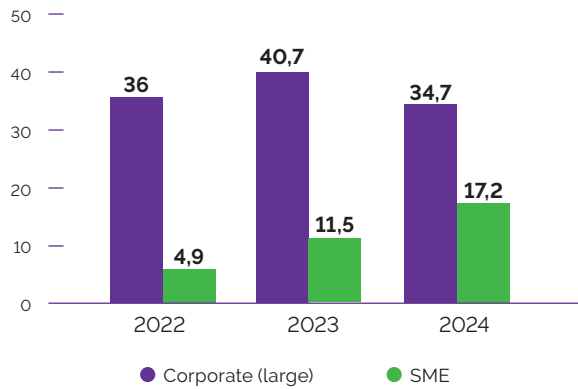
In the period from 2022 to 2024, the number of borrowers in the SME segment increased by 149%. At the same time, the number of borrowers in the corporate (large) segment remained relatively stable.

Figure 9. Number of borrowers by corporate (large) and SME segments



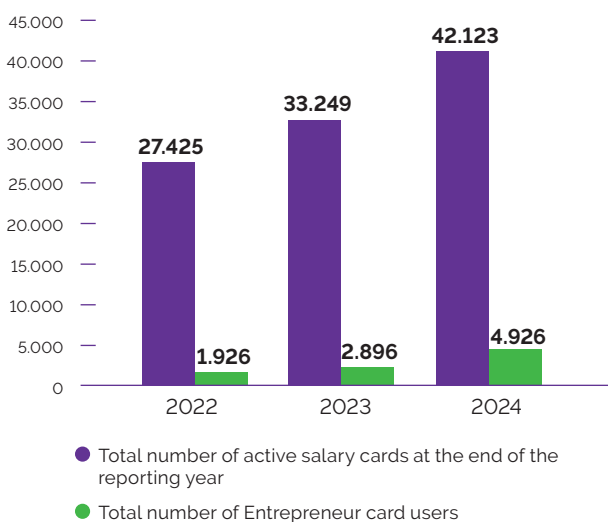
Trade finance is one of ATB's main activities supporting the real sector. Indicators for 2022-2024 confirm the expansion of the bank's activity in this area. **For example, financing for SMEs has grown nearly 3.5 times over the past three years, reflecting a sharp increase.** At the same time, stable high financing indicators for the corporate segment reflect the bank's sustainable activities in this direction.

Figure 10. Trade Finance volumes, million AZN



During 2022-2024, a significant increase in active wages and the number of Entrepreneur cards was recorded. The number of salary cards during this period increased by more than 50%, and Entrepreneur cards - almost 2.5 times. In particular, 'Entrepreneur' cards recorded a sharp increase of nearly 70% in 2024.

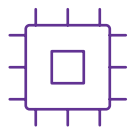
Figure 11. Number of "Salary" and 'Entrepreneur' card users



Internet banking "ATB Business"

The number of users who joined the internet banking platform ATB Business increased to 11.860 people in 2024, showing a 119% increase compared to 2022. Similarly, the number of new users increased by 119%. For more information on Internet banking and other innovative, digital solutions of ATB Business, see the Innovation and Digital Transformation section of the Report.

3.2 Innovation and Digital Transformation



In today's rapidly evolving financial environment, innovation and digital transformation are key strategic tools for ensuring sustainable development and expanding inclusive access to banking services. **Azer-Turk Bank has identified innovation and digital transformation as one of its strategic priorities in order to ensure sustainable development and increase competitiveness in the modern banking sector.** By integrating the latest technological innovations into its operations, the bank is making continuous efforts to provide high-level, fast and safe services to clients.

As part of ATB's digital transformation programs for mobile and internet banking, advanced technologies such as automated credit solutions and AI-based analytics have been introduced. These innovations not only increase the speed and efficiency of banking operations, but also enable more flexible and individual responses tailored to the needs of customers, support environmental protection through paperless transactions.

In addition to providing customer satisfaction and serviceability, ATB is working on innovative service models to make a difference in the local banking sector and retain a position as an outstanding financial institution. The bank offers innovative solutions for its clients - such as "atb360," "atb Business" and digitalization platforms such as Internet banking and "atb hub". To optimize business processes in line with corporate needs, several card systems have been introduced, along with new 'atb card' payroll product under the payroll project, as well as electronic POS services for online payments.

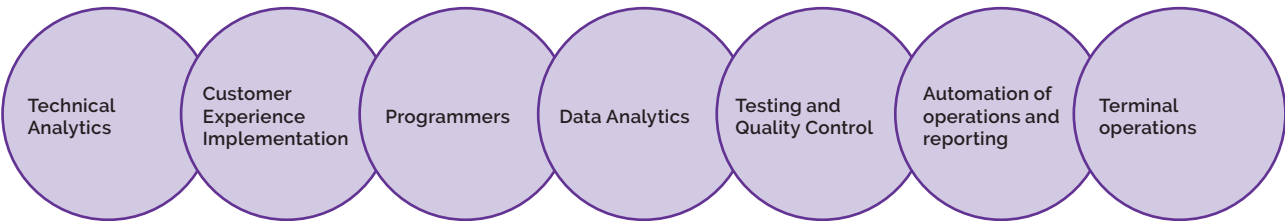
ATB has developed a digital branch concept with the aim of providing modern banking services in a more accessible, flexible and efficient manner. The

branches in Baku and Sumgait enable clients to carry out banking operations entirely online, 24/7, without the need for physical access. Branches are equipped with new generation ATMs that support contactless operations for all types of cards.

Digital Transformation Centre

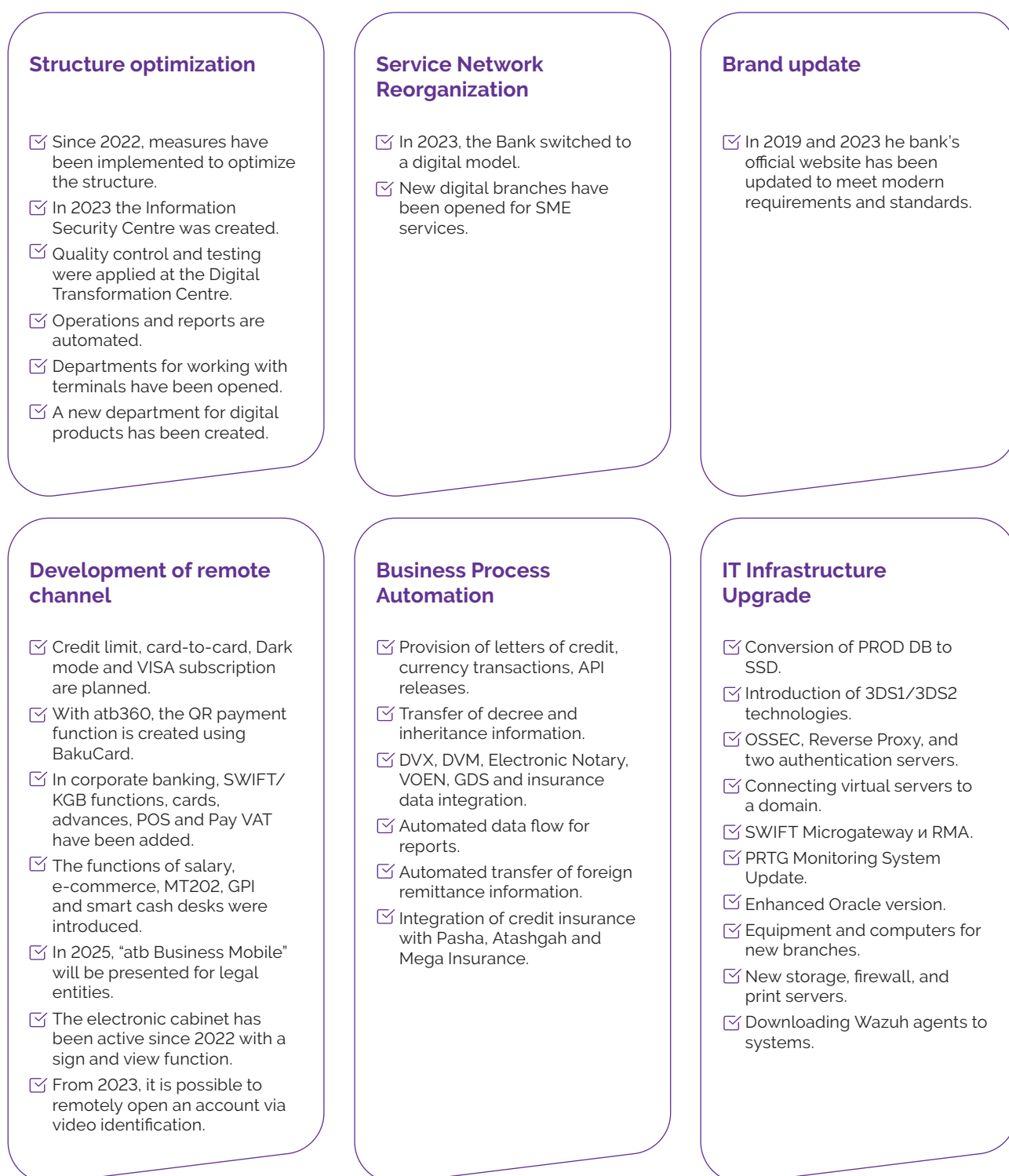
At ATB, digital transformation encompasses not only the introduction of technological innovations, but also the improvement of management processes and the modernization of operating principles. To this end, a dedicated Digital Transformation Centre operates within the Bank's management structure. This Centre works on innovative solutions to develop new digital products, optimize existing services and continuously improve the customer experience. The teams of the Centre for Analytics, Customer Service, Quality Control, Programming and Automation organize the development of digital products through joint activities, maintaining the Bank's operating system in working order, as well as developing new software solutions in accordance with strategic goals.

Figure 12. Departments within the Digital Transformation Centre



As part of the Centre's activities, several new features were introduced in mobile and Internet banking systems, and the transition of the interbank payment system and other transfer systems to a new format was completed.

Figure 13. Work directed towards digital transformation in 2022-2024



ATB's Processing Centre

ATB formed its internal Processing Centre as part of its innovation and digitalization initiatives. The Centre is integrated with international and local payment systems (MasterCard, VISA, CCB, UnionPay) and ensures the safe and uninterrupted execution of card operations.

During the reporting period, the Processing Centre implemented the following projects for the development of payment systems:

Contactless and secure payments with ApplePay	Contactless and secure payments with GooglePay	Virtual ATB card Product	International transfers with Visa cards via Visa Direct
International transfers with Mastercard cards via Moneysend	Cybersource Platform	Acceptance of ApplePay/GooglePay in e-commerce payments	Mobile POS service for more convenient payments
3DS verification through the atb360 app	Annual renewal of PCI DSS certification	Cooperation with local payment service providers	Direct membership in JCB payment system
Cooperation with UnionPay payment system	Installation of new-generation contactless ATMs	Integration with most fiscal operators completed	Mobile POS solution based on VAC Cloud technology

We would especially like to note that in 2024 the Bank's Processing Centre received a certificate of compliance with the PCI DSS v4.0.1 standard. This enables the protection and operational security of customer data in accordance with international standards.

Due to a wide range of ways to accept electronic payments, our bank occupies an important place


in the local market. For example, ATB for the first time in our country has accepted electronic trading payments through ApplePay/GooglePay. Cybersource has also been launched, which is a single platform for convenient and safe payment using cards from all international payment systems, as well as through Apple Pay or Google Pay.


Services and Initiatives


ATB focuses on digital transformation in both areas, maintaining an equal approach to business and individual customers. Over the past ten years, in addition to creating opportunities for the development of banking practices in accordance with market requirements, the bank has offered services that create advantages in the local


market, maintaining the status of an innovative bank. When developing each digital product presented, security and privacy standards are observed, and client data and rights are carefully protected.


Figure 14. New Digital Services and Initiatives Provided by ATB


 **Apple Pay and Google Pay** A contactless payment system has been introduced for Mastercard and Visa card users, with Apple Pay and Google Pay services also launched. This unrestricted service enables payments through various devices both in-store and online.

 **Confirmation of online payments via atb360** ATB provided a new opportunity to confirm online operations. Along with the one-time security code (OTP) sent via SMS, the mobile application has enabled its users to confirm the operation through a Push notification. The notification provides all information about the transaction and gives the user the opportunity to confirm or cancel the transaction.

 **Banking** The atb360 mobile application allows individual users to easily order an ATB digital card without any additional payments, manage card transactions and all types of payments from one application. ATB Business Internet Banking, designed for legal entities and entrepreneurs, brings together all banking operations in this area on a single online platform and mobile application, offering features such as contract signing and support services.

 **Expanding the Digital Payment Ecosystem** In order to expand the digital payment ecosystem and support entrepreneurial activities, the services "e-pos," "atb pos" and "e-commerce" (e-commerce) were announced. Existing services are designed for the safe and perfect execution of non-cash payments without any restrictions, provided to customers for making payments through a virtual payment terminal or link.

 **Integration of 'SIMA Imza'** As part of cooperation with SIMA Imza, ATB has created the opportunity to sign documents digitally signed by a new generation in electronic form, and has moved towards a full-fledged safe and paperless operating environment. This service enables the registration and activation of the card through a single platform in a short time.

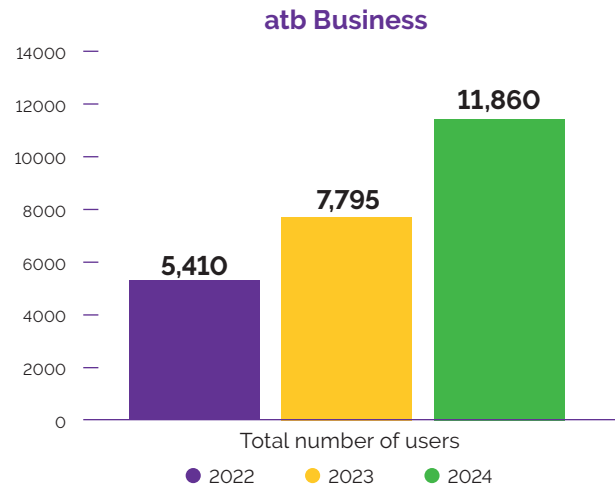
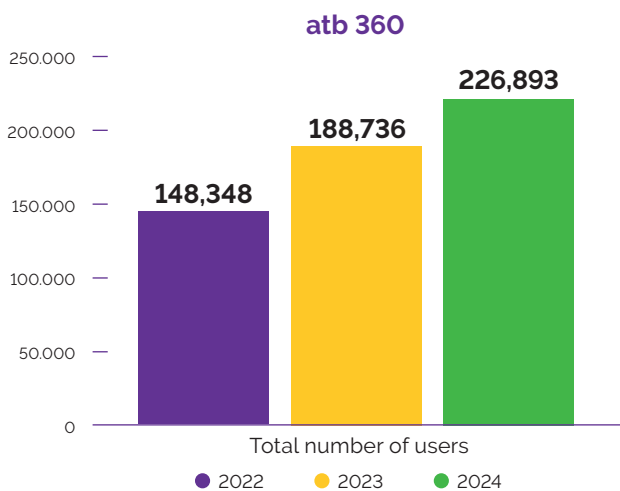
 **SWIFT GPI Service** To enhance the speed and transparency of international payment services, SWIFT introduced its Global Payments Innovation (GPI). This service enables real-time tracking of cross-border payments, monitoring of transaction status, and accurate identification of fees and tariffs.

Mobile application and Internet Banking

The atb360 mobile application and the atb Business Internet banking service form one of the main pillars of the Bank's activities and digitalization strategy. These platforms enabled the introduction of advanced technologies in terms of high functionality, user experience and responsiveness, resulting in high customer satisfaction and expanded service lines. As part of ongoing digitalization efforts and in line with stakeholder expectations, the service is regularly analyzed and enhanced with new functions.

The use of the mobile application 'atb360' provided for individual customers of the bank, has become especially successful. **In 2024, the number of users exceeded 200,000, which is a 97% increase. The positive dynamics is mainly due to the growth in debit card sales.**

Figure 15. User figures for "atb360" and "atb Business"



The originality of ordering cards through the application has become the main indicator of success for "atb 360." By combining personal services in a single application, customers can carry out transactions easily without visiting the Bank, enabling paperless banking and more efficient use of resources. With services that ensure secure, transparent, and traceable operations for corporate customers, ATB Business Internet Banking has become a successful platform, enriched with new opportunities.

Innovative Partnerships

To expand its service network, offer customers innovative high-demand financial products, and adapt to the requirements of the modern financial world, ATB has built not only local partnerships but also strategic international collaborations.

Figure 16. Innovative partnerships



Cybersource Platform Partnership

In order to strengthen the digital payment infrastructure, expand the possibilities of e-commerce and increase the security of online operations, cooperation has been established with Cybersource, the global payment platform Visa. As part of the partnership with Cybersource, secure and tokenized payments have been made and payments can be processed anywhere in the world.



Partnership with JCB International

Through its partnership with Japan Credit Bureau International (JCB), with JCB cards, it is possible to pay for transactions at ATMs and POS terminals owned by the bank. This contributes to the process of integration into international payment systems, creates a wider range of payments for customers, and opens new sales channels for its partners in the field of trade and services.



Migration to the State Cloud (G-Cloud)

In line with the Presidential Decree, ATB joined the initiative to integrate state institutions' information systems under a unified cloud. The migration project aims to reduce IT costs, enhance system efficiency and security, and strengthen infrastructure.

International Participation and Representation

ATB actively participates in international events, summits, and initiatives to strengthen its position in innovation and digital development, while fostering the exchange of global experience. These platforms allow the Bank to track the latest technological innovations, know the leading trends in digital transformation and establish ties with the global financial ecosystem. By showcasing its recent achievements, innovative solutions, and new products in both local and international arenas, ATB has once again reaffirmed its status as an innovative bank. The Bank has participated in SIBOS conferences, which bring together more than 10,000 participants from over 150 countries, as well as in the Central and Eastern Europe Forum (Euromoney) and various FinTech summits, and has also taken part as a partner in a number of important events.

3.2.1 Sustainable Finance

ATB is expanding its initiatives in this area, recognizing sustainable finance as one of the key drivers of development. The bank is trying to create long-term value by integrating sustainable financial principles into its strategic view and sustainability policies. ATB's sustainable finance performance is based on a systematic approach to the bank's strategic development plans. Approaching sustainable finance principles as an integral part of its activities, the Bank applies the ESG criteria as one of the main factors in making financial decisions.

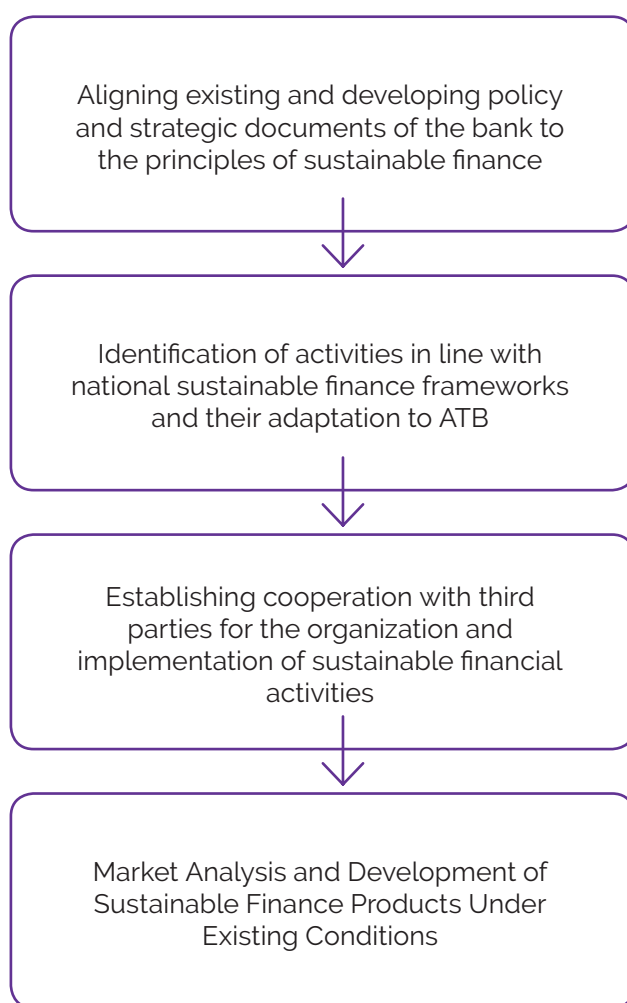


ATB is developing a Sustainable Finance Policy in order to form a strategic direction in sustainable activities. The policy will cover the Bank's approach and principles to sustainable products.

ATB advances its initiatives and activities by actively contributing to the development of a sustainable financial ecosystem in Azerbaijan. The Bank supports the priorities identified in the framework of the Roadmap for Sustainable Financing (2023-2026), developed by the Central Bank of Azerbaijan, and is working to align its corporate policy to these goals. ATB, expanding its green loan portfolio, conducts project activities in accordance with the document "Green Taxonomy," approved by the Central Bank in 2024, as well as the "Guideline on Green and Sustainability-Linked Loans." With the loan portfolio aligned to the green taxonomy, it is recommended to systematically implement environmental risk assessment and responsible financing practices. This approach also supports the national sustainable initiatives of Azerbaijan. ATB also considers decarbonization financing a

priority and builds institutional capacity in this area. The bank is developing green financial products and integrating them into the bank's operations. These initiatives are carried out in accordance with sustainable financial instructions of the Central Bank.

Figure 17. Current approach to the organization of sustainable finance activities



Sustainable Finance Products

Given green and sustainability-linked loans will play an important role in the financial system in the future, ATB launched the creation of a **green labelling tool**. This tool will not only assess the consistency of sustainable finance activities with the local green taxonomy, but also ensure that funds are actually directed towards green projects.

The introduction of the labelling mechanism will also improve transparency, strengthen the risk-based solution process, expand the Bank's potential to cooperate with international financial institutions and investors and increase the attraction of foreign funds.



Significant events after the reporting period

In 2025, Azer-Turk Bank presented a special financial product "Green Business" in order to support business initiatives based on the principles of environmental protection, social responsibility and corporate governance. This loan instrument is focused on projects operating in areas such as green energy, waste management, water resources protection, public health and environmental protection, and is accompanied by Concessional interest rates, commission exemptions and additional service benefits. More information on Green Business products will be provided in the following reports.



3.3 Customer Relationship Management

Effective client management plays a key role in ATB's success and in sustaining its competitive advantage in the market. The Bank pays special attention to establishing strong and reliable relationships with both individual and corporate clients, ensuring customer satisfaction and mutual trust. This approach also serves to

preserve the prestige of the Bank and continue long-term cooperation. Along with the provision of quality services, the bank offers transparent and responsible financial solutions, as well as constantly improves its services within the framework of a customer-oriented approach.



Contact with clients in ATB is carried out through a single Centre - the Centre for Customer Relationship Management (CRM). This Centre works closely with other structural divisions of the Bank and provides fast, high-quality and adequate customer service.

In order to effectively manage client relations within the Bank, clear rules, service standards and instructions have been developed. The Bank's activities are carried out in accordance with the corporate values and strategic principles of the Bank. The Centre maintains stable and transparent communications with clients, provides information about products and services, and promptly sends incoming requests to the relevant departments. Customer service standards regulate the approach of the Centre and other related business units to the customer and create the ability to control the quality of this process.

The existing regulatory framework, through its complementary mechanisms, underpins effective risk management, customer satisfaction, and the delivery of high-quality services within a unified approach.

Customer relationship management activities are built and maintained through a three-way approach to ensure sustainable and quality service. Within the framework of this approach, the activities of the Centre are organized on the basis of the principles of mutual coordination and functional integration. The process is carried out through three main sections:

Front Service Desk

- ☑ The department serves customers remotely by phone (provides information about invoices and transactions, carries out a BAS sequence, provides information about products and services) Response to requests by phone, offer additional services, routing calls.
- ☑ Register, send requests, record and archive negotiations, send requests to the appropriate structures.

Back Service Desk

- ☑ The section communicates with customers mainly via social network (Whatsapp facebook, instagram). Key functions include prompt response to calls, product and service communication, working at BAS, providing account information to customers, advisory support, customer base management, segmentation, and organizing value-added services.
- ☑ Register, send requests, record and archive negotiations, send requests to the appropriate structures.

Night Service Desk

- ☑ The section provides 24/7 customer support. At night, calls are handled via telephone and social networks, offering product information, operating with BAS and providing clients with account details.
- ☑ Register, send requests, record and archive negotiations, send requests to the appropriate structures.

ATB uses various tools to improve the quality of client services. The new software has been used to improve day-to-day operations and is integrated with banking systems. For more affordable customer service, the omni-channel platform and interactive voice response (IVR) function, which are supported by banking control mechanisms have been put into operation.

Customer requests

Effective management of customer suggestions, appeals and complaints is essential in terms of maintaining and enhancing trust and customer satisfaction. Each call from clients is analyzed and allows to systematically improve client practice and make decisions that meet customer expectations.

In accordance with the bank's digitalization trends, customer requests are accepted through digital channels and are considered CRM. Proposals and complaints are accepted CCMC through digital channels and sent to CBL for investigation. ensures execution of received requests within the limits of authority and transparency.

Customer data security

In line with the Bank's digitalization trends, customer requests are received through digital channels and reviewed by CRM. Suggestions and complaints are also received through digital channels by CCMC and forwarded to CBL for investigation. CRM ensures the execution of requests within its authority transparently and in a timely manner.



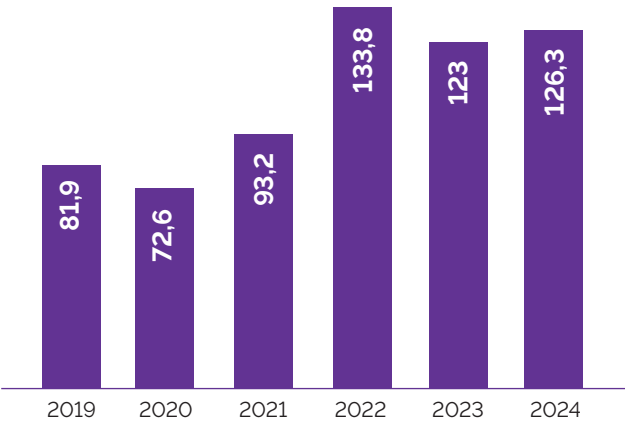
3.4 Local Economy and Banking Sector



ATB places special emphasis on aligning its activities with the economic and banking realities of the country to achieve its strategic goals and promote sustainable development. In recent years, Azerbaijan's economy has shown significant growth, especially in 2022 GDP reached a historically high level. Despite the temporary slowdown in 2020, in subsequent years, the dynamics of economic growth was restored and continued.

By 2024, gross domestic product (GDP) grew by 4.1% to 126.3 billion manats. The expansion of lending, the strengthening of capital sustainability and the development of financial intermediation have demonstrated an increase in stability in the sector and a contribution to the economy. Net profit of the banking sector for that period amounted to 1.4 billion manats, return on capital (ROE) - 17.4%, return on assets (ROA) - 2.0%. The loan portfolio reached 26.4 billion manats, the deposit portfolio - 36 billion manats, which indicates an increase in demand for banking services and confidence in the sector in the country.

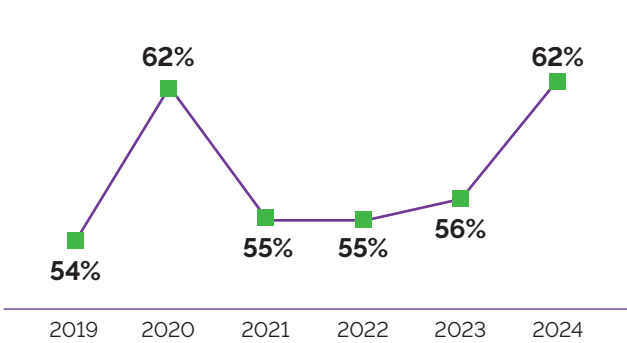
Figure 18. GDP of Azerbaijan, md. (Source: Central Bank of the Republic of Azerbaijan)



Within this overall positive background, ATB demonstrated dynamic development. By 2024, the Bank's total assets had more than doubled from the previous year, reaching 2.07 billion manat. At the same time, ATB's loan portfolio amounted to 804 million manats, which means an increase of 78% compared to last year. The bank's main focus is on financing the real sector and diversifying the economy. This growth indicates the strengthening of the bank's position as a reliable financial partner in the market. In general,

the activities of ATB in 2024 reflect its active participation in the processes of sustainable development, financial stability and diversification of the economy as one of the strategic financial institutions of the country.

Figure 19. Non-oil GDP percentage (Source: Central Bank of the Republic of Azerbaijan)

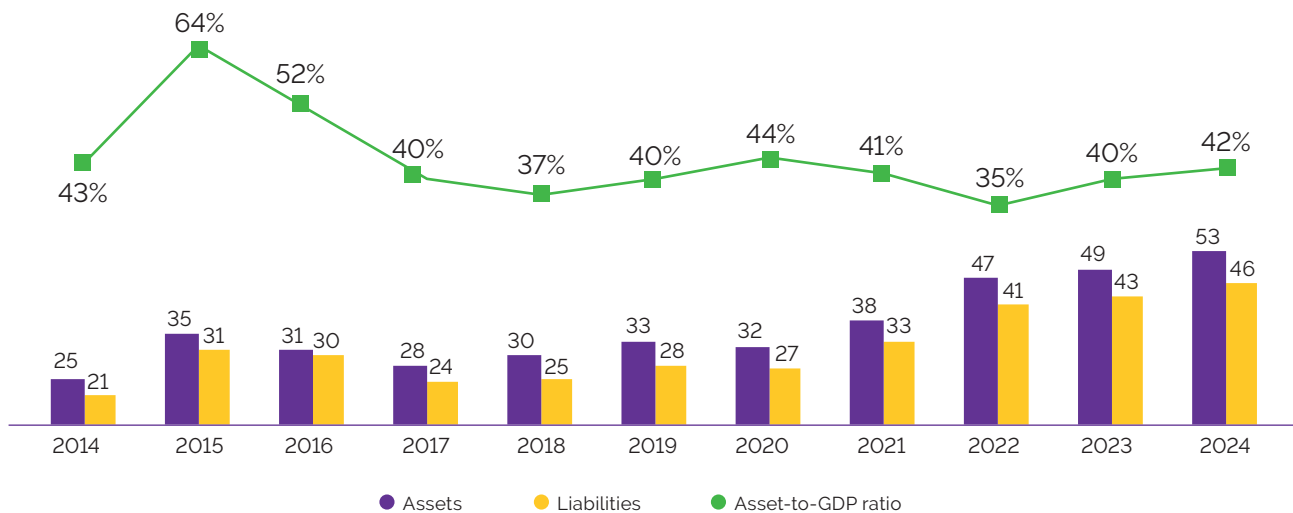


The growth in economic activity seen in the non-oil sector has created new market opportunities for the banking sector. Real growth of 6.2%, recorded in this area in 2024, showed an expansion in demand for financial services. As a result, business diversification and the formation of new client groups created new competitive advantages for banks. In line with this environment, ATB continued to actively contribute to the country's economic diversification and sustainable development strategy with financing decisions and support tools targeting the non-oil sector.

As one of the main indicators supporting a healthy and sustainable model of the bank's development, in 2024 the ATB capital adequacy ratio was at 28.5%. This figure is significantly higher than the national average of 17.6%, as well as minimal demand (about 10%), which once again demonstrates the bank's resilience to risks and financial stability.

Banking sector

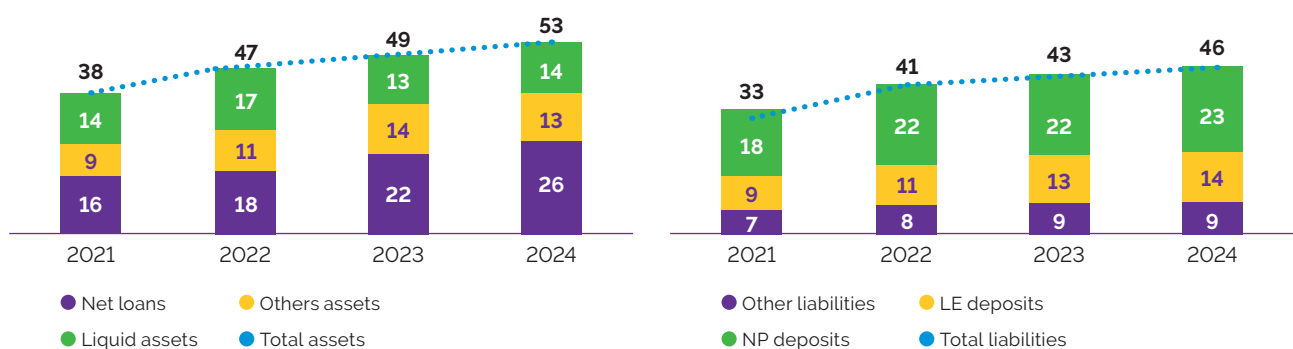
Figure 20. Dynamics of assets and liabilities in the banking system, billion AZN
(Source: Central Bank of the Republic of Azerbaijan)



In 2024, sustained economic activity and the growth of term deposits led to an increase in the balance sheet of the banking sector.

- ✓ Total assets of the banking sector grew by 8% to AZN 53 billion (annual growth: AZN 4.03 billion)
- ✓ Total liabilities rose by 8% to AZN 46.4 billion (annual growth: AZN 3.41 billion)
- ✓ The ratio of assets to GDP grew by 2 percentage points to 42%, which indicates an increased role of the sector in the economic system

Figure 21. Dynamics of the structure of assets and liabilities of the banking system, billion AZN (Source: Central Bank of the Republic of Azerbaijan)

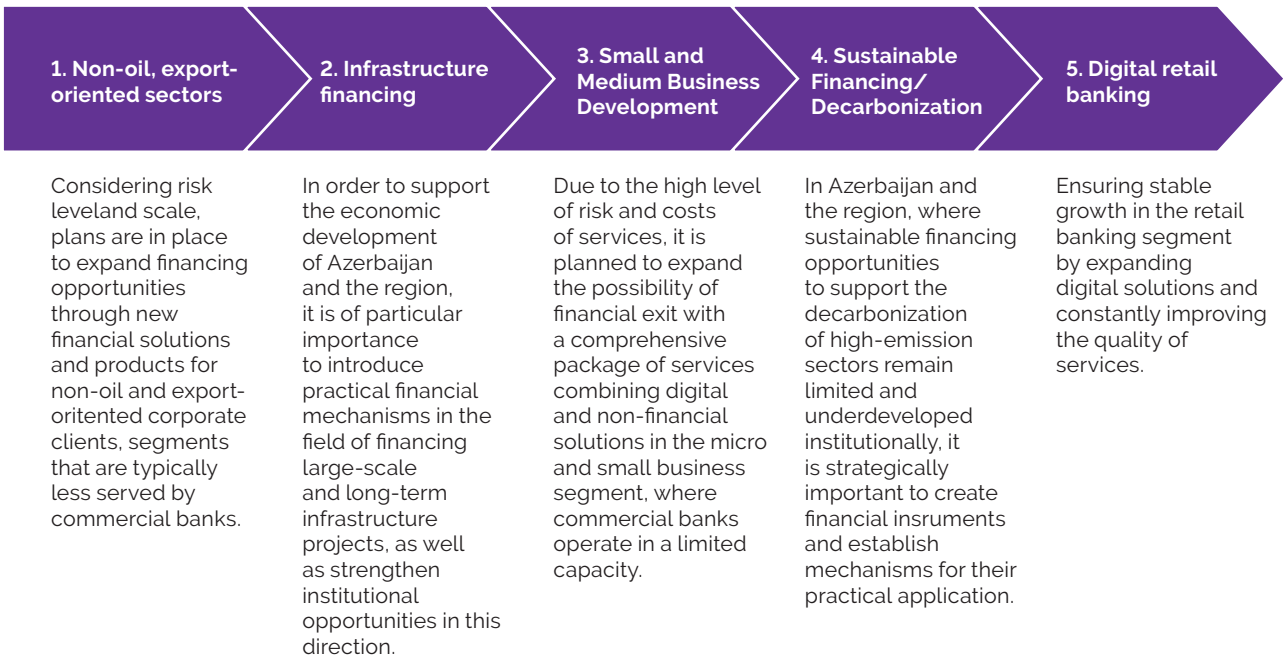


The main share of the banking sector in the structure of assets and liabilities was the loan portfolio and deposits. The balance between liquidity and lending is visible in the asset structure. A major part of the liabilities is formed

by deposits of legal entities (LE) and individuals (NP). This structure supports the financial stability of the banking sector and the possibility of sustainable financing.

4. ATB's Strategy

At the new strategic stage covering 2024-2028, ATB is introducing an operating model in accordance with the directions of diversification of the country's economy, strengthening social inclusivity and supporting a green transition. The Bank intends to play an active role in the implementation of these priorities, expanding its activities in the non-financial sector, small and medium-sized businesses, as well as financing related to sustainable development.



6. Optimization of the operational model, improvement of the organizational structure and development of sustainability skills

7. Optimizing sales and service approaches to improve network efficiency

8. Improving risk appetite according to the new development strategy

9. Optimization of financing, implementation of innovative solutions based on partnerships with international financial institutions, development banks and the government

10. Development of advanced process tools for data analysis and management

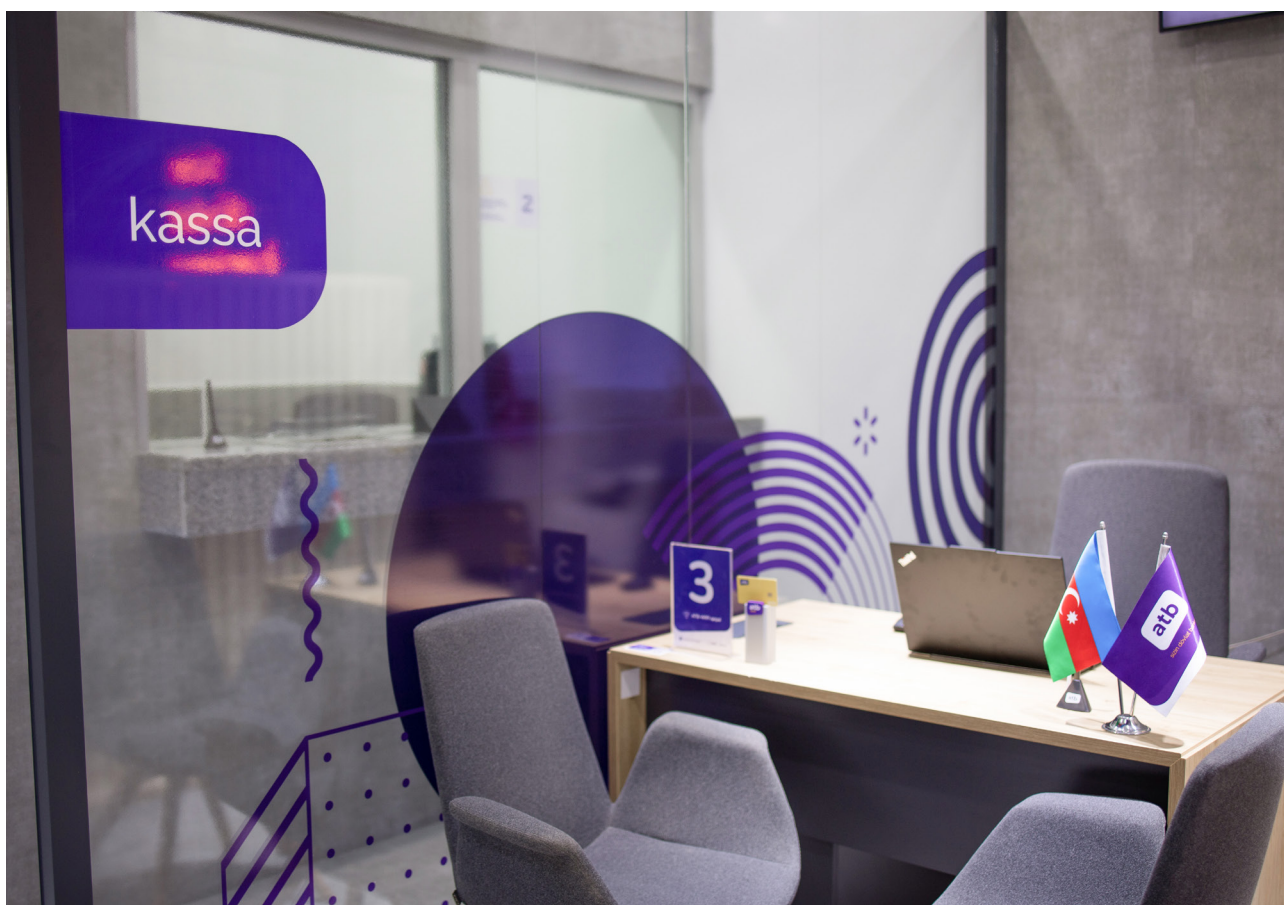
11. Continuous improvement of operational costs in physical infrastructure, marketing, and IT

Figure 22. ATB's Transformation and Development Roadmap

Stage 0: Transforming the Bank into a Profitable Model		2023	Completed
	Cost optimization started successfully and market share was increased	<ul style="list-style-type: none"> ☑ Efficiency-oriented initiatives ☑ Digitalization of the network ☑ Infrastructure ☑ Optimization of non-performing loans 	
Stage 1: Laying the foundation for development		2025	
	Investments in the development of the main areas required for the successful transformation of the bank's portfolio	<ul style="list-style-type: none"> ☑ Creating a competitive service and commerce model for the enterprise and business segments ☑ Improving credit risk and pricing strategy to support development across new industries ☑ Building broad experience in project financing, sustainable financing, operational banking and non-banking services ☑ Obtaining funding from public and private entities and establishing ties with international financial institutions ☑ Improving Technologies and Systems ☑ Adapting the operating model to the new strategy 	
Stage 2: Market Share Expansion		2028 +	
	Become a large corporate bank focused on the economic development and diversification of Azerbaijan	<ul style="list-style-type: none"> ☑ Prioritizing activities that increase the market share ☑ Taking a competitive position in small and micro enterprises, corporate clients related to the non-oil sector, and sustainable financing ☑ Continuously improving operational performance through the development of core functionality 	

Along with the Bank's General Strategy, the Methodology, Investment Policy and other regulatory documents for the development of the Strategic Plan are used, which ensures the systematic implementation of strategic management and development in accordance with the Bank's long-term goals.

ATB's strategy focuses not only on strengthening the Bank's competitive advantage but also on fostering Azerbaijan's socio-economic development, protecting the environment, and building an inclusive financial system. The Bank pursues its strategic goals through a structured operational plan, phased transformation initiatives, and effective management, thereby laying a strong foundation for sustainable growth in the years ahead.



5. Our Approach to Sustainability

For ATB, 2024 was an important stage in terms of strengthening sustainable activities and the transition to a systemic approach that takes into account the principles of the environment, social and governance (ESG). Given the growing focus on ESG criteria at the global level, the Bank has taken the first steps to integrate these principles into operations and strategic decision processes. Within this framework, ESG diagnostics were carried out in order to assess the current situation and determine the directions of development. He played a key role in further activities in areas such as diagnostics, reporting on sustainable development, accounting for emissions, building policies and strategies, creating and aligning green products with the taxonomy.

The main priorities of the Bank at this stage were to increase internal capacity, cooperation with stakeholders and educational activities between workers and partners. Creating the conditions for constant dialogue with ESG specialists, a deeper study of the risks and opportunities inherent in the sector. These measures form a solid foundation for a more systematic and deep integration of ESG principles into the Bank's activities in the coming years.

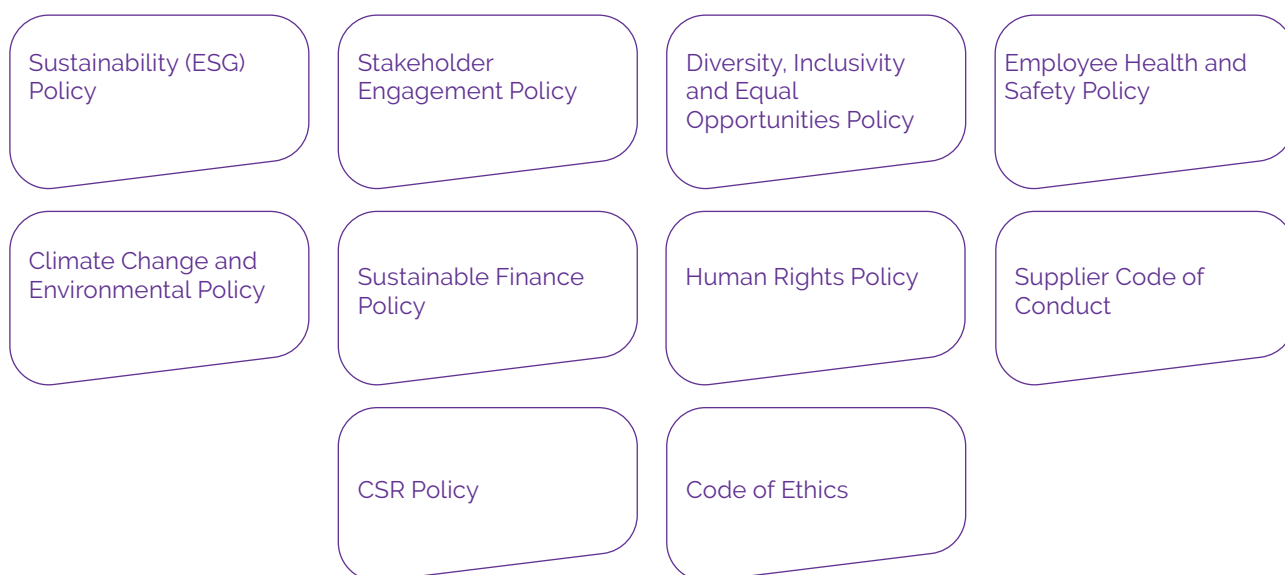
In order to improve the management capacity in ESG, a number of initiatives were implemented to stimulate the sustainability agenda within the Bank. "In 2024, ESG trainings for top management were conducted by third-party specialists, and additional educational sessions were organized for employees, including department heads.

Sustainability Management System

In 2025, ATB plans to establish an Ethics and Social Affairs Commission with the aim of promoting ethical behavior in the workplace, strengthening control over corporate social responsibility and developing ethical governance. Once established, the commission will oversee the coordination of sustainability-related initiatives and strategic directions. The Commission is directly subordinate to the Management Board and works closely with the Settlements Department and other relevant structural units to effectively implement ESG initiatives.

Significant events after the reporting period:

In 2025, ATB began developing specialized policies on a number of ESG issues with the aim of providing a more systematic approach towards sustainable development. Details of each policy will be provided in the following reports:



Our ESG Roadmap

In 2024, ATB introduced the Roadmap with the aim of gradually integrating ESG principles into activities and began to take the first steps in this direction. The roadmap includes priorities such as the formation of sustainability management structures by the Bank, the preparation of policies and procedures, emission accounting, risk assessment and the collection of ESG indicators. In addition, the main areas are the establishment of reporting and transparency mechanisms, communication with stakeholders and an increase in internal capacity on the topic of ESG. Currently, these activities continue to be implemented in phases, and the Roadmap has laid the foundation for the Bank's systematic and consistent implementation of sustainability transformation.

ATB plans to implement the following major initiatives as part of ESG's transformation roadmap:



Such initiatives will create a favorable foundation for the Azer-Turk Bank to receive an ESG rating in the future, strengthen compliance with international standards, increase authority and cooperation with international financial institutions, as well as increase access to foreign financial resources.

5.1 Material topics

Identification and prioritisation of sustainability topics that are material to ATB and its stakeholders is a critical component for the effective design and management of the Bank's sustainable development activities. The materiality analysis process involves assessing the short-, medium-, and long-term positive and negative impacts of ATB's operations on

environmental, social, economic, and governance aspects, as well as on its stakeholders. This analysis is conducted in accordance with GRI standards and takes into account the United Nations Sustainable Development Goals (SDGs). The materiality analysis process consisted of the following main steps:



Material topics identified as a result of the analysis cover economic, environmental, social and human rights issues. The process of identifying and prioritizing material topics consists of the following steps

- GRI Topic Standards**
 As part of the materiality assessment process, compliance with potentially relevant topics covered by the GRI Topic Standard for ATB was considered.
- Interview with decision-makers**
 Interviews were conducted with ATB's Management Board and department heads to gain a deeper understanding of their approaches to sustainability, as well as their perspectives on managing sustainability-related topics within their areas of responsibility.
- Policy and document review**
 Based on a review of ATB's internal ESG-related documents and policies, it was assessed how sustainability issues are integrated into the Bank's management practices. The analysis identified ATB's key sustainable development priorities, highlighted the main focus areas, evaluated alignment with sustainability standards, and indicated areas that may require additional attention.
- Peer analysis**
 In a comparative analysis of best practices, particular focus was given to peer banks chosen as benchmarks. The purpose of this analysis is to identify key issues that are relevant to banks' sustainability activities.
- Organization of internal requests**
 Surveys addressing various sustainability topics were prepared for both management and employees, designed to identify material issues considered important from ATB's internal perspective. In line with our methodology, when analyzing the survey results, the responses of managers are given greater weight: each manager's response is counted as equivalent to three responses from other employees.

As a result of the materiality assessment, ATB identified the topics that are material to the Bank. These topics are presented in detail in Table 1 and are linked to the relevant Sustainable Development Goals (SDGs):

Table 1. List of ATB's material topics

Material topics	Level of materiality	Related SDGs	ATB's approach	
			Section	Page
Expanding market share and strengthening strategic positions	★★★★★		3.4. Local Economy and Banking Sector 4. ATB's Strategy	29 32
Compliance, ethics and anti-corruption measures	★★★★★		6.2. Ethics and Compliance	56
Digital transformation and innovation	★★★★★		3.2. Innovation and Digital Transformation	19
Corporate governance, reporting and transparency	★★★★★	 	5. Our approach to Sustainability 6. Our approach to Corporate Governance 6.2. Ethics and Compliance	35 41 56
Customer satisfaction	★★★★★		3.1. ATB's Business Model and Core Service Lines 3.3. Customer Relationship Management	13 27
Human capital management and employee welfare	★★★★★	 	7. Human Resources Management	60
Risk management	★★★★★	 	6.1. Risk Management	49
Protection of human rights	★★★★☆		7. Human Capital Management	60
Sustainable finance and responsible investment activities	★★★★☆	  	3.2.1. Sustainable Finance	25
Energy efficiency and reduction of greenhouse gas emissions	★★★★☆	 	9. Environmental Protection	77
Cybersecurity and data privacy	★★★★☆		3.3. Customer Relationship Management 6.1. Risk Management 6.2. Ethics and Compliance	27 49 56
Environmental protection and climate change	★★★★☆	 	9. Environmental Protection	77
Training, human resources development and career opportunities	★★★★☆	 	7. Human Capital Management	60
Social Responsibility and CSR projects	★★★★☆	  	8. ATB's Corporate Social Responsibility	73
Stakeholder engagement	★★★★☆	 	5.2 Stakeholder Engagement	39
Competitive and ethical procurement process	★★★☆☆		10. Supply Chain Management	83

5.2 Stakeholder Engagement

ATB perceives relationships with stakeholders not only as a means of communication, but also as the main element of strategic management. This approach creates the conditions for expanding the Bank's capabilities to create social value, timely identification of reputational and ethical risks, as well as strengthening public trust.

The bank's activities have direct and indirect impacts on a number of stakeholders - including clients, employees, regulatory bodies, suppliers, investors, the media, non-governmental organizations and local communities. ATB takes an integrated approach to stakeholder relationship management based on internationally recognized principles and internal corporate policies. The Bank strives for a deeper understanding of their needs and expectations, creating shared value through sustained, transparent and mutually beneficial dialogue with stakeholders.




The management of stakeholder engagement in ATB is carried out within the framework of functional interaction with various departments. Each business unit is responsible for establishing, developing and maintaining communications with relevant stakeholders within its authority. The following table presents the Bank's





Plans for preparation of the Stakeholder Engagement Policy

In 2025, ATB began developing a new Stakeholder Engagement Policy to ensure more systematic and targeted stakeholder relationship management. This document will include the Bank's basic principles, the list of stakeholders, communication mechanisms, reporting procedures, as well as the distribution of roles and tasks. The policy will serve to establish transparent, sustainable and mutually beneficial relationships with stakeholders.

main stakeholder groups, our approach to establishing communication with them and general information about our communication channels:

Table 2. List of stakeholders

Stakeholders	ATB's approach	Communication channels
Government and Regulatory Structures 	The Bank maintains full compliance with regulatory requirements, participates in strategic initiatives and proactively adapts to legislative changes.	<ul style="list-style-type: none"> • Official letters • Meetings • Reports and Reports • Conferences and Forums
Clients 	ATB applies an approach based on the principles of mutual trust and transparent communication in relations with clients. The Bank carefully analyzes customer experience, consistently integrates incoming feedback and recommendations into the service improvement process.	<ul style="list-style-type: none"> • Call Centre • Mobile application (atb360) • Internet banking • Customer requests • Social media • Customer Service Centre
Shareholders 	In relations with investors and shareholders, ATB pays special attention to the timely exchange of information and the establishment of communication at a high level. The Bank openly provides financial indicators and strategic plans, answers questions addressed in a timely manner and tries to actively support interaction.	<ul style="list-style-type: none"> • Financial statements • Meetings of shareholders • Corporate website • Direct meetings and written requests • Press Releases and Media Publications

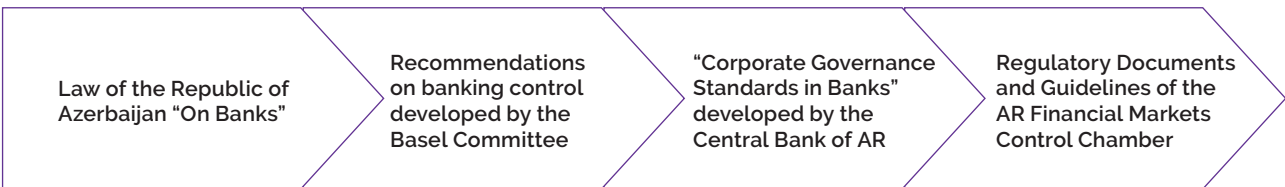
Stakeholders	ATB's approach	Communication channels
Employees 	<p>The development of employees and the formation of a healthy working environment are among ATB's key priorities. The Bank fosters effective interaction between management and employees through initiatives that promote open communication and team spirit.</p>	<ul style="list-style-type: none"> • Regular Management Meetings • Polls between Employees • Intranet • E-mails • Internal training and information sessions • Offer and Appeal Channels
Society 	<p>ATB takes an active and inclusive approach to public relations. The Bank implements projects in the field of financial literacy, social well-being and environmental education, cooperates with various structures and supports volunteer initiatives. This strengthens social responsibility and serves to build sustainable links with communities.</p>	<ul style="list-style-type: none"> • Corporate website • Social networking platforms • Press comments • Public events and education campaigns • CSR Project Meetings
Media 	<p>ATB promotes open cooperation with the media. One of the main goals is to increase the bank's awareness of its activities and public care, as well as to preserve and strengthen public trust.</p>	<ul style="list-style-type: none"> • Press conferences • Official comments and press releases • Media interviews • Public awareness campaigns • Social networking platforms
Suppliers and Contractors 	<p>ATB prefers long-term, transparent and responsible cooperation with suppliers and contractors. The Bank draws attention to the environmental and social compliance of suppliers and contractors. The main goal is to reduce carbon emissions, use resources efficiently, protect labor rights and ensure corporate responsibility.</p>	<ul style="list-style-type: none"> • Conferences and meetings • Queries and Assessments • Offer and Appeal Channels • Training and information sessions • Official correspondence



6. Our Approach to Corporate Governance

Corporate governance for ATB is not just a structure - it is a management approach that turns the Bank's strategic view into reality, ensures transparency, reporting and continuity. This approach integrates interrelated governance structures, control mechanisms, as well as internal committees and commissions, creating effective management measures that ensure long-term financial stability and sustainable activities of the Bank.

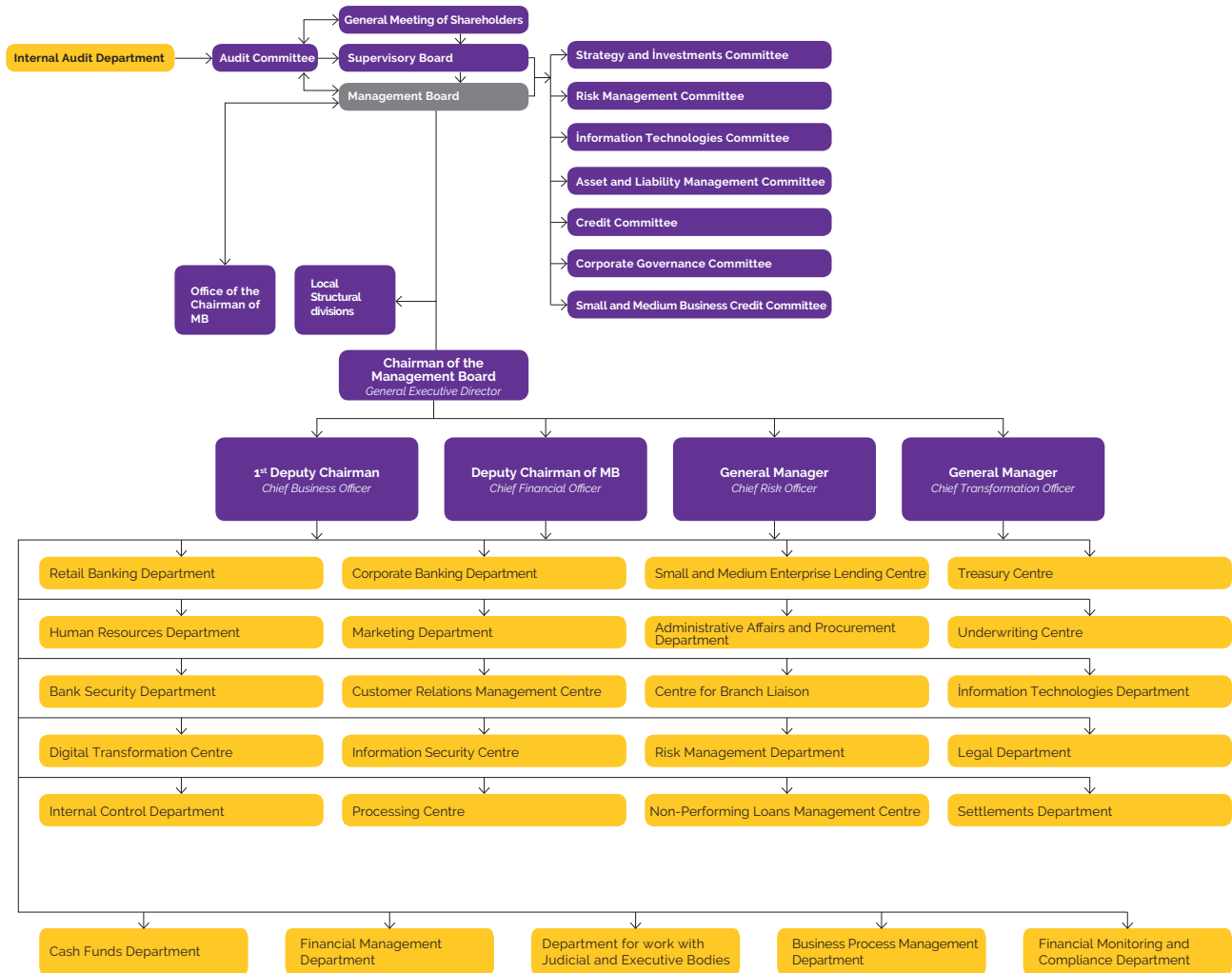
ATB attaches particular importance to the compliance of the corporate governance system with both national legislation and international best practices and standards. Within this framework, the basic management principles are regulated on the basis of the Law of the Republic of Azerbaijan "On Banks," the Corporate Governance Standards of the Central Bank of the Republic of Azerbaijan, the Charter of the Bank, as well as the Regulations of Governance bodies and their Committees:



In addition, the Bank's approach to corporate governance is harmonized with the Basel Committee's Principles of Corporate Governance for Banks and other relevant international conventions. This approach allows for transparent management, effective risk management, and informed and responsible decision-making.



Figure 24. ATB's Organizational Structure²



General Meeting of Shareholders

As the Bank's highest governing body, the General Meeting of Shareholders plays a key role in defining ATB's strategic development directions and making high-level decisions. According to the relevant legislation of the Republic of Azerbaijan and the charter of

the bank, this body serves the principles of transparency, reporting and efficiency in the management of the bank, reflecting the collective will of shareholders. The main functions and authorities of the General Meeting are outlined on the following page.

² Note that in 2025 he was dismissed from the post of 1st Deputy Chairman of the MB.

Figure 25. Main objectives of the General Meeting of Shareholders

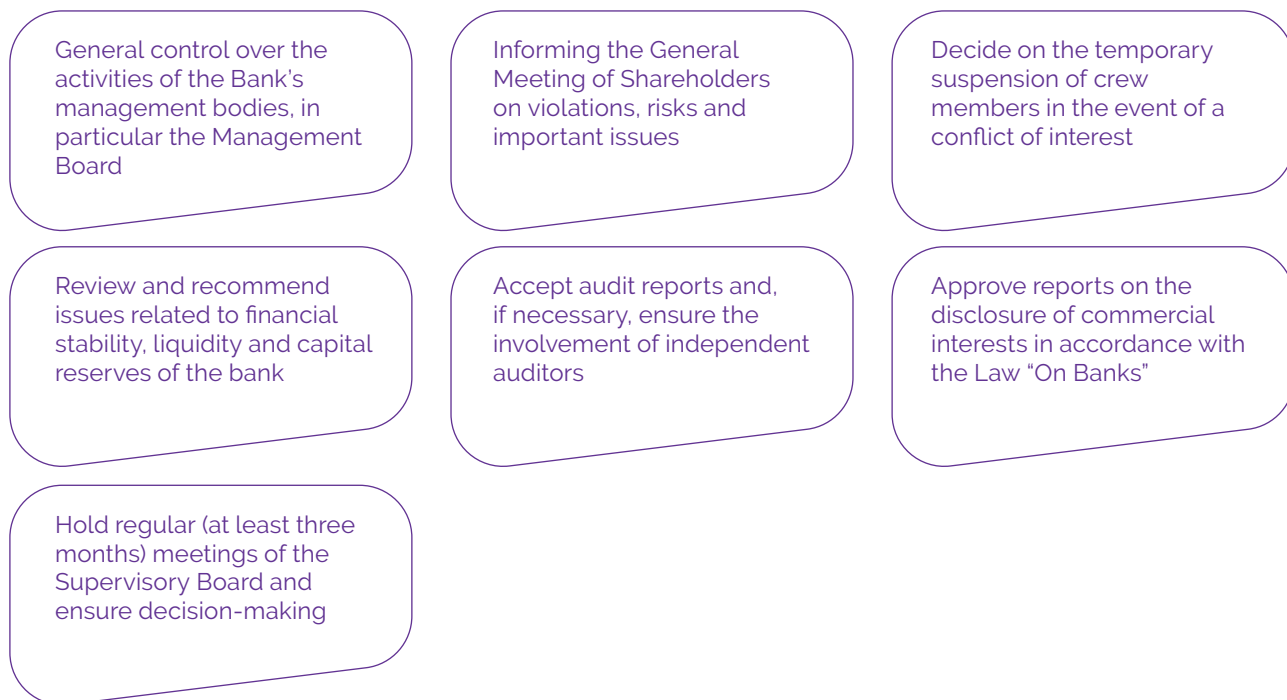


Supervisory Board


The Supervisory Board is the main body that provides general guidance to the activities of the Bank's governing structures and evaluates the compliance of the Management Board's decisions with legislation and strategy. The Supervisory Board organizes its activities in

accordance with internal banking rules and regulatory requirements. The Board also operates to ensure effective risk management, the efficiency of internal control systems, and adherence to corporate governance standards. Below are the main powers of the Supervisory Board.

Figure 26. Main tasks of the Supervisory Board



Composition of the Supervisory Board, it consists of 3 persons:




Ruslan Alikhanov
Chairman of the Supervisory Board

Education:

1992-1997: Azerbaijan State University | Bachelor of International Law

1995-1996: Missouri State University | Master of Finance

2000-2002: Texas A&M University | Master in Finance




Zaur Gurbanov
Member of the Supervisory Board

Education:

2006-2010: Odlat Yurdu University | Bachelor in Business Organization and Management

2010-2012: Azerbaijan State İqtisad University | Master of Finance



Afghan Isayev
Member of the Supervisory Board

Education:

1992-1996: Rutgers University (USA) | Bachelor of Finance and Economics

1996-1998: Rutgers University (USA) | Master of Business Management (MBA)

Management Board

The Management Board is the executive body responsible for the management and implementation of the Bank's daily activities. This body ensures the implementation of ATB strategic decisions and forms an important part of corporate governance.

The Board consists of 5 people, whose members are appointed by the General Meeting of Shareholders for a period of up to 4 years.

The same persons can be reassigned to the subsequent periods. The General Meeting of Shareholders shall appoint one of the members of the MB as Chairman. The authorities of the Chairman are reflected in the Regulations of the Management Board.

A meeting of the Management Board is considered authorized when more than half of its members are present. Decisions are made by majority vote, with each member holding equal voting rights. Abstentions are not allowed during voting. In the event of a tie, the vote of the Chairman of the Management Board is considered decisive.

Through the General Department of the Office of the Chairman of the Management Board, functions such as overseeing the execution of decisions, drafting and improving internal regulatory documents, organizing and documenting meetings of management bodies are carried out. The Bank's overall information flow, document circulation, and handling of citizens' requests are also managed by this department to create.



Orkhan Huseynov

Chairman of the Management Board

Education:

2002-2007: Baku State University | Economics Bachelor in Cybernetics

2007-2009: Azerbaijan State Economic University | Master of Finance



Emil Alakbarov

Member of the Management Board, General Manager

Education:

2004-2008: Azerbaijan State Petroleum Academy | Bachelor in Engineering Economics and Management

2008-2010: Azerbaijan State Petroleum Academy | Master in Business Management

2021-2023: Frankfurt School of Finance and Governance | Master's degree in Sustainable Finance

2025-2027: Frankfurt School of Finance and Governance | MBA program



Orkhan Gadirbay

Deputy Chairman of the Management Board

Education:

1998-2002: Azerbaijan State Economic University | Bachelor in Finance and Credit

2002-2004: Azerbaijan State Economic University | Master in Finance and Loans



Araz Ganjali

Member of the Management Board, General Manager

Education:

2000-2002: Azerbaijan State Economic University | Bachelor in Finance and Credit



Ulvi Yusifov

Member of the Management Board

Education:

2004-2008: Azerbaijan State Economic University | Bachelor in Finance and Credit

2008-2010: University of the Caucasus | Master in Finance and Loans

2011-2012: Williams College | Master in Public Economics

2019-2021: Harvard University | Master's in Management

Committees

To effectively manage operational solutions, 9 specialized committees were formed within ATB. Members of the Committees act on the basis of the principle of protecting the interests of the Bank, based on making independent, transparent and objective decisions in accordance with the

provisions of the committees, as well as ensuring the principles of sustainable development.

The activities of these committees serve as the Bank's 'first level of control' and play an important role in implementing strategic decisions.

Audit Committee

The main objectives of the Committee:

- ☑ Monitoring the timely submission of Bank documents and information to external auditors
- ☑ Improving control systems related to management, accounting and operational policies
- ☑ Submitting proposals on the appointment and dismissal of the Head of Internal Audit
- ☑ Joint discussion of internal audit results with the MB and the Supervisory Board
- ☑ Submission of reports to the General Meeting of Shareholders
- ☑ Submitting proposals to the Supervisory Board on improving internal control mechanisms
- ☑ Presentation of the audit report

Risk Management Committee

The main objectives of the Committee:

- ☑ Preparation and submission of risk strategy, policies and regulations
- ☑ Submission of the risk appetite statement and limits for approval
- ☑ Evaluation of the risk management function and department activities
- ☑ Providing risk proposals for limit breaches and market conditions
- ☑ Assessment and improvement of risk culture
- ☑ Review of monthly reports of the Chief Risk Officer
- ☑ Selection of risk methodology and tools and monitoring their application
- ☑ Monitoring compliance with the Bank's risk strategy
- ☑ Preparation of reports on the risk profile and system effectiveness
- ☑ Oversight of liquidity-related operations
- ☑ Ongoing analysis of risk policies, risk limits, operational risks and stress test results
- ☑ Preparation and submission of the contingency plan

Strategy and Investments Committee

The main objectives of the Committee:

- ☑ Submission of the Bank's key performance indicators and targets to the Supervisory Board (SB) for approval
- ☑ Submission of the long-term strategy to the SB for approval and monitoring of changes
- ☑ Submission of the Bank's medium-term business plan to the SB for approval and monitoring of changes
- ☑ Preliminary review of profit (dividend) distribution and submission to the SB
- ☑ Submission of the Bank's investment program and related changes to the SB for approval
- ☑ Submission of investment project implementation reports to the SB for approval, with corrective actions taken on monitoring results
- ☑ Submission of procurement plans to the SB for approval
- ☑ Submission of recommendations to the SB regarding financial and borrowing policy
- ☑ Implementation of other tasks assigned by legislation or delegated by the SB

Information Technologies Committee (IT)

The main objectives of the Committee:

- ☑ Preparation of reports on the IT budget
- ☑ Acting as an observer and advisor in IT projects
- ☑ Preparation of IT plans and ensuring their alignment with the Bank's strategy
- ☑ Submission of recommendations to the Management Board (MB) and Supervisory Board (SB) on IT capital expenditures
- ☑ Justification of program software and equipment acquisitions, and submission of procurement proposals to the MB and SB
- ☑ Oversight of training and professional development in the IT field
- ☑ Support for research and development (R&D) activities in IT
- ☑ Evaluation of technical specifications of IT equipment to be procured
- ☑ Submission of recommendations to the MB on security, password hierarchies, creation of backup and safety systems, archiving of electronic records, etc.

Assets and Liabilities Management Committee

The main objectives of the Committee:

- ☑ Organization and evaluation of assets and liabilities management
- ☑ Submission of proposals on the application and improvement of internal pricing mechanisms
- ☑ Oversight of compliance with rules on Bank liquidity management and implementation of related measures
- ☑ Defining the direction and targets for managing financial resources
- ☑ Ensuring compliance with legal requirements in the management of assets and liabilities
- ☑ Submitting proposals on valuation, write-off and recovery of investment losses
- ☑ Advancing proposals for the revaluation of fixed assets at market value and their maintenance as a financial component

Credit Committee

The main objectives of the Committee:

- ☑ Oversight of credit concentrations
- ☑ Determination of credit terms and interest rates
- ☑ Conducting regular monitoring of the loan portfolio
- ☑ Ensuring regular revaluation of collateral
- ☑ Reviewing the adequacy of provisions for potential credit losses
- ☑ Reviewing loan applications at least once a month
- ☑ Submitting recommendations on the suspension or write-off of overdue loan interest and monitoring asset classification

Corporate Governance Committee

The main objectives of the Committee:

- ☑ Monitoring the Bank's organization and management structure for compliance with corporate governance standards, informing the Supervisory Board (SB) of deficiencies and submitting proposals for their elimination
- ☑ Submitting proposals to the SB on the implementation of legislative changes in the field of corporate governance
- ☑ Reviewing and submitting organizational structure changes (excluding the Internal Audit Department) to the SB for approval
- ☑ Ensuring timely and accurate disclosure of corporate governance information subject to public reporting

Responsibilities of the Award Committee:

- ☑ Preparing the remuneration policy in line with Central Bank standards and submitting it to the Supervisory Board (SB) for approval
- ☑ Drafting the remuneration policy and presenting it to the Supervisory Board for review
- ☑ Evaluating the effectiveness of the remuneration process at least once a year
- ☑ Preparing proposals on remuneration amounts and adjustments
- ☑ Assessing the performance of employees in special categories and members of the Management Board
- ☑ Ensuring compliance of internal regulations with legal requirements

Responsibilities of the Nomination Committee:

- ☑ Submitting recommendations regarding candidates for the Supervisory Board (SB), Management Board (MB), and their committees
- ☑ Overseeing the formation of staffing needs for these bodies
- ☑ Defining the criteria for the appointment, duties, and remuneration of independent members
- ☑ Establishing selection criteria for independent experts

Small and Medium Business Loan Committee

The main objectives of the Committee:

- ☑ Oversight of credit concentrations
- ☑ Determining loan terms and interest rates within established conditions
- ☑ Conducting regular monitoring of the loan portfolio
- ☑ Ensuring collateral is revalued in accordance with internal banking rules
- ☑ Reviewing loan applications at least twice a month

6.1 Risk Management

Effective risk management is the foundation of long-term sustainability, financial stability and responsible management for ATB. The Bank is constantly improving risk management measures in order to proactively identify, assess, reduce and monitor potential threats and opportunities, taking into account the dynamic nature of both traditional and emerging risks - including environmental, social and governance (ESG) factors.

Risk Management at the Bank:

- In the Law of the Republic of Azerbaijan "On Banks,"
- "Bank Credit Risk Management Rules,"
- "Regulations on prudential ratios and requirements related to credit risks, including large credit risks,"
- Based on "corporate governance standards in banks" and other regulatory legal acts.

Based on the Bank's Risk management Policy, the Risk Management Committee (RMC) and the Risk Management Department (RMD) have identified the main approaches to risk management. The Risk Management Committee was established by the decision of the Supervisory Board of the Bank of May 2, 2023.

Coverage of ATB's Risk Management Policy:

- Effective Risk Management
- Definition and classification of the main types of risk (credit, market, operating, liquidity, etc.)
- Development and application of the Risk Appetite Declaration and Risk Limits
- Implementation of three models of defense risk management lines
- Risk robustness assessment through stress tests and scenario analysis
- Distribution of powers of the Supervisory Board, Management Board, RMC, RMD and other subordinate structural divisions in risk management
- Preliminary risk assessment and approval for new products and services
- Data Consolidation and Internal Risk Reporting
- Application of risk identification, measurement, generalization and assessment methodology
- Compliance with regulatory and international recommendations (Basel II/III)
- Integration of internal audit and compliance functions into risk management
- Preparation of emergency activities and inclusion in risk plans
- Presentation of risk data by structured reports to the İdarə and Supervisory Board
- Daily monitoring and monitoring of risks accepted by the bank within limits
- Periodic review and improvement of the risk management system,

Figure 27. Risk Management Committee (RMC)



Committee members

Consists of members appointed by the Supervisory Board for a period of not more than 3 years and entitled to vote. Members are elected based on relevant experience, education and professional knowledge in risk management. At least one member of the Committee is an independent member of the Supervisory Board.



Committee reports

Committee meetings are held at least once every three months and the Foreign Ministry reports on the results of the meeting. Committee members may attend meetings in person or remotely - by video, telephone, communication applications or e-mail. This form of participation must be recorded in the protocol, supporting materials (inscriptions and documents) must be kept in the bank for at least three years, and members must officially declare their position in a vote in writing or by signature.

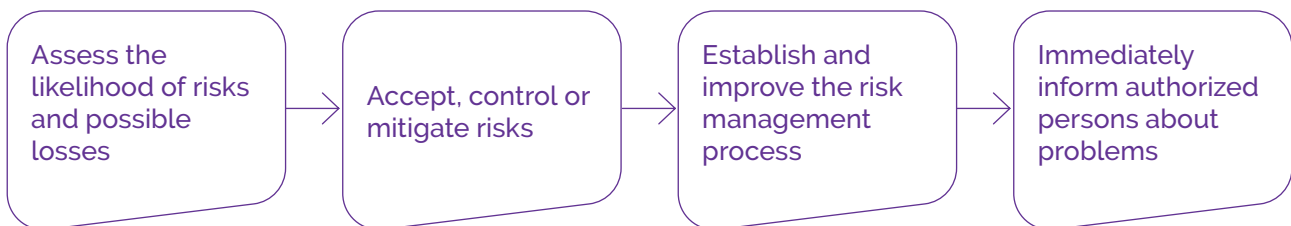


Committee powers

The Committee has the authority to take the necessary measures to ensure adherence to the Bank's risk management strategy and to maintain compliance with the current legislation. Any changes to the committee's rationale need to be confirmed by the SB.

The Committee coordinates the activities of internal committees and manages general risk control in order to ensure effective risk management. This strategic approach, having mastered risk management for the sustainability of the Bank, strengthens the ability and organizational resilience to create sustainable value for all stakeholders in the long term.

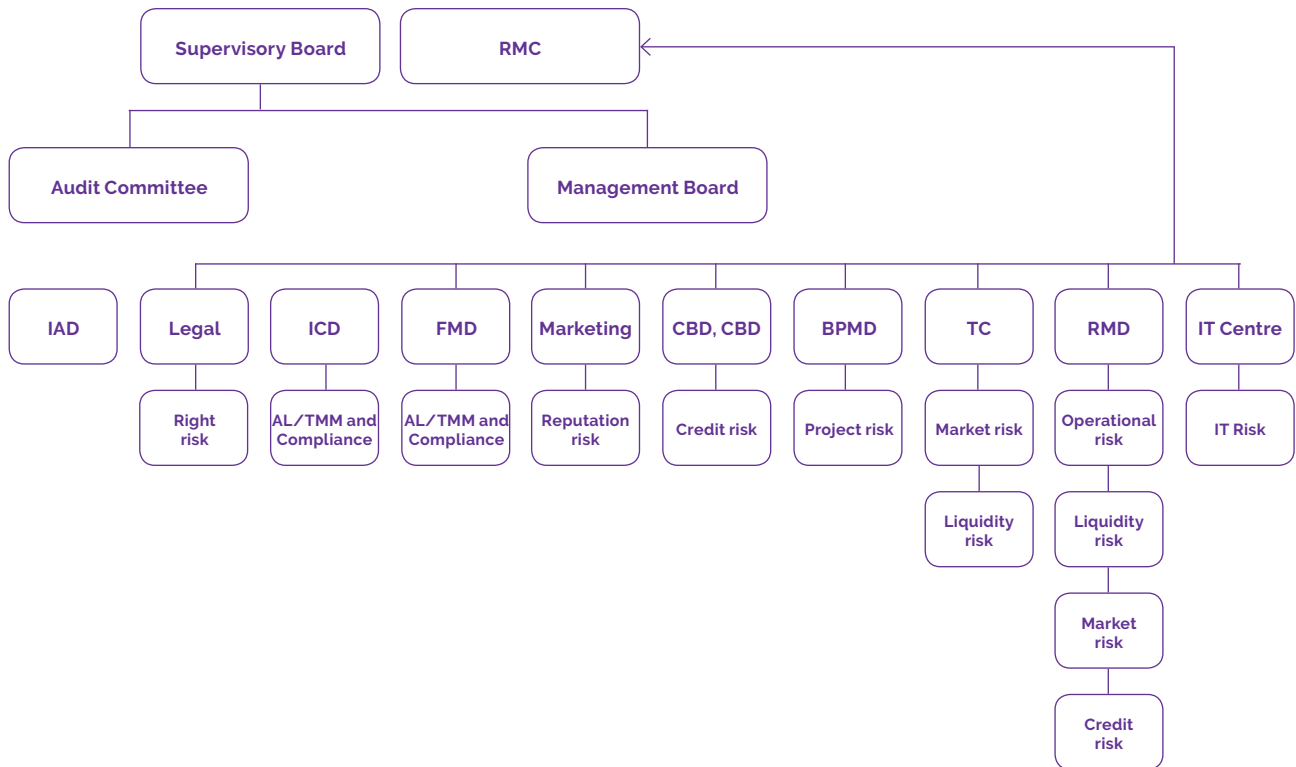
Figure 28. Objectives of the Risk Management Committee



Risk Management Department (RMD)

For the purpose of effective risk management, the Risk Management Department is coordinated with various structural divisions of the Bank. The Department determines the composition of the requested information, compiles a list of risks and collects data and analyzes them. Based on the data obtained, operational risks are determined, risk levels are periodically assessed and determined. The structural units and positions responsible for each risk are defined.

Figure 29. Structural units responsible for risk management



The internal regulations governing the risks to which the Bank may be exposed are reflected in the following chart:

Figure 30. Overall Approach to Risk Management

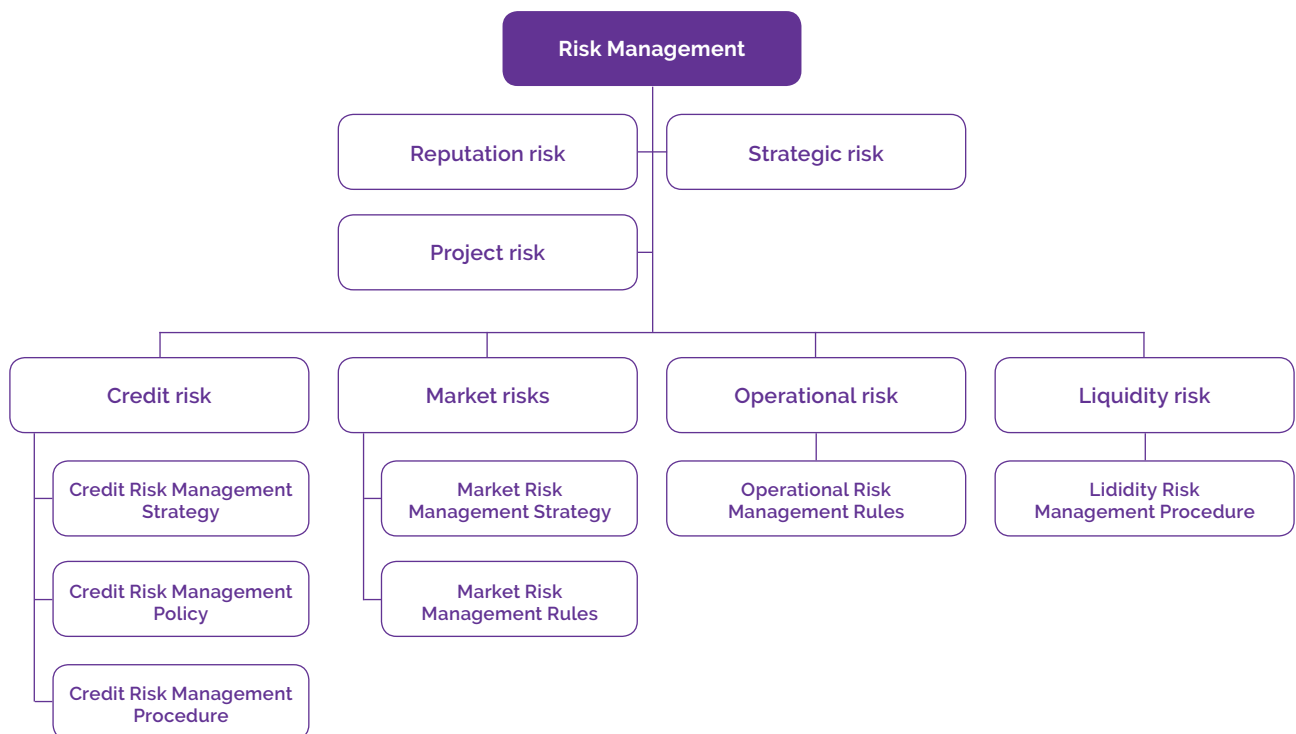
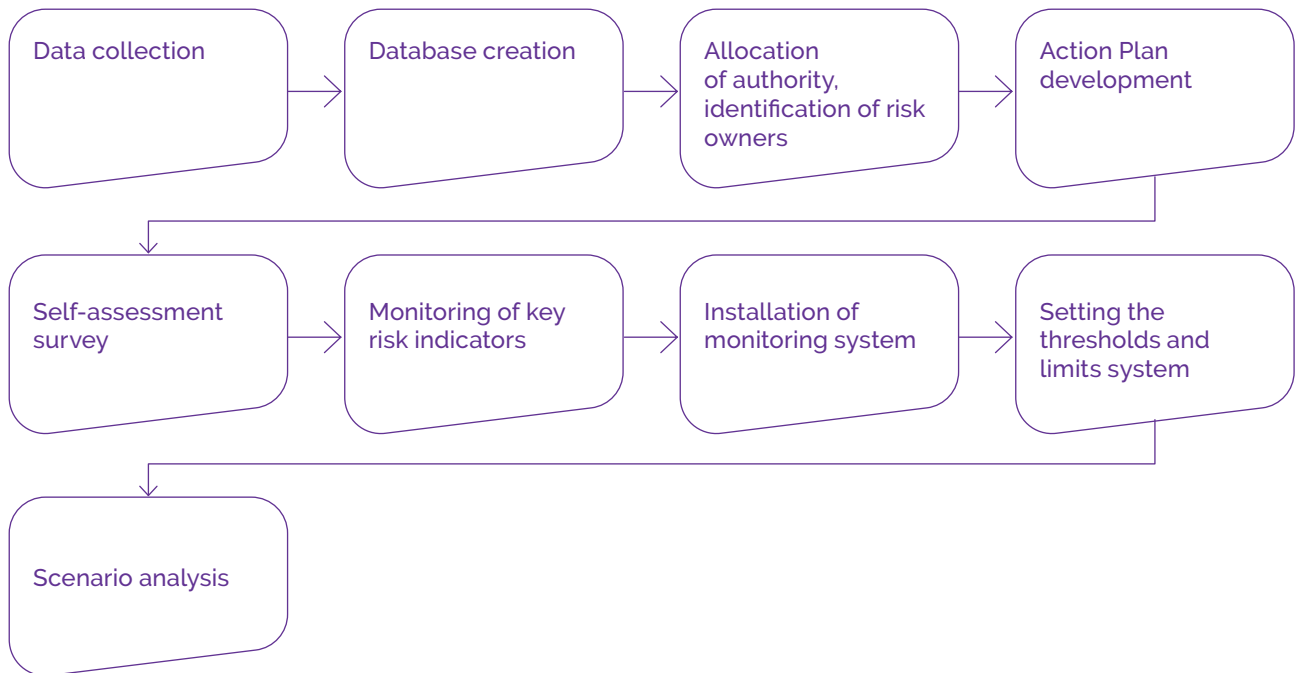


Table 3. Types of risk and causes of occurrence

Credit risk	As a result of untimely and incomplete fulfillment by the borrower of obligations to the bank (main debts and interest), a financial loss may arise for the bank. In order to manage this risk, the bank assesses the financial stability of borrowers, applies guarantees and constantly monitors the loan portfolio.
Market risk	<p>This is the risk associated with changes in market interest rates, exchange rates, securities and commodity prices. This risk is subdivided into the following subcategories:</p> <ul style="list-style-type: none"> • Interest rate risk: Risk arising from adverse changes in interest rates • Foreign exchange risk: Risk arising from adverse changes in foreign exchange rates • Capital risk: Risk arising from an adverse change in the value of securities received by the bank
Liquidity risk	Risk arising from untimely and incomplete fulfillment of planned and unforeseen obligations.
Operational risk	<p>Errors of bank employees, problems in information technology or risks arising from non-banking events. The risk of an operation is divided into the following categories:</p> <ul style="list-style-type: none"> • Risk of Human resources: risk arising from violation of employee legal requirements or operational errors • IT risk: Risk associated with malfunctions of the bank's information systems and technologies • Legal risk: Risk associated with improper application of legal acts or gaps in internal regulations • Compliance risk: legal risk of non-compliance with AL/TMM requirements • External risk: Risk arising from natural events or exposure of third parties
Strategic risk	Risk arising from misidentification or incomplete fulfillment of the bank's strategic objectives.
Reputation risk	Risk arising due to a decrease in the public's confidence in the bank and the formation of a negative opinion.
Project risk	Risk that projects that the bank plans to implement may fail or fail to meet expected targets as a result of errors or extraneous impacts.

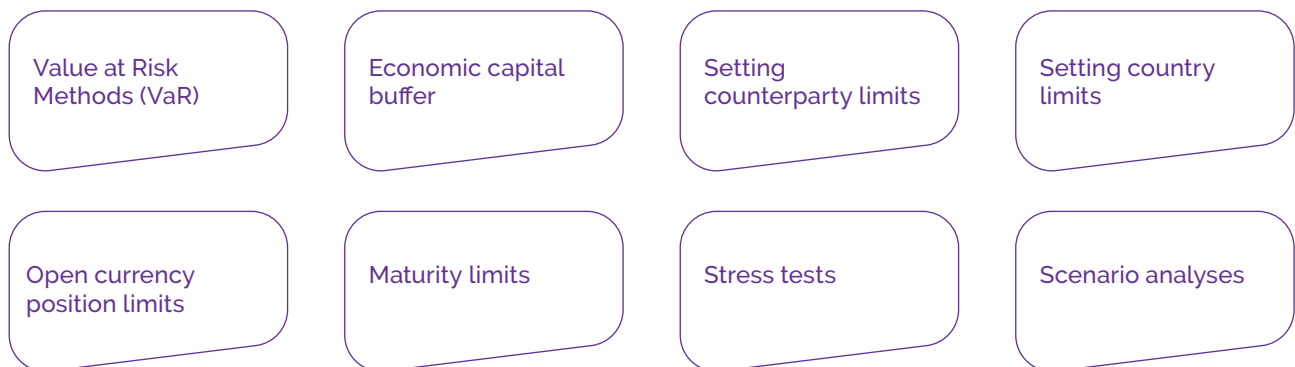
The Department prepares periodic reports on the results of the risk management process and risk trends, submitting them to the Risk Management Committee and the Management Board. At the same time, it reviews international practices, provides recommendations, calculates risk limits, and prepares proposals related to changes. Each structural unit's risks and their compliance with internal regulations are analyzed, and changes are proposed when necessary. Overall, the risk management process covers the identification, assessment, minimization, monitoring, and accountability of risks.

Figure 31. Risk Management Steps



In order to measure and assess risks, the Bank uses the following main tools as part of risk management:

Figure 32. Risk Management Tools



Risk monitoring

The monitoring department, which operates as part of the RMD, operates on a regular basis in order to effectively manage the bank's loan portfolio and minimize risks. The department is engaged in the identification and analysis of potential and real risks for the loan portfolio, including possible losses, and these analyses are carried out on the basis of criteria and risk criteria determined by internal regulatory documents. The monitoring process is carried out continuously and systematically, on a ruble basis or, if necessary, in reporting form, submitted to the Management Board.

Risk Appetite Statement

The Bank has an adequate risk appetite that manages all financial and non-financial risks through a system of limits (red, yellow and green areas). Limits apply to all major risks that can be measured, including credit, market, liquid and operational risks, and these limits are determined in accordance with the risk profile and scope of the bank. Based on the general risk limits approved by the Supervisory Board, the Management Board and internal committees, sublimits are formed. **Risk limits are regularly reviewed at least once a month and updated, if necessary, taking into account market conditions with the bank's strategic plans.**

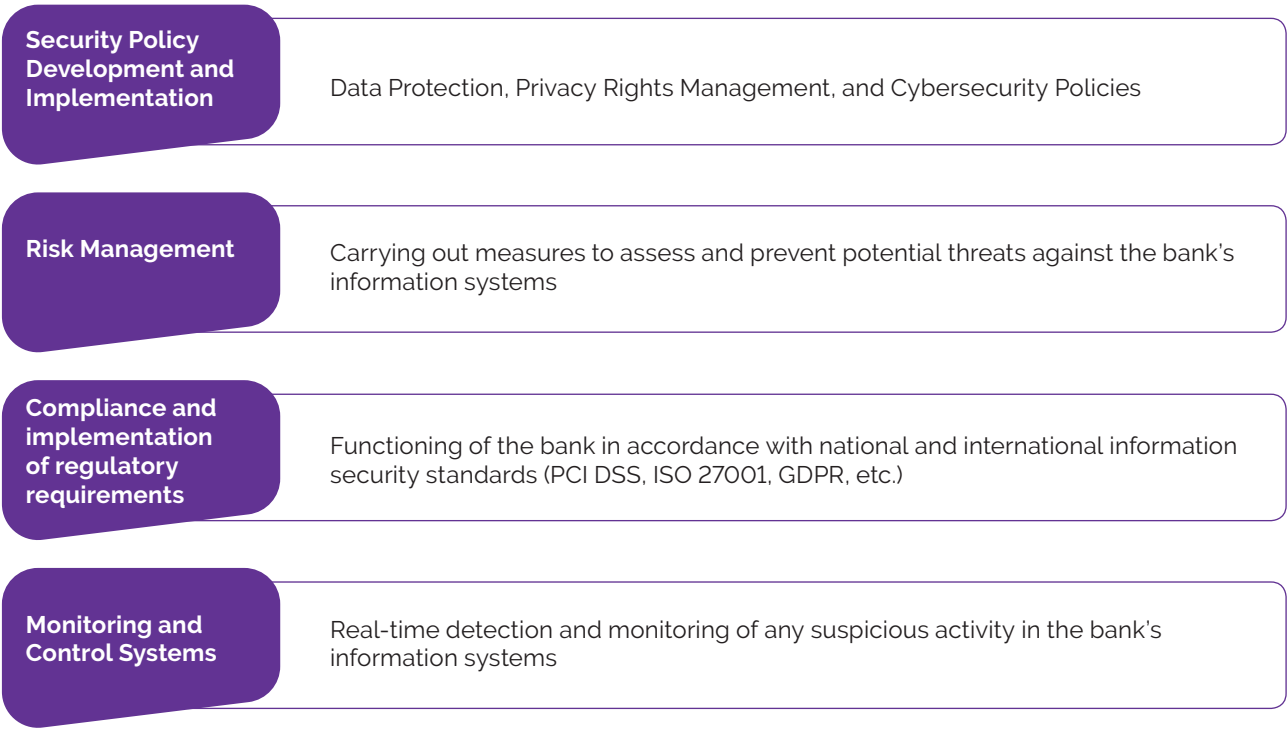
Cybersecurity and data protection

ATB attaches particular importance to the privacy and integrity of customer data. Strengthening cybersecurity measures during the period of growing digitalization is the main priority of the Bank. The information security management process has been established in accordance with international standards.

The main measures applied in the bank include ISO/IEC 27001 (protection and sustainable development of risk-based Informasiya assets), PCI DSS 4.0 (Ensuring security in the processing, transfer and storage of payment card data) and the internal Information Security Policy. The Bank's internal policy was developed on the basis of the laws of the Republic of Azerbaijan "On Information, informatization and protection of information" and "On personal data," the relevant provisions of the Central Bank and international regulatory documents.

Information security activities in the bank are assessed on a quarterly basis and a corresponding report is submitted to the management. The report analyzes in detail the compliance of ongoing infrastructure and digitalization projects with cybersecurity requirements. These functions are performed by the Information Security Centre (ISC). In order to ensure information security, the bank develops and applies a number of policies and procedures.

Figure 33. Security organization



In order to ensure the effective and secure management of access to information systems, the Bank applies the RBAC (Role-Based Access Control) approach. This approach is implemented by the ISC in accordance with international information security standards, including PCI DSS and ISO/IEC 27001. The Security Centre and the Risk Management Department have already developed and are actively using RBAC matrices for a number of major systems. These matrices systematically regulate user authorizations and provide a high level of control over inputs to information resources. The process of full-format RBAC matrices is currently ongoing. The following RBAC Matrix developed are used:

Security Centre	Risk Management
<ul style="list-style-type: none"> • Social Media (Facebook, Instagram, Linkedin, atb.az, Tik Tok, WhatsApp) • Processing Ecom • App CASH SFOUR • DB CASH SFOUR • SoftBank (ATB Business) • SWIFT system • ATB Cloud system • Access to Data Centre • All DB 	<ul style="list-style-type: none"> • FLEX • SmartVista • BI system

Data protection of employees, customers and other counterparties

Data protection is one of the main priorities for the bank and a number of important measures are being implemented in this area. First and foremost, the confidentiality and integrity of personal and financial data of employees, clients, and other counterparties is safeguarded. To this end, data is encrypted and protected, access rights and authorization levels are managed, and each individual is granted access only to the data that pertains to them and for which they are authorized. Data Loss Prevention (DLP) systems are also used to prevent unauthorized transfer of confidential information. The Bank also applies a policy of information protection taking into account the requirements of GDPR, PCI DSS and other international standards and strengthens constant control in this area.

Information Security Incident Response

The process of information security incident management includes timely identification, analysis and elimination of the consequences of incidents. To this end, SIEM systems are used, and through the SOC (Security Operations Centre), all security events occurring in the bank's information systems are continuously monitored and analyzed. At the same time, special incident response plans are being developed and procedures are being applied to minimize the impact of cybersecurity insiders. As a result of the investigation of each incident, an analysis and report are developed and measures are identified to prevent such incidents in the future. In addition, regular security trainings and educational events are held for employees that strengthen the bank's general information security, increasing their awareness of cyber attacks.

6.2 Ethics and Compliance

ATB's principles of ethics and compliance form the foundation of sustainable banking and long-term growth. Ethical conduct is vital for ensuring transparency in the financial sector, strengthening risk management, and fostering mutual trust with stakeholders. ATB's ethics and compliance system includes the Code of Ethical Conduct, compliance policies, regulatory rules and procedures, and other related mechanisms. This system helps to create a trusting environment within the bank, ensure transparency and develop a culture of responsible decision, and also serves to protect the interests of customers and partners.

The Bank ensures the protection of confidentiality of customer data, compliance with the norms of ethical behavior of employees, as well as the deepening of these values in the overall corporate culture of the Bank.

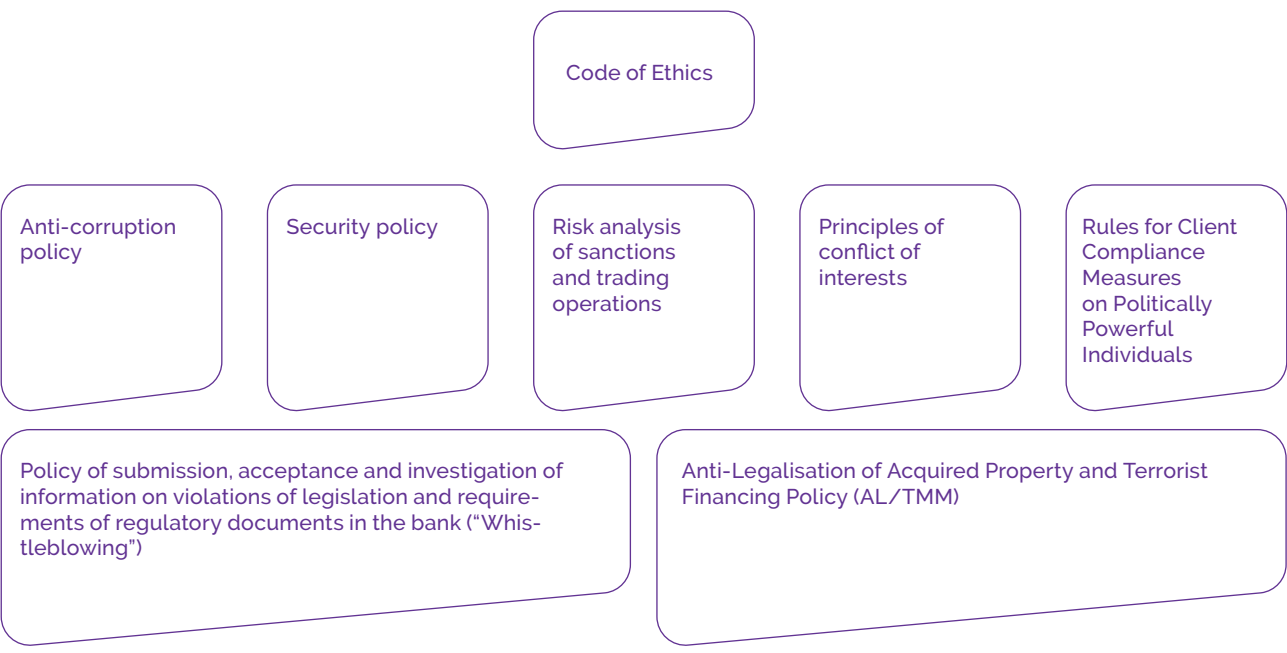
Our bank remains committed to ethical principles and standards of conduct in order to establish powerful corporate governance measures, transparent operations and harmonize the expectations of stakeholders with internal values.

In order to ensure ethical behavior and regulatory compliance in ATB, close cooperation is carried out between the Compliance

Department, the Financial Monitoring Department, the Legal Department, the Internal Control Department and the Internal Audit Department. These business units work together within their authority to manage ethical risks, comply with regulatory and legal requirements, identify and prevent questionable transactions, and perform internal control and audit functions. **At the same time, the implementation of ethical and social issues in this area is carried out under the general control of the Commission on Ethical and Social Affairs.** The Commission assesses the compliance of its activities with the values, ethical principles and standards of compliance of the Bank, conducts systematic monitoring and, if necessary, prepares recommendations for submission to the Management Board.

Reports on the results obtained and observations on activities related to regulatory compliance are regularly submitted to the Management Board. Finally, the main decisions and measures in the field of compliance are developed on the basis of the recommendations of the Commission and approved by the MB.

The main documents governing the field of ethics and compliance in ATB:



Code of Ethics

The ATB Code of Ethical Conduct was developed on the basis of the Labor Code of the Republic of Azerbaijan, the Law "On Banks," relevant regulatory legal acts and internal documents of the Bank. The Code is developed on the principles of transparency, responsibility, integrity and social justice and defines the rules of professional and ethical behavior for all employees.

Employees are required to maintain professional communication, keep confidential information, prevent conflicts of interest and comply with internal rules. Protection of ethical relations with clients, zero tolerance to corruption and information security are also the main provisions of the Code.

Compliance with the Code is one of the main mechanisms for responsible and reliable activities of the Bank, and violations can be caused by disciplinary measures. The relevance and effectiveness of the code is ensured by regular updating. **In order to provide advanced ethics and compliance approaches to ESG principles, the Code of Ethical Conduct is planned to be updated in 2025.**

Anti-Legalisation of Acquired Property and Terrorist Financing Policy (AL/TMM)

ATB attaches particular importance to combating money laundering and the financing of terrorism in order to build a sustainable financial system and maintain public confidence. To this end, the Bank adopted an updated AL/TMM policy in 2024. The policy is based on the legislation of the Republic of Azerbaijan and international standards of the FATF, the Wolfsberg Group and the Basel Committee.

The main purpose of the policy is to prevent cases of abuse of the Bank's products and services, to manage legal and reputational risks and to stimulate transparent financial transactions. The bank operates in this area in accordance with the principles of "legality," "know your client" (KYC) and "risk-based approach." The main elements of the policy are identification of clients and beneficial owners, control over high-risk areas, identification of questionable transactions and submission of information to the Financial Monitoring Service.

All structural divisions of the Bank are involved in the implementation of this Policy. AML/CFT risk management is provided through a three-tier control system (operations, monitoring and internal audit functions). At the same time, regular exercises are held for employees, and the policy is updated with consideration at least once a year.

The Financial Monitoring and Compliance Department conducts training on AML/CFT compliance on a quarterly basis for bank employees and various structural divisions. In addition, during the reporting period, compliance and AML/CFT employees were engaged in specialized training according to international standards and successfully completed the relevant certification programs. The exercise was conducted on the basis of a program accredited by the ACAMS Institute (The Association of Certified Anti-Money Laundering Specialists).

Anti-corruption policy

ATB considers the fight against corruption as the main element of ethical and responsible management and implements a systemic anti-corruption policy for this purpose. The policy is aimed at preventing abuse of the powers of officials, clashes of interests and illegal acceptance of gifts. Anti-corruption exercises have been organized for all employees of the bank's branch, and standards of knowledge and behavior in this area have been strengthened. At the same time, corruption risks through internal control and monitoring mechanisms are constantly assessed and managed.

The Bank has advanced control mechanisms to identify and prevent questionable transactions. To this end, both online and offline monitoring systems are used, specialized analyses are carried out based on special scenarios related to high-risk customers and operations. In the course of dubious transactions, appropriate studies are carried out, where necessary, operations are stopped and information is submitted to the Financial Monitoring Service. Anonymity and legal protection for those providing information look serious. This approach reflects ATB's commitment to transparency, ethical conduct and legal compliance.

Policy of submission, acceptance and investigation of information on violations of legislation and requirements of regulatory documents in the bank ("whistleblowing")

The 'Whistleblowing' policy creates a transparent mechanism for the safe exchange and investigation of information about cases of violations of legislation and internal rules. This policy was approved by the Bank's Supervisory Board in August 2024. The policy covers not only bank employees, but also contractors, clients, consultants and other persons cooperating with the bank. The purpose is to promptly warn about possible violations, conduct an objective investigation of these cases and take appropriate measures. Individuals providing information may remain anonymous, at which time their identities are kept secret. And most importantly, no pressure, persecution or negative attitude towards such persons is allowed.

Special channels are available to provide data, such as the "wb@atb.az" email address or online platform. Received requests are registered by the Internal Control Department and reviewed within 15 business days. When confirming a violation, management is presented with proposals for taking appropriate measures. During the analysis, documents and explanations are collected, additional checks are carried out as necessary. The policy also promotes employee education and a culture of ethical behavior. All employees must comply with these principles and take into account that appropriate measures will be taken in case of contradiction with the rules.

Conflict of interests principle

The conflict of interests principle includes mechanisms for identifying, preventing and managing potential conflicts of interest between bank employees, management bodies and business partners. Employees are responsible for informing and preventing potential conflicts of interest. This principle is also based on certainty, separation of powers and transparency and is regularly overestimated in accordance with the standards of ethical behavior of the bank. Within the framework of the Code of Ethical Conduct, the Supervisory Board and the Management Board play a key role in resolving these issues.

Customer compliance measures

The ATB Customer Compliance Rules act as an instruction for creating a client risk profile and taking action in various cases. The document introduces compliance and risk management measures in managing communications with politically powerful individuals and other high-risk clients.

The bank provides customer identity verification, risk assessment and ongoing monitoring of transactions based on the Customer Due Diligence (CDD) approach. High-risk operations are controlled by advanced monitoring systems and compliance teams and are based on ethical behavior principles. Client relationships are harmonized with other policy and procedural documents, integrated into risk management and effective communication with stakeholders.

Rules for Client Compliance Measures on Politically Powerful Individuals

Effective January 15, 2024, the ATB introduced new compliance rules for politically exposed persons (PEPs). These measures are aimed at preventing money laundering and financing terrorism in accordance with the legislation of Azerbaijan and international standards. The rules include the definition of PEP, a structured identification process, and serious monitoring of high-risk operations. Before establishing business relations with these persons, detailed information is collected about their identity, sources of income and property, persons associated with them, and the decision is made only upon approval of the Chairman of the Management Board. Control over operations is carried out by the Department of Internal Control and Financial Monitoring.

Relevant business units should review PEP information, provide relevant documentation, and update customer data annually. The document also establishes formal procedures for establishing a business relationship with the PEP, which provides reporting and strong protection against illegal financial activities in accordance with legal and best practices.

Risk analysis of sanctions and trading operations

ATB uses several international risk intelligence systems to ensure a high level of payment discipline and compliance standards. The bank carries out automated monitoring of AML using the software Refinitiv World-Check, EastNets and G2, verification of sanctions lists and trading partners. These checks are based on OFAC, UN, FATF, United Kingdom and national sanctions lists. As a result, the Bank determines the risks of customers, operations and partners at an early stage, strengthening compliance and reliability measures.

Security policy

ATB considers it a priority to maintain the confidentiality of customer data and comply with ethical principles. The Bank's İnformasiya security policy provides for the use of only licensed cybersecurity tools, regular exercises for employees and the use of physical security measures. The policy includes specific requirements in areas such as network protection, data encryption, powerful password management, regulation of the use of mobile and stationary devices. At the same time, incident management strengthens system security with provisions regarding uninterrupted operation and regulatory compliance.

Internal Audit and Control Functions

The internal audit function in ATB is one of the main control mechanisms that support the sustainable and transparent management of the bank. The Internal Audit Department (IAD) assesses the bank's risk management, internal control and regulatory compliance activities and advises management in this regard.

The internal audit policy defines the basic principles of the audit function - independence, neutrality, professionalism and confidentiality. In accordance with IAD policy, it is subordinate only to the Audit Committee; objectivity and transparency are based during inspections. Audit rotation, the use of innovative approaches and technologies serve to protect objectivity and quality. The internal audit strategy plans the long-term development of this function.

The ATB Internal Control Department performs the functions of identifying risks as soon as possible, preventing legal and internal procedural violations and checking the correctness of operations with constant control over banking processes. The Department monitors the implementation of strategic plans, carries out inspections of operations in structural units, applies mechanisms for monitoring the detection of cases of fraud and abuse and provides reports to management. In addition, it assesses the availability of tools to adequately control the application of new services and products and provides proposals in terms of legal compliance.

Amid changes in the regulatory environment and rising expectations regarding ESG, ATB remains committed to strengthening its ethics and compliance programs.

7. Human Capital Management

ATB considers human capital as one of the key factors that play an important role in achieving strategic goals and ensuring the bank's sustainable operations. Human resources in the bank are actively involved not only in the implementation of operations, but also in introducing innovations, improving the quality of services and stimulating flexible management approaches.

ATB focuses on developing professional skills, supporting employee motivation and strengthening human resources. **Based on these principles, the Bank's Human Resources policy forms a strategic approach that creates the value of human capital.** The main goal of the policy is to create an effective management system that allows the Bank an effective use of its work force's potential for the achievement of its strategic goals. To this end, qualified and professional personnel are supported, opportunities for their development are expanding, and increasing employee motivation and strengthening corporate culture are identified as one of the main priorities.

Human Resources Department

The Human Resources Department (HRD) of ATB is one of the main structural units of the Bank's Head Office. It is responsible for the efficient management of human resources, talent acquisition, ensuring employee satisfaction, and compliance with labor legislation.

The Department carries out its activities in accordance with the Constitution of the Republic of Azerbaijan, the Law on Banks, other relevant regulatory documents, and the Bank's internal regulations.

To ensure transparency in its operations, the HRD submits monthly, quarterly, and annual reports to the Bank's Management Board. In addition, in line with regulatory requirements, it prepares and submits reports to the relevant state authorities, including the State Statistics Committee, on a monthly, semi-annual, and annual basis. This reporting process ensures the completeness, transparency, and timely submission of information.

Figure 34. Main responsibilities of HRD



HRD monitors the compliance of all types of activities with the legislation of the Republic of Azerbaijan and international standards and ensures the management of human resources within the framework of the Bank's core values - integrity, professionalism, inclusivity and responsibility.

Structure of the Human Resources Department

The structure and staffing of the HRD are determined by the Management Board, based on the department's scope of activities and workload. The Department reports directly to the designated member of the Management Board responsible for its oversight.

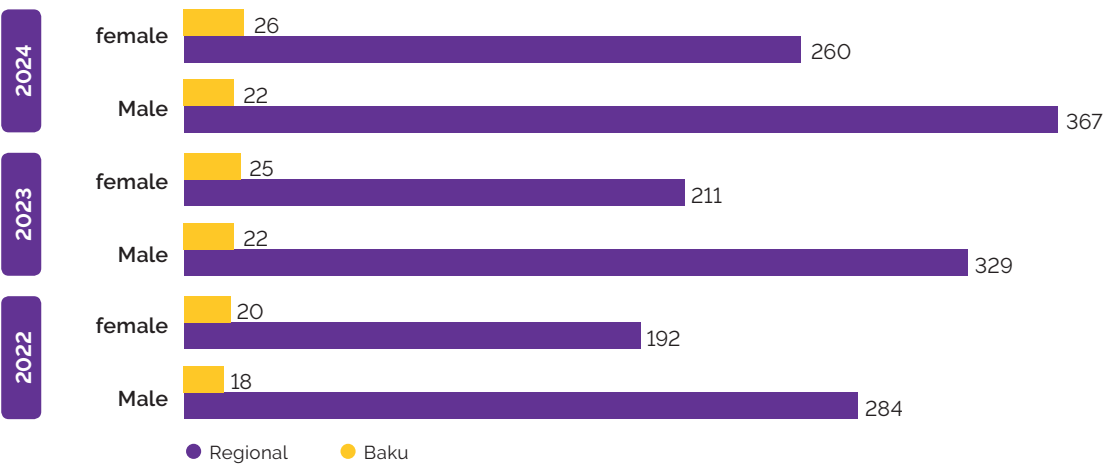
Structure and functional obligations of the Human Resources Department:



Employee Dynamics

During the period of 2022–2024, the Bank experienced steady growth in both male and female employees. Over this period, the number of male employees increased by 28.8%, while the number of female employees grew by 34.9%, resulting in an overall workforce increase of 31.3%. Between 2023 and 2024, the growth rate of female employees (21.2%) exceeded that of male employees (10.8%), reflecting progress in gender diversity within the Bank.

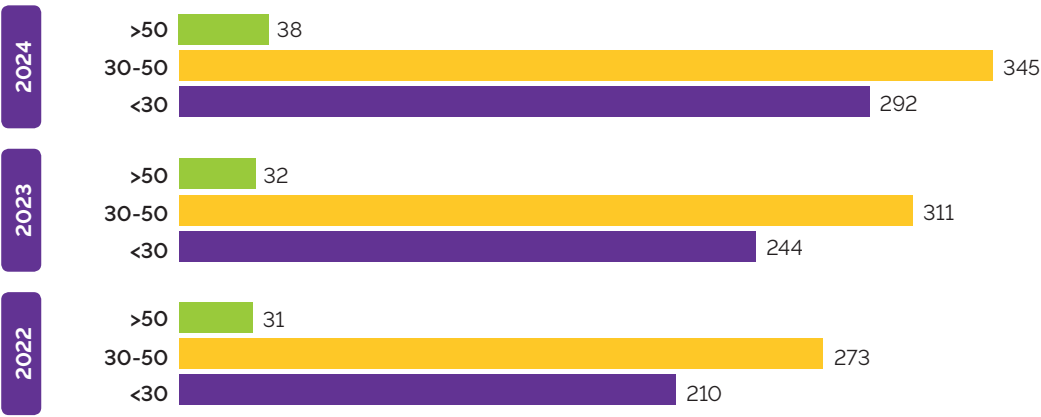
Figure 35. Total number of employees by gender and location



During the period of 2022–2024, growth was recorded across all age groups, with the most significant increase observed among employees under the age of thirty:

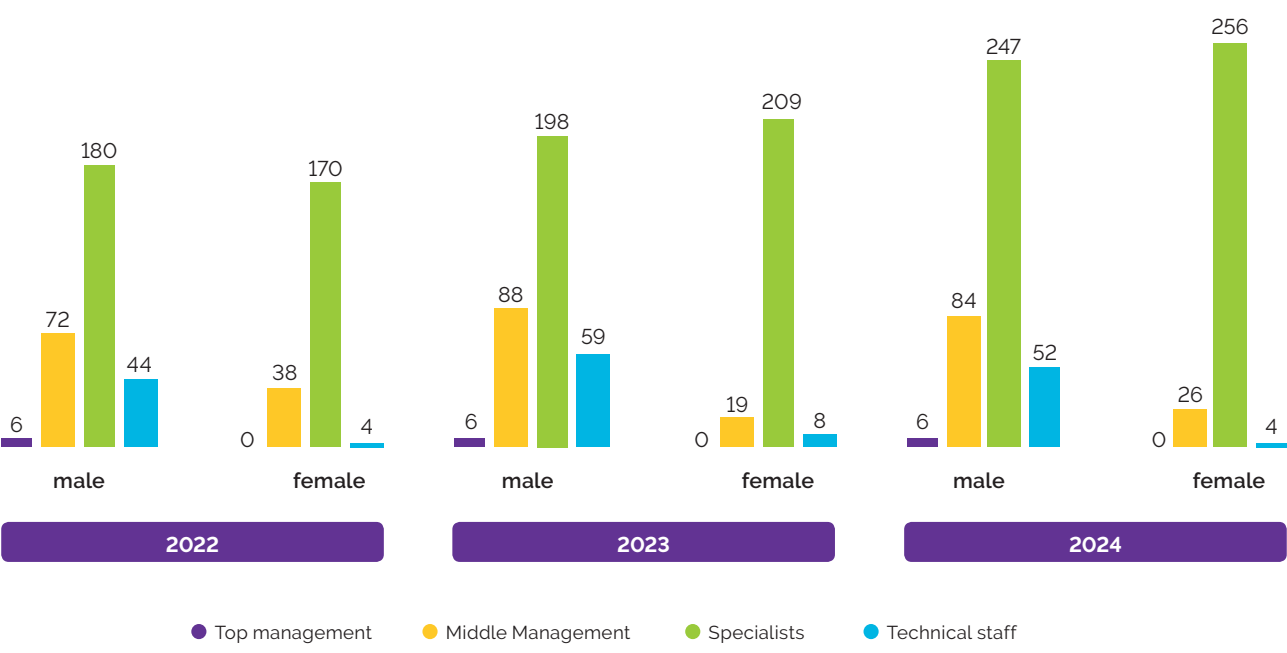
- From 2022 to 2024, the number of employees under the age of thirty (<30) grew from 210 to 292, with their share in the total workforce rising from 40.9% to 43.3%.
- The number of employees aged thirty to fifty (30–50) increased from 273 to 345, while their share of the total workforce declined from 53.1% to 51.1%.
- The number of employees over fifty years (>50) of age increased from 31 to 38, while their share of the total workforce decreased from 6.0% to 5.6%.
- The total number of employees increased from 514 to 675 people.

Figure 36. Total number of employees by age group



Between 2022 and 2024, the most significant workforce growth occurred in the specialists category, increasing by 10% in 2023 and 24.7% in 2024. The number of middle management rose by 22.2% in 2023 but declined by 4.5% in 2024. Among technical staff, there was a 34.1% increase in 2023, followed by an 11.9% decrease in 2024. Overall, the expansion of the Bank's workforce was primarily driven by the growth of specialists.

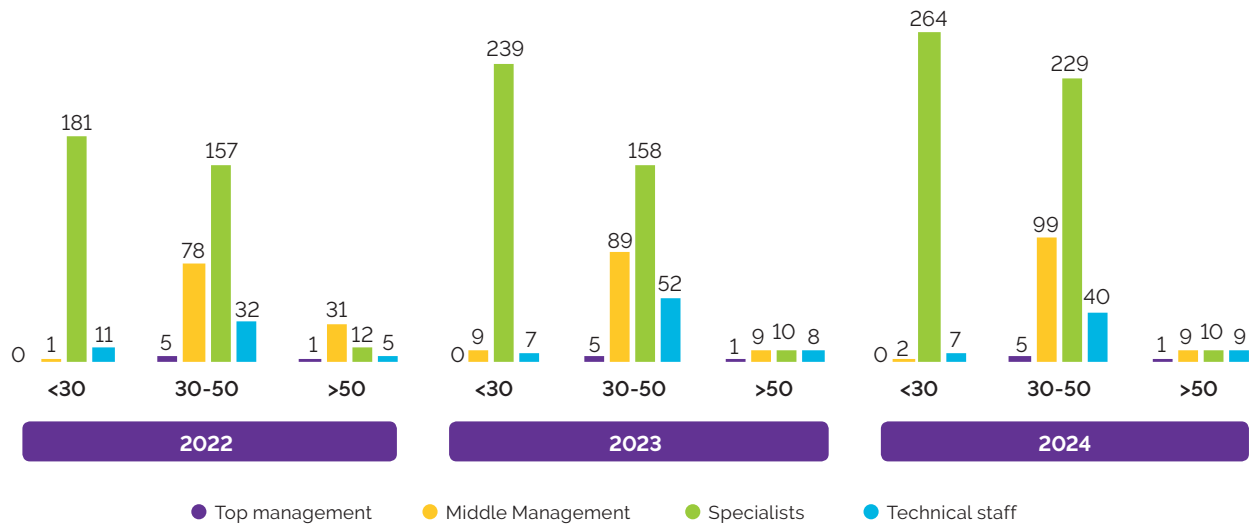
Figure 37. Total number of employees by employee category and gender



During 2022-2024, the share of employees “under 30 years of age” among specialists increased from 51% to 52%. The share of the “30-50 years” group for managers increased from 67% to 83% and strengthened the position of middle-aged personnel within the structure. At the same time, the share of managers under the age of 30 increased from 1% to 8%, and in 2024 again decreased to 2%. The age composition in the top manual remains stable (83% - 30-50 years old, 17% - over 50 years old), no changes were observed. These indicators confirm that the Bank is stable in management, and at the executive level the policy of targeting young personnel continues.

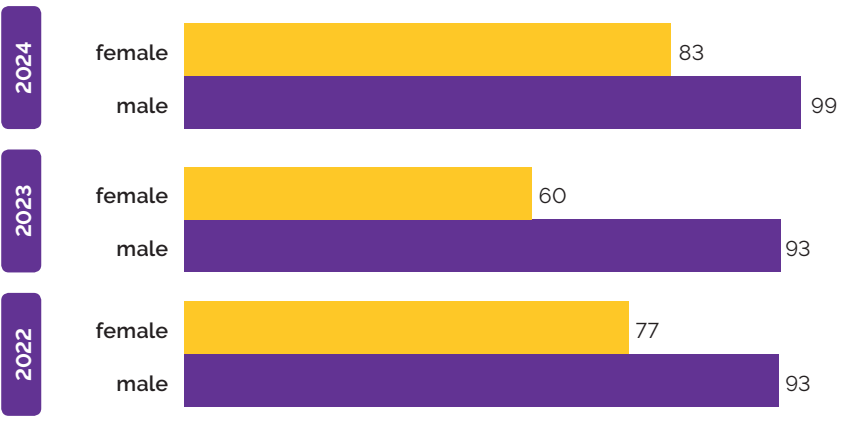
During 2022-2024, the share of employees under 30 among specialists increased from 51% to 52%. For middle management, the share of the 30-50 age group rose from 67% to 83%, strengthening the position of middle-aged personnel within the organizational structure. During the same period, the share of middle-management under 30 initially increased from 1% to 8%, but declined again to 2% in 2024. The age distribution within top management remained stable, with 83% aged 30–50 and 17% over 50, showing no change. These indicators demonstrate that the Bank maintains stable leadership while continuing to develop and support young talent at the executive level.

Figure 38. Total number of employees by employee category and age groups



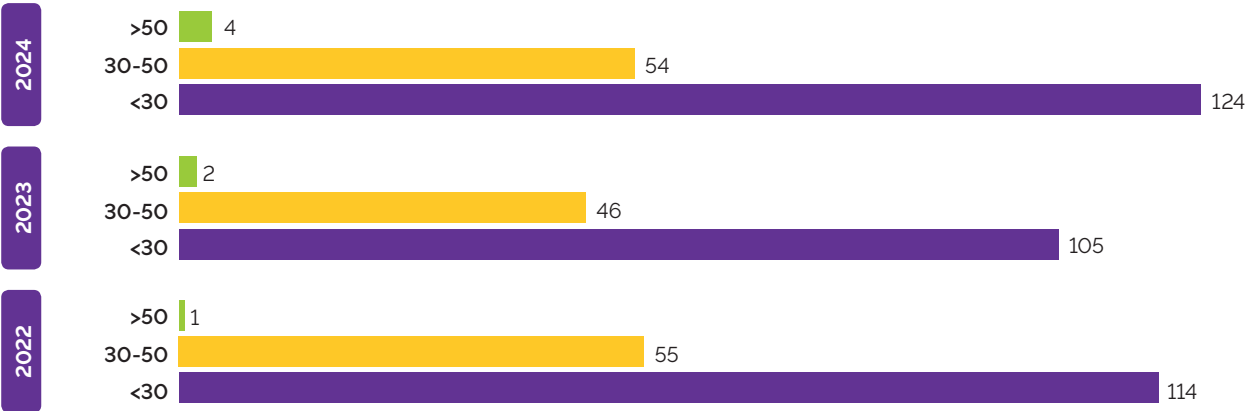
The Bank's recruitment process over the past three years demonstrates a clear overall gender balance. The temporary reduction in the proportion of women in 2023 was restored in 2024 and the gender ratio is close to the previous level.

Figure 39. Total number of employees hired by gender



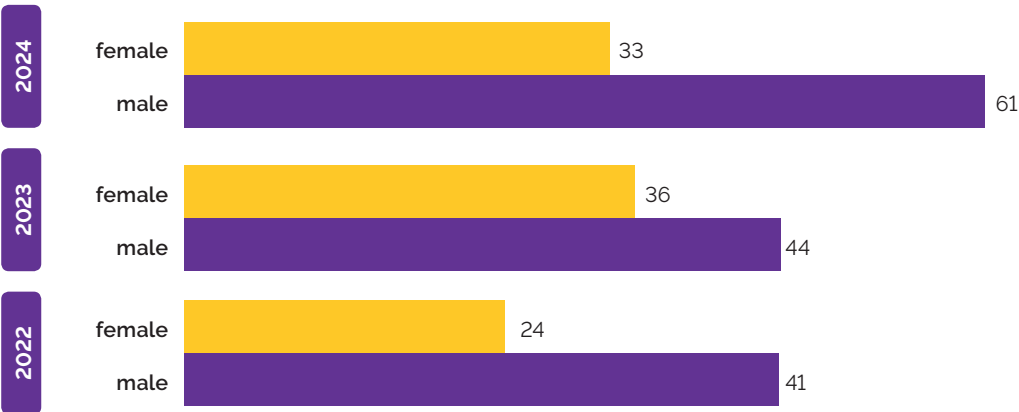
The Bank's employment data for 2022–2024 indicate that young personnel dominate by age group. The majority of employees each year are under 30, accounting for 67% in 2022, 69% in 2023, and 67% in 2024. The 30–50 age group remained relatively stable, representing 29% of the workforce in 2024. Although small in number, employees over 50 increased from 1 in 2022 to 4 in 2024. Overall, the workforce shows a clear predominance of young employees, while age diversity is gradually increasing.

Figure 40. Total number of employees hired by age group



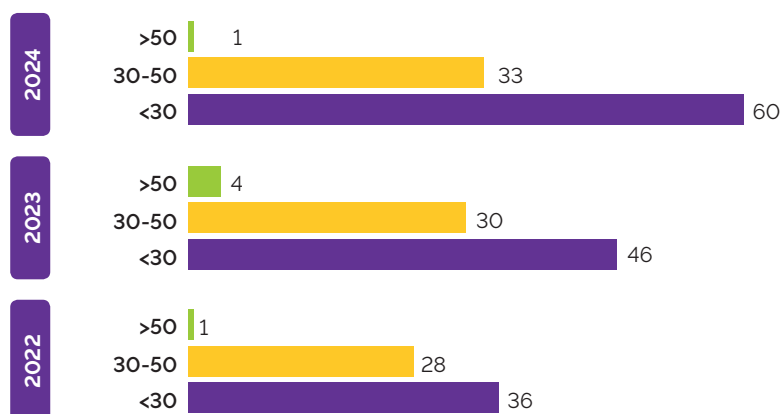
Between 2022 and 2024, the number of male employees who left the Bank increased by 49%, while the number of female employees leaving increased by 37.5%.

Figure 41. Total number of employees dismissed by gender



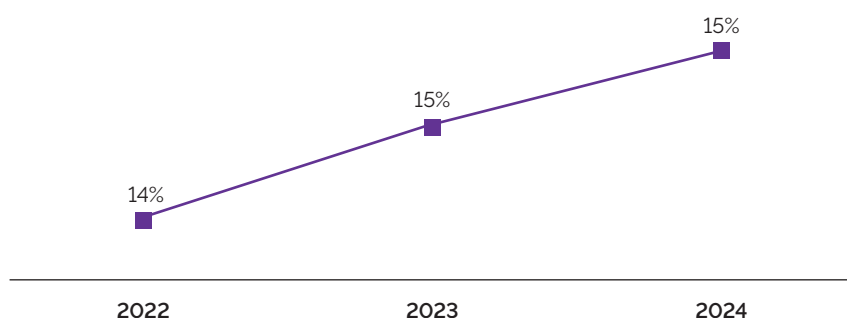
Between 2022 and 2024, the number of employees under 30 years old increased by 66.7%, while the 30–50 age group grew by 17.9%. No change was observed in the number of employees over 50.

Figure 42. Total number employees dismissed by age group



During the reporting years, the employee turnover ratio has generally remained stable.

Figure 43. Total employee turnover, %



Training and Development opportunities

ATB considers employee training and professional development as one of its priorities in terms of achieving strategic goals and ensuring the bank's sustainable operations. To this end, special rules of the training process are applied. The "training rules" of the bank are based on the Labor Code of the Republic of Azerbaijan, the "Human resources and standards of compliance" of the CBAR, as well as other regulatory documents of the Central Bank.

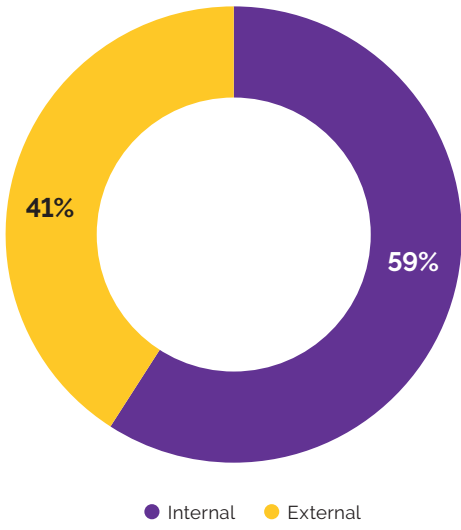
The main areas of development of Human resources:



The training programs are aimed at providing employees with the knowledge and skills necessary to fulfill their duties, eliminating the knowledge gaps identified by the assessment results, preparing for rotation and career advancement, as well as creating skills that correspond to new processes, products and regulatory changes. The Bank considers these programs to be an important tool both in terms of improving the efficiency of daily activities and ensuring long-term development.

ATB implements internal and external training programs of a wide range in order to ensure the comprehensive development of knowledge and skills of employees.

Figure 44. Share of trainings by type in 2024



Internal trainings:

Trainings are conducted by banking specialists and for this purpose live sessions, video materials, simulation exercises and mentoring programs are used.

External trainings:

Includes specialized courses, certification programs and other development programs provided by local or international structures.

ATB conducts targeted exercises aimed at developing the knowledge and skills of employees in various functional areas. Training related to sales equipment, customer service, applicable legislation and regulatory requirements is organized for personnel working in the branch network. Programs covering effective communication with clients, risk management, internal control and compliance are also implemented. Dedicated training on analytical analysis, databases and SGLs is provided for home office staff. In addition, the curriculum includes the acquisition of skills by the technical staff based on international practice

and participation in certified exercises in relevant areas.

As part of the development of the bank's management and employees, training programs aimed at leadership and management skills are being implemented for management. At the same time, in order to support the personal development of employees, sessions are provided to manage emotional distress and stress. **To assess the effectiveness of the exercise, participants measure theoretical levels of knowledge using tests conducted before and after training.**

Table 4. Training hours by categories

Training hours		2022	2023	2024
Total training hours by employee category	Management	1,172	4,771	3,317
	Specialists	2,968	4,345	4,503
Average training hours by gender	Male	8	16	10
	Female	9	14	14

Management of recruitment and internal career opportunities

ATB has created a structured internal framework for hiring, performing tasks and increasing staffing. This procedure was developed in accordance with the Labor Code of the Republic of Azerbaijan, the Law "On Banks," regulations of the Central Bank and internal rules. The acceptance process is carried out in order to ensure professional and trained candidates in accordance with the needs of structural divisions. Candidates' knowledge and skills, worldview and compliance with the declared position are assessed by objective criteria. The bank does not allow discrimination of candidates on the basis of the principle of equal opportunities and the principles of transparency and fairness appear. Before starting work, new employees are provided with the necessary equipment, access to the system and initial training. At the same

time, the adaptation program provides employees with awareness of the bank's activities, corporate culture and internal rules, which creates the conditions for their rapid adaptation to the environment and the start of effective activities.

ATB uses an approach to the formation of human capital "within personnel." This approach is especially designed for entry-level tasks and creates the conditions for promoting promising candidates on the career ladder. In addition, the involvement of specialists who can bring new knowledge and experience continues.

ATB implements structured internship programs in various functional areas. These programs allows promising young people to get acquainted with the real working environment and gain practical skills, as part of the Bank's Strategy for the Formation of Human Capital. Candidates selected for the experimental program experiment over mentoring-defined time, demonstrate theoretical

and practical knowledge, and evaluate their professional and corporate behaviors. At the end of the program, participants are assessed by their managers based on their activities, development potential and overall behavior. **Candidates who have shown a high result can be assessed for the available vacancies and opportunities of the Bank to hire, taking into account personnel needs.**

In this direction, the bank cooperates with various local universities and provides support for the training of young specialists. This cooperation serves both to improve the quality of internship programs and to promote more trained personnel into the labor market.

In 2024, approximately

50%

of the new hires at ATB joined the Bank as their first working place.

Table 5. Internship programs conducted by ATB

Internship program	Year	Term	Scope
Corporate Banking Experience	2023	1-3 months	Business Credit Analysis
Summer Internship Program	2024	3 months	Various departments of the bank
Career steps			Head office and digital branches
"Səsiniz Bankdan Gəlsin"		1-3 months	Call Centre (Customer Relations)

Remuneration Policy

Remunerating employees in our bank is of strategic importance in the management of human resources and is considered an important tool in terms of their motivation, long-term attachment and encouragement of high productivity. **The remuneration of ATB's employees is based on the principles of the "Nomination and Remuneration Committee" and the Remuneration Policy approved by the Bank's Supervisory Board.**

According to the Remuneration Policy, the annual bonuses to be granted to senior executives (excluding deferred bonuses) and their amounts are determined at the General Meeting of Shareholders. Decisions regarding remuneration for other employee categories are approved by the Supervisory Board.

Figure 45. Objectives of the Remuneration Policy

Increasing the bank's competitiveness in the labor market

Improving employee efficiency and motivation

Promoting a positive work environment and healthy labor relations among employees

Improving the Human Resources Management System

Figure 46. Remuneration System Philosophy



Adequacy

The award system is established in accordance with the current legislation, international experience and strategic goals of the Bank.



Justice

The employee's work is evaluated objectively based on pre-determined criteria, and fair remuneration is ensured. No discrimination is allowed in determining salaries.



Balancing

Rewards not only stimulate individual and team performance but also ensure a well-founded and results-oriented balance of compensation.



Efficiency

Resources aimed at rewarding should bring real value and result for the Bank.



Compliance

Payments and bonuses are formed in accordance with the existing level of the labor market.



Transparency

Disclosure of remuneration policies to both employees and the public.

The Nomination and Remuneration Committee, established by the Supervisory Board, is responsible for shaping the Bank's remuneration policy, overseeing these processes, and evaluating the effectiveness of the system.

The Committee operates independently of the Bank's Management Board, making decisions in accordance with its charter and reporting solely to the Supervisory Board. Members of the Committee are appointed by the Supervisory Board for a three-year term. The Committee consists of an odd number of members, with a minimum of three. Members may be selected from the Supervisory Board, the Management Board, the Audit Committee, or other Bank employees.

The Nomination and Remuneration Committee performs strategically important and multilateral functions. The Committee participates in the succession planning of the Management Board Composition, provides recommendations to the Supervisory Board on the evaluation of the activities of both the Management Board and other employees. At the same time, it gives proposals on personnel policy, the system of labor and promotion, social support and professional development. The Committee has the authority to request information from other structural divisions and internal committees, monitor the implementation of decisions and, if necessary, send requests to the Internal Audit Department. The Committee submits a report to the Supervisory Board at least once a year, which reflects the decisions taken, the current situation and proposals.

Monetary and non-monetary remuneration:



These bonuses are determined taking into account the complexity of the task, the cost of the labor market, the employees' experience and the contribution of their position to the strategic goals of the Bank.

Employee satisfaction and well-being

Employee satisfaction and well-being is one of the top priorities in human resource management for ATB. The Bank aims to constantly assess and improve the quality of the working environment, psychological well-being and development opportunities in this area.

In order to measure wages, the Bank conducts short surveys on a monthly and quarterly basis. These surveys are based on the principles of anonymity and transparency and enable the collection of practical information about daily experiences, needs and expectations of employees. The outpouring results are used as the main source for updating the human resources strategy and shaping internal initiatives.

In order to systematically support the well-being of employees, a **"Procedure for holding social events" was developed**. This document was compiled in accordance with the Labor Code of the Republic of Azerbaijan, "Human Resources and Compliance Standard" and internal regulatory documents of the Bank. The procedure defines the rules, types and mechanisms of application related to bonuses, benefits and permits granted to employees. The document is based on the principles of incentives, justice and an equal approach.

The purpose of this Procedure is to enhance employee motivation and commitment, encourage initiative and continuous performance through material and non-material incentives, and foster a strong sense of team spirit.

Figure 47. Socially-oriented financial assistance

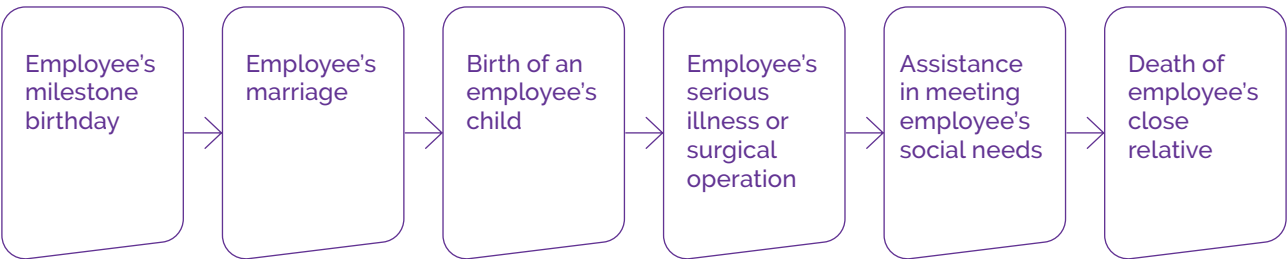
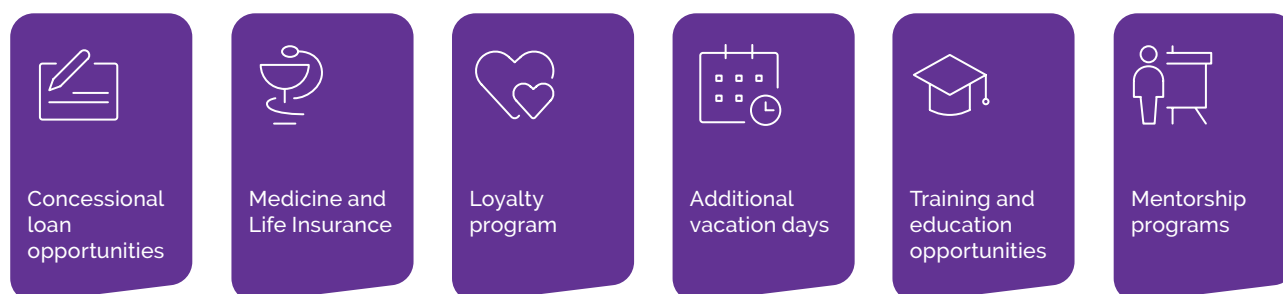


Figure 48. Employee benefits



The Bank recognizes the importance of safeguarding employees' well-being, psychological health, and long-term motivation by maintaining a proper work-life balance. To this end, it offers a flexible work regime, including the possibility of working from home on designated days of the week.

Inclusion, Diversity and Equal Opportunities

ATB considers diversity, creating an inclusive environment and ensuring equal opportunity to be integral parts of their corporate values. This approach will be integrated into the Bank's human resources strategy, management experience and day-to-day operations and contribute to the principles of sustainable development and responsible business. ATB also expects partners and providers to act on inclusivity, equality and diversity. **The bank's activities in this area are based on relevant internal documents, national legislation and international frameworks.**

ATB is guided by the following core principles in diversity, inclusion and equal opportunity. The Bank remains committed to implementing these principles into internal processes and day-to-day operations.

- Compliance with current legislation and compliance with international standards;
- Promoting diversity and social inclusion;
- A fair and non-discriminatory approach to everyone;
- Prevention of discrimination;
- Transparency and fairness in the admissions process;
- Ensuring the principle of inclusive, respectful and equal service in relations with clients;
- Evasion of participation in violation of principles of equality and equality;
- Supporting gender equality and encouraging women's participation in leadership.

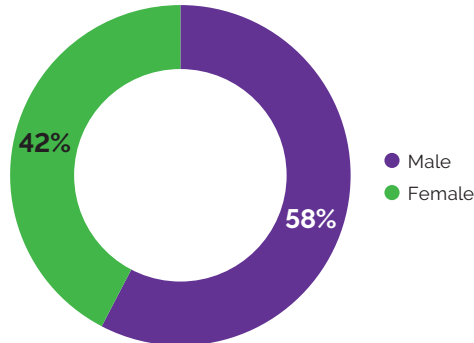
Plans for the Development of the Diversity, Inclusion and Equal Opportunities Policy

In 2025, ATB launched the development of a Diversity, Inclusion and Equal Opportunities Policy with the aim of promoting these values in the workplace in a more systematic manner. The document will outline the Bank's principles, commitments and implementation mechanisms in this area.

During the reporting period, there were no cases of discrimination against employees. For matters related to diversity, inclusion, and equal opportunities, staff and other stakeholders are encouraged to reach out to the Human Resources Department through designated communication channels.

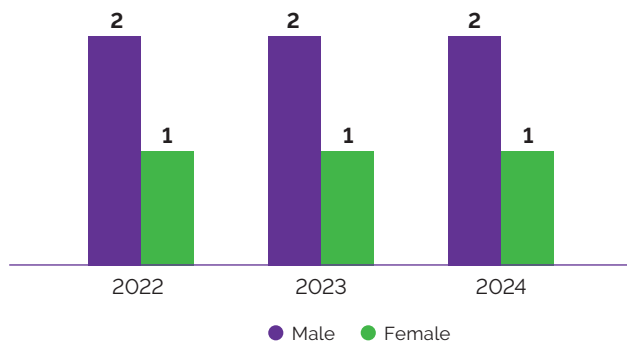
The Bank continues its efforts to improve the accessibility of the working environment, customer service points, and digital solutions for people with disabilities.

Figure 49. Gender distribution of employees in 2024



In 2024, the proportion of female employees was 42%, a positive indicator of the steps taken at ATB towards the achievement of gender balance and promotion of an inclusive work environment.

Figure 50. Number of members of the highest governance body by gender (Supervisory Board)



During 2022-2024, the gender composition of the Supervisory Board remained stable. In the same period, all members of the Management Board were between the ages of 30 and 50.

Table 6. Ratio of the Bank's starting salary to the national minimum wage

Indicator	2022		2023		2024	
	male	female	male	female	male	female
Basic wage to national minimum wage ratio	1.33	1.33	1.16	1.16	1.16	1.16

Table 7. Ratio of minimum wages of women to men in the Bank

Indicator	2022	2023	2024
Ratio of women minimum wage to men	100%	100%	100%

Human Rights

Between 2022 and 2024, ATB was guided by the principle of respect for human rights and was committed to creating a fair, safe and inclusive work environment for all employees. The Bank respects the dignity of employees, freedom of thought and expression and applies a zero tolerance approach to compulsory and child labor, to any form of discrimination and violence. As part of the Code of Ethical Conduct, all employees are expected to behave in accordance with legislation and internal rules.

Obligations under their rights are integrated into the day-to-day activities and organizational culture of the Bank. ATB also requires partners and suppliers to respect these principles and demonstrate responsible business behavior. The bank's approach in this area is based on the principles of the following international documents:

- UN Guiding Principles on Business and Human Rights
- UN Universal Declaration of Human Rights
- Core Conventions of the International Labour Organization (ILO)

In 2025, ATB plans to develop a Human Rights Policy. No human rights violations were recorded in the reporting period. In such cases, staff and other stakeholders are encouraged to contact the Department of Human Resources and existing internal communication channels.

8. ATB's Corporate Social Responsibility



ATB continues to create value for society through a range of initiatives. The Bank's Corporate Social Responsibility (CSR) activities prioritize the integration of social welfare and environmental protection into its business strategy. This approach ensures that ATB's values are embedded in daily operations while fostering a more sustainable and inclusive future in collaboration with employees, customers, and partners.

ATB contributes to strengthening national solidarity, improving social well-being and forming an inclusive society within the framework of CSR policy. In addition to promoting human capital development, education and financial literacy, the bank focuses on improving the social well-being of its employees and creating a healthy, supportive work environment.

Within the framework of its Corporate Social Responsibility (CSR) policy, ATB contributes to strengthening national solidarity and social resilience, enhancing social welfare, and fostering an inclusive society. The Bank supports human capital development, promotes education and financial literacy, and prioritizes the well-being of its employees and the creation of a healthy and supportive work environment.

Environmental protection, green initiatives, and regional development projects play a central role in the Bank's operations. Increasing economic opportunities for youth and women, ensuring digital equity, and promoting civic engagement are also key priorities.

The planning, evaluation, and implementation of Corporate Social Responsibility (CSR) projects at the Bank are conducted under the supervision of the Commission on Ethical and Social Affairs, with coordinated collaboration among key structural units, including the Settlements, Compliance, Human Resources, and Marketing Departments.

Preliminary project evaluations are conducted by the relevant departments, with the decision-making process supervised by the Commission on Ethical and Social Affairs. The Commission oversees strategic and operational monitoring of CSR initiatives, evaluates their alignment with the Bank's values and principles, and prepares recommendations for submission to

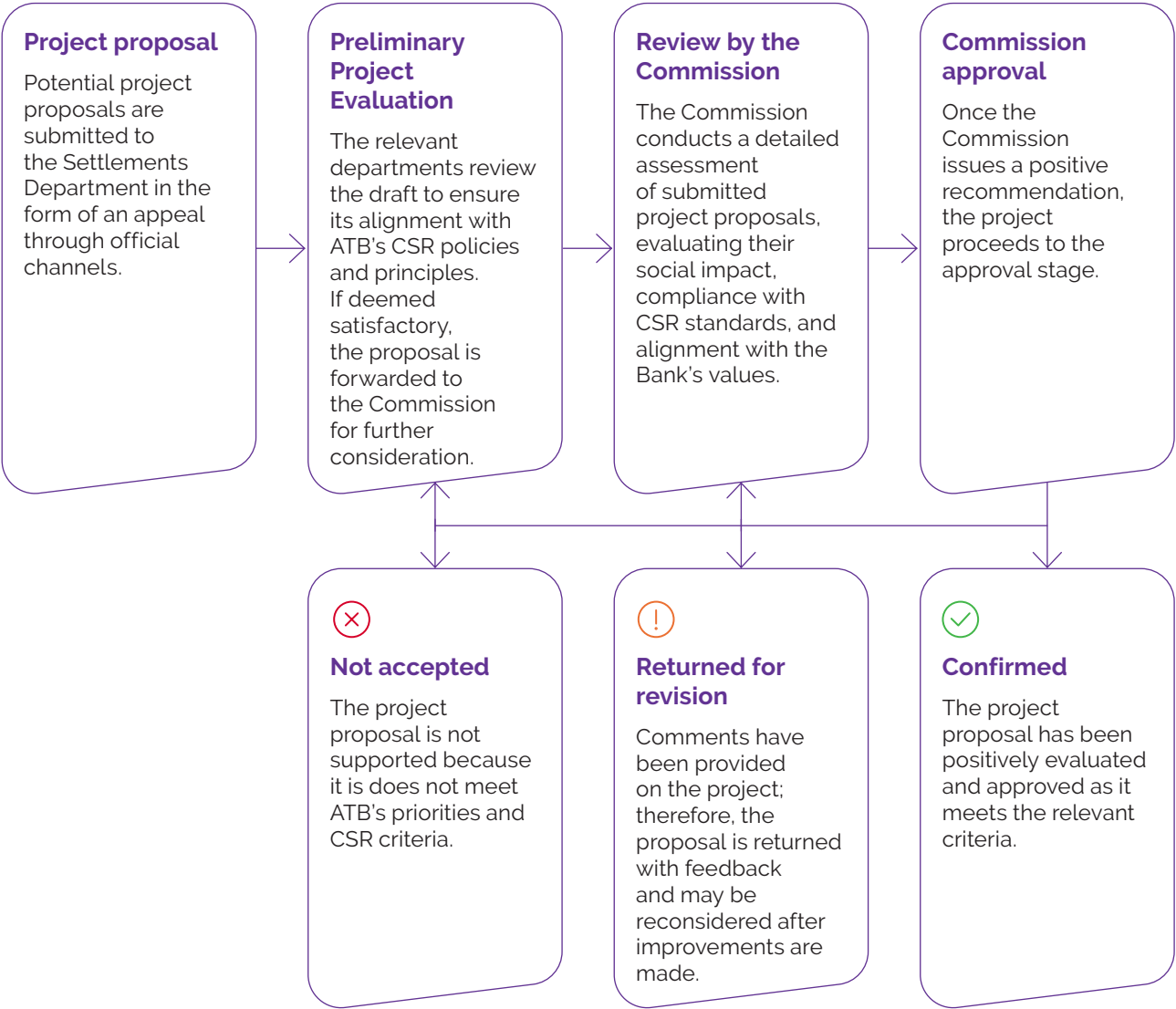
CSR Policy Implementation Plans

ATB has initiated the development of a new CSR Policy to enable a more systematic and targeted implementation of socially responsible activities. The Policy will formalize and transparently present the Bank's existing CSR principles, the project selection process, monitoring and control mechanisms, allocation of responsibilities, and other relevant aspects. Implementation of the Policy will be overseen by the Commission on Ethical and Social Affairs.

the Management Board. In subsequent stages, all relevant departments collaborate to ensure effective and coordinated project implementation, with the Commission granting final project approval. This approach enables the Bank to fulfill its social responsibilities in a consistent, targeted, and systematic manner.

When evaluating CSR projects, the process goes beyond assessing technical criteria to also consider the social value of the initiatives, their impact on society, and their potential to foster mutual engagement among employees. **From the submission of project proposals to final approval, the process is conducted transparently and in clearly defined stages. The current stages of ATB's CSR project selection process are outlined as follows:**

Figure 51. CSR Project Selection Process



Implemented CSR Initiatives

ATB implements CSR initiatives across multiple areas to create value for society and embed the principles of social responsibility into its daily operations.

The initiatives presented in this report cover the period from 2022 to 2024 and highlight the Bank's commitments in social welfare, education, environmental sustainability, and employee support:

Table 8. Our milestone CSR initiatives for 2022-2024⁴

Description of initiatives		
<p>Social financial assistance to bank employees</p> <p>In consideration of employee needs, ATB provides socially-oriented financial assistance. This initiative aims to enhance the social welfare of the Bank's employees and is implemented transparently in accordance with official procedures.</p>	<p>Donation to AFAD</p> <p>In response to the natural disaster in Turkey, ATB donated 50,000 AZN to support affected individuals, transferring the funds to the account of the Disaster and Emergency Management Authority (AFAD) under the Turkish Ministry of Interior. Additionally, no commission fees were charged to customers for transfers to Turkish banks made for humanitarian aid purposes.</p>	<p>YASHAT Foundation</p> <p>ATB is one of the financial institutions supporting the YASHAT Foundation. The Bank supports initiatives aimed at improving the social welfare of families and veterans in accordance with the goals of the fund. ATB activities in this area are carried out in accordance with the principles of transparency and public control of the fund.</p>
<p>Donation to ADA University</p> <p>ATB assisted ADA University with the aim of enhancing youth learning opportunities. This initiative is designed to support innovative projects in the field of academic development and education. The bank is supported in accordance with the principles of sustainable progress in education and increasing the potential of youth.</p>	<p>Support for martyr families</p> <p>ATB has provided financial and emotional support to the families of veterans and martyrs, including those of its own employees who lost their lives. This initiative aims to enhance the well-being of these families and provide them with comprehensive assistance during this difficult time.</p>	<p>Bilasuvar Mubarez Educational Complex</p> <p>The tuition fees of children of martyrs and veterans have been covered at the Mubarez Ibrahimov Bilasuvar Kindergarten-School-Lyceum Complex (BMLK).</p>
<p>Helping entrepreneurs through the Self-Employment Program</p> <p>ATB, within the framework of the Self-Employment Program (SEP) implemented by the State Employment Agency, provided financial and training support to selected entrepreneurs to promote self-employment and micro-entrepreneurship. The main goal of this initiative is to improve social welfare and strengthen local economic activity.</p>	<p>Agile Trainings for Employees</p> <p>Agile 360 training was organized for employees of the Centre for Digital Transformation, the Processing Centre, the Department of Business Process Management, as well as heads of various structural divisions.</p>	<p>Support for training young specialists</p> <p>The Bank's Human Resources Department, in cooperation with universities, actively participated in various career fairs to support students' professional development. In addition, the Bank created opportunities for students to gain practical knowledge and skills through internships in its different structural divisions.</p>

⁴Detailed information on ongoing environmental initiatives is provided in the "Our Approach to Environmental Protection" section of the Report.

The following table provides general information on the main projects and benefits implemented by the Bank in order to improve housing conditions, expand housing affordability and support the development of the agricultural industry:

Table 9. Concessional loan projects supported by ATB

Project name	Description
"MIDA" (concessional mortgage)	Provision of housing by the State Housing Construction Agency ("MIDA") for citizens included in the relevant category through concessional mortgage loans.
Concessional social mortgage loans under the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan	Provision of Concessional social mortgage loans for citizens in accordance with relevant preferential categories.
Loans to persons with disabilities without bank service fees and commissions	Providing persons with disabilities access to loans without applying bank service fees and commissions.
Concessional loan terms for employees	Employees of the bank are offered loans with an interest rate at least 2% lower than the rate applied to other customers.
Concessional mortgage loans for employees' housing needs	Employees are provided concessional mortgage loans through the Mortgage and Credit Guarantee Fund of the Republic of Azerbaijan at an interest rate of 7%.
Concessional loans via ACDA	Provision of concessional agricultural loans through the Agrarian Credit and Development Agency (ACDA) at an interest rate of 7%.

In the coming years, ATB will continue to implement its existing projects under the Corporate Social Responsibility (CSR) Policy while expanding its social impact through new initiatives designed to advance public welfare and promote sustainable development. This approach ensures the Bank's societal commitments are met consistently and sustainably.

9. Environmental protection

ATB considers environmental sustainability a strategic priority and is committed to initiatives that promote resource efficiency and reduce our carbon footprint.

Recognizing the banking sector’s crucial role in driving environmental progress, we integrate green finance, environmental responsibility, and protection into our core values. Aligned with sustainable development principles, we actively support the transformation of the financial sector and contribute to Azerbaijan’s transition to a green economy.

We take measures to minimize the environmental impact of our activities in the following areas:



Environmental Policy Change and Implementation Plans

ATB plans to adopt the Climate Change and Environmental Policy in 2025. This Policy will include principles of reducing greenhouse gas emissions, improving energy efficiency and responsible resource consumption.

In addition, one of the main priorities of the Policy will be green financing, the transition to a low-carbon economy and support for environmental projects.



The Bank's environmental activities are overseen by the Settlements Department, which maintains regular collaboration with other structural units of the Bank. The Settlements Department submits reports to the management on environmental matters based on requests from the Social and Ethical Affairs Commission⁵ and the Management Board.

⁵ The Commission on Social and Ethical Affairs was established in 2025.

Energy efficiency

During the reporting period, ATB placed a strong focus on energy efficiency by implementing measures to enhance the effective use of resources. The Bank conducted an assessment of energy consumption across its head office, branches, and vehicle fleet, covering diesel, gasoline, natural gas, and electricity.

To enhance energy management and reduce overall consumption, the Bank conducted detailed analyses of all energy sources. These calculations enabled precise measurement of both direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, offering a clearer picture of the Bank's environmental footprint. Ongoing monitoring and evaluation of

consumption trends provided a solid basis for designing targeted initiatives aimed at achieving further improvements in energy efficiency.

Between 2022 and 2024, the use of AI-92 gasoline was completely phased out as the Bank's vehicles operating on this fuel type were gradually replaced with vehicles using AI-95. This transition resulted in a 52.4% increase in AI-95 consumption. During the same period, diesel fuel consumption rose by 4.7%. Nevertheless, the complete phase-out of AI-92 resulted in an overall reduction in total fuel consumption by approximately 14.5%, offsetting the increased use of diesel and AI-95.

Table 10. Fuel consumption by type, liter

Indicators	2022	2023	2024
Total fuel consumption	50,333.00	47,085.51	43,015.00
Diesel	15,068.00	15,211.00	15,770.00
Gasoline (AI92)	17,392.00	9,711.53	0
Gasoline (AI95)	17,873.00	22,162.98	27,245.00
Fuel consumption per employee	97.92	80.21	63.72

Between 2022 and 2024, ATB's total natural gas consumption decreased by nearly 8%, while consumption per employee fell by 30%.

Table 11. Natural gas consumption, m³

Indicators	2022	2023	2024
Natural gas, m ³	105,707.00	97,823.00	97,144.68
Natural gas consumption per employee	205.65	166.64	143.91

From 2023 to 2024, electricity consumption per employee increased by only 1%, while total electricity consumption rose by 16.2%. This growth was driven by the overall expansion of the Bank's operations and the opening of new branches.


Table 12. Electricity consumption, kWh

Indicators	2022	2023	2024
Electricity, kWh	1,458,395	1,569,944	1,824,113
Electricity consumption per employee	2,837	2,675	2,702

Climate change and greenhouse gas emissions

Guided by a responsible approach to addressing climate change, ATB focuses on measuring and managing greenhouse gas (GHG) emissions. The Bank's primary objectives are to accurately assess the carbon footprint of its operations, minimize environmental impact, and ensure transparent reporting.

ATB's greenhouse gas emissions have been calculated in accordance with the requirements of the GHG Protocol. Scope 1 (direct) and Scope 2 (indirect) emissions cover the Bank's head office and the entire branch network.

	Scope		Sources
	Direct (Scope 1)	Transportation means	Diesel and gasoline fuel consumption
	Indirect (Scope 2)	Head office, branches	Electricity consumption

To calculate indirect emissions, the Bank applied a market-based approach, which allowed for more accurate and transparent reporting of its carbon footprint. The calculations utilized emission factors sourced from reputable international databases.

In accordance with ATB's scope of activities, specific guidelines have been developed for calculating Scope 1 and Scope 2 emissions. The primary purpose of these guidelines is to familiarize employees with the methodology and ensure a consistent approach to emissions calculations.

In 2022–2024, direct (Scope 1) emissions decreased by 10% as a result of increased efficiency in the Bank's transport and other fuel-related activities. Between 2023–2024, the Bank's total Scope 1 and Scope 2 greenhouse gas emissions increased by approximately 10.4%. The main reason for this increase was the expansion of the Bank's operations and higher electricity consumption. Overall, from 2022–2024, emissions per employee decreased by about 13%.

Table 13. Volume of direct and indirect GHG emissions, tCO₂e

Indicators	2022	2023	2024
Direct emissions (Scope 1)	341.20	317.33	306.53
Indirect emissions (Scope 2)	699.20	752.68	874.54
Total direct and indirect emissions	1,040.4	1,070.01	1,181.06
Volume of emissions per employee	2.02	1.82	1.75

Financed emissions

ATB's strategy prioritizes sustainable financing initiatives aimed at decarbonizing its portfolio. These initiatives particularly focus on the phased reduction of carbon intensity in corporate and SME portfolios, and on financing activities in low-emission sectors.

In 2024, ATB calculated, for the first time, its financed emissions under Scope 3.15, covering investment activities and related indirect emissions. The assessment quantified the Bank's financed greenhouse gas emissions and was conducted in line with the GHG Protocol and PCAF methodology, demonstrating ATB's commitment to full transparency and climate accountability.

During the assessment, customers within the Bank's loan portfolio who carry a high risk of generating carbon emissions and have potential for decarbonization were identified. Business loan types for Corporate, SME, and Micro clients were included in the scope of the assessment.

According to the PCAF methodology, the calculations were carried out under the category of "business loans and unlisted equity". **This approach was considered the most suitable for ATB's core financing activities, both in terms of relevance and data availability.**⁵

Table 14. Intensity and volume of financed emissions by segments

Customer segment	Emission intensity kgCO ₂ e/AZN	Uncertainty (±)	Emissions (tCO ₂ e)
Emission intensity (Corporate)	0.1426	±10–15%	40,749
Emission intensity (SME and micro)	0.03951	±40–60%	1,045

The calculated emission intensity indicators represent the carbon footprint associated with loans provided to Corporate, SME, and Micro customers. Based on these inputs, extrapolation was performed, resulting in ATB's total Scope 3.15 greenhouse gas emissions of approximately 41,794 tCO₂e in 2024.

Water efficiency

Recognizing water as a vital resource, ATB has begun monitoring consumption at its head office and branches. In response to growing water scarcity both globally and in Azerbaijan, this initiative aims to promote more efficient water management and support the implementation of conservation measures.

From 2023 to 2024, the volume of water consumed increased by 14.1%. This is due to the commissioning of new branches by the Bank. At the same time, the volume of water consumption per employee shows a decrease over the past three years.

Table 15. Water consumption, m³

Indicators	2022	2023	2024
Volume of consumed water	10,958	12,426	14,179
Volume of water consumption per employee	21.32	21.17	21.00

⁵ ATB aims to improve the coverage and completeness of information on the calculation of financed emissions in subsequent reporting periods. For this purpose, it is envisaged to develop a methodology for emissions 3.15.

In order to increase the awareness of employees on the importance of water resources and environmental protection, educational contests were organized among branches during the reporting period. Detailed information on this initiative is provided in the ATB's Corporate Social Responsibility section of the Report.

Waste

Within its offices, ATB primarily manages paper, electronic waste, bottles, and other general office waste. In recent years, the adoption of digital solutions, mobile banking, and expanded online services has led to a significant reduction in paper

usage among both employees and customers. The implementation of electronic document management and digital payment systems has further reduced printing costs and overall office waste.

Table 16. Waste-related indicators

Indicators	2022	2023	2024
Total amount paid for waste management, AZN	30,688.99	36,679.47	46,572.53
Total waste volume, m ³	3,068.90	3,667.95	3,256.82

Environmental protection initiatives



Membership in the UN Global Compact

Since November 4, 2024, ATB has joined the United Nations Global Compact - one of the largest international initiatives in the world in the field of sustainable development and social responsibility.

By signing this initiative, the Bank once again reaffirms its commitment to action in accordance with the 10 fundamental principles adopted internationally in areas such as human rights, labour standards, transparency and environmental protection, and Agenda 2030 for sustainable development.

We would like to note that the UN Global Compact is an important platform bringing together more than 20,000 organizations from more than 160 countries. The main purpose of the agreement is to bring the strategic and practical activities of member organizations in line with the principles of human rights, social responsibility, environmental protection and transparent management.

ATB's participation in this initiative reflects the Bank's support for the 17 Sustainable Development Goals adopted by the UN General Assembly and the principles of the Global Compact. Guided by these principles, the Bank implements initiatives that create a positive impact in social and environmental areas, demonstrating alignment with international practices.



"Bir Damcı Qənaət" Competition

"Bir Damcı Qənaət" competition was organized across the Bank's branches. The initiative aimed to raise employees' awareness of limited water resources, water scarcity, and broader environmental protection, while enhancing their sense of responsibility and understanding of ecological issues.



Tree Planting Campaigns

In collaboration with the Azerbaijan Banks Association, the Central Bank, the Ministry of Ecology and Natural Resources, and other relevant state institutions, an initiative has been launched to plant a total of 1 million trees in commemoration of the 100th anniversary of national leader Heydar Aliyev's birth. Starting in 2023, 100,000 trees will be planted annually over a period of 10 years. Azer-Turk Bank actively participates and contributes to the implementation of related activities. During the reporting period, the Bank participated in several tree-planting campaigns, supported by the ABA.

dayanıqlı inkişafa doğru

atb

1. hər bir su damcısını qoruyaq: yer səthində 70% su bu bu dünyada olsa da, bu suyun yalnız 2.5%-i içməli suya.
2. plastikdən istifadə etməyək: hər 11 litrədən çox dəniz qığı və 100.000-dən çox dəniz heyvanı plastik tullantılardan təsirlənir.
3. tullantıları təkrar emalına dəstək olmaq: bu təkrar emal edilmiş qığı istifadə, yerə qığı tullatmaqdan daha az enerji və 90% daha az su sərf edir.
4. kağız istifadəsini minimuma endirək: hər ton kağız istehsalı 17 ağacın kəsilməsinə səbəb olur.
5. enerjiyə cəmiyyət kompüterləri və işgüzar şəbəkələri: bu işlər hər gün ən az 40 saat enerji qorunma edir.
6. karbon izini azaltmaq üçün lazım olan e-məilləri əldə: dünyada hər bir məhsul üçün 10 kq CO₂ emissiya edilir. Səyahət təqdimatı, bu 30.000 ton CO₂-ni azaltmağa kömək edir ki, bu da hər gün 10.000 ton karbondan qurtulmağa bərabərdir.
7. imkanı varsa, pilləkənlərdən istifadə edək: elektrik sərf etmədən kəndi yarıma bəzəyir.



QRI kodu vasitəsilə
məlumatları
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vəb bələdiyyə

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bu addım təkrar emal
edilmiş qığı istifadə
etməkdir

Environmental Awareness Posters

Awareness posters displayed in the Bank's offices encouraged employees to adopt environmentally responsible practices, promoting water conservation, waste reduction, and the minimization of their carbon footprint.

Future plans



Through the 'Yaşıl Biznes' initiative, ATB aims to strengthen environmental sustainability and support businesses that adhere to ESG principles. The Bank plans to promote the production of environmentally friendly products, the development of green spaces, and the introduction of new green products for ESG-focused clients. Detailed information on this initiative will be provided in upcoming reports.



In 2025, it is planned to install dedicated recycling bins in the Head Office and branches to facilitate waste segregation.



For the calculation of **financed emissions under Scope 3.15**, the Bank will develop a dedicated methodology and establish transparent procedures to collect the necessary data from clients.



In the upcoming years, ATB also intends to continue its participation in annual tree-planting campaigns, consistently contributing to this initiative and actively engaging in environmental activities.

10. Supply Chain Management

Ethical, transparent and responsible management of the supply chain is one of ATB's key focus areas. Suppliers play a significant role in the Bank's value chain by contributing to service quality, operational efficiency, and compliance with sustainability criteria. In this regard, the Bank prioritizes approaches aligned with international best practices and the principles of transparency, fairness, accountability, and responsibility.

Procurement activities are overseen by the Administrative and Procurement Department in accordance with regulatory requirements, while planning and decision-making processes are structured and conducted through the Procurement Commission.

In order to prevent fraud, conflicts of interest, ethical violations in the procurement process, ensure continuity and quality of the supply chain, risk assessment and monitoring activities are carried out at all stages. Assessment and decision-making are carried out by the Procurement Commission collectively and are recorded at all stages. At the same time, regular trainings are held to improve the knowledge and skills of employees and improve processes.

The Bank is guided by the principles of equal opportunities, transparent conditions and mutual trust in relations with both local and foreign

Supplier Code of Conduct Preparation Plans

In 2025, the Bank began to develop a Supplier Code of Conduct with the aim of improving supply chain management, promoting mutual trust-based interaction and ensuring compliance with international standards. This document will include basic principles such as protecting human rights in business relations with suppliers, creating equal opportunities, excluding child and compulsory labor, ensuring safe and healthy working conditions, working hours and fair wages and acts as a component of the Bank's responsible business approach.

suppliers. The Bank uses open tenders, quotations and other regulatory measures to ensure transparency in the procurement process.

Supplier Assessment

Based on the appropriate evaluation methodology in the procurement processes, the ATB evaluates each proposal based on uniform criteria. The evaluation process is carried out on the basis of preliminary verification, technical and financial assessment, analysis of explanatory documents, if necessary, summarized by assessment reports.

The **Procurement Rules** emphasize suppliers' careful approach to environmental protection, intellectual property rights, occupational safety and other areas of social responsibility and define appropriate procedures for verifying compliance with these criteria. **Information on tender announcements and suppliers selected on a**

competitive basis is published on the Bank's website.

ATB forms and regularly updates the List of Reliable Suppliers for long-term and effective cooperation with suppliers.

Suppliers with identified cases of non-compliance and failed performance indicators are included in the list of "Undesirable Suppliers" based on the relevant supporting documents and protocols and are removed from the procurement processes. In order to ensure impartial and informed decision-making, the list is revised at the beginning of each fiscal year and agreed with the business units.



Local Supplier Support

ATB supports the engagement of local and responsible suppliers in line with sustainable development activities. **During the reporting period, the majority of suppliers were local, which contributed to stimulating entrepreneurship and creating economic value.**

GRI Content Index

Statement of Use Azer-Turk Bank OJSC has prepared this report for the period from January 1, 2022, to December 31, 2024, in accordance with the 2021 GRI Standards, following the 'In Accordance' reporting option.

GRI 1 GRI 1: Foundation 2021

GRI Standard	Disclosure	Status	Reference / Note
General discoveries			
GRI 2: General Statements 2021	2-1 Organizational details	✓	1. About the Report 3. About ATB
	2-2 Structures included in the organization's report on sustainable development	✓	1. About the Report
	2-3 Reporting period, frequency and association	✓	1. About the Report
	2-4 Restatement of information	✗	Since this is ATB's first Sustainability Report, 2.2 is not applicable.
	2-5 External assurance statement	✗	Planned for upcoming reporting periods.
	2-6 Activities, value chain and other business connections	✓	3. About ATB 3.1. ATB's Business Model and Core Service Lines
	2-7 Employees	✓	7. Human Capital Management
	2-8 Information workers who are not employees	✗	Not material for the Bank.
	2-9 Governance structure and composition	✓	6. Our Approach to Corporate Governance
	2-10 Nomination and selection of the highest governance body	✓	6. Our Approach to Corporate Governance
	2-11 Chairman of the highest governance body	✓	6. Our Approach to Corporate Governance
	2-12 The role of the highest management body in controlling the management of impacts	✓	5. Our Approach to Sustainability 6. Our Approach to Corporate Governance
	2-13 Delegation of responsibility for managing impacts	✓	5. Our Approach to Sustainability 6. Our Approach to Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	✓	1. About the Report 5. Our Approach to Sustainability 6. Our Approach to Corporate Governance

GRI Standard	Disclosure	Status	Reference / Note
	2-15 Conflict of interests	✓	6.2. Ethics and Compliance
	2-16 Communication of critical matters to the highest governance body	✓	6. Our Approach to Corporate Governance 6.1. Risk Management 6.2. Ethics and Compliance
	2-17 Collective knowledge of the highest governance body	✓	5. Our Approach to Sustainability 6. Our Approach to Corporate Governance
	2-18 Evaluation of the performance of the highest governance body	✗	Not disclosed.
	2-19 Remuneration policies	✓	7. Human Capital Management
	2-20 Process to determine remuneration	✓	7. Human Capital Management
	2-21 Annual total compensation ratio	✗	Not disclosed.
	2-22 Statement on Sustainable Development Strategy	✓	2. Message from the Chairman of the Management Board 4. ATB's Strategy 5. Our Approach to Sustainability
	2-23 Policies	✓	The report provides comprehensive information on policies and their implementation across various areas of the Bank's activities, as detailed throughout the Report.
	2-24 Embedding policy commitments	✓	
	2-25 Processes to remediate negative impacts	✓	3.3. Customer Relationship Management 6.2. Ethics and Compliance 7. Human Capital Management
	2-26 Mechanisms for seeking advice and raising concerns	✓	3.3. Customer Relationship Management 6.2. Ethics and Compliance 7. Human Capital Management
	2-27 Compliance with laws and regulations	✓	6. Our Approach to Corporate Governance 6.2. Ethics and Compliance
	2-28 Membership in associations	✓	3. About ATB 9. Environmental Protection
	2-29 Approach to stakeholder engagement	✓	5.2. Stakeholder Engagement
	2-30 Collective bargaining agreements	✗	Not material for the Bank.

GRI Standard	Disclosure	Status	Reference / Note
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	✓	5.1. Material Topics
	3-2 List of material topics	✓	5.1. Material Topics
	3-3 Management of material topics	✓	5.1. Material Topics
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	✓	3. About ATB
	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	✗	It is regulated on the basis of the Labor Code of the Republic of Azerbaijan.
	201-4 Financial assistance received from government	✗	Not disclosed.
Market Presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 202: Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	✓	7. Human Capital Management
	202-2 Proportion of senior management hired from the local community	✓	The bank's management is fully represented by local professionals.
Indirect Economic Impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 203: Indirect Economic Impacts 2016			3.1. ATB's Business Model and Core Service Lines 3.2. Innovation and Digital Transformation 7. Human Capital Management 8. ATB's Corporate Social Responsibility 10. Supply Chain Management
	203-1 Infrastructure investments and services supported	✓	
	203-2 Significant indirect economic impacts	✓	3.1. ATB's Business Model and Core Service Lines 3.2. Innovation and Digital Transformation 8. ATB's Corporate Social Responsibility

GRI Standard	Disclosure	Status	Reference / Note
Procurement Practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	✓	10. Supply Chain Management
Anti-Corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	✓	6.1. Risk Management 6.2. Ethics and Compliance
	205-2 Communication and training about anti-corruption policies and procedures	✓	6.2. Ethics and Compliance 7. Human Capital Management
	205-3 Confirmed incidents of corruption and actions taken	✓	During the reporting period, no incidents of corruption were recorded.
Anti-competitive Behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, trust violations, and monopoly practices	✓	6.2. Ethics and Compliance

GRI Standard	Disclosure	Status	Reference / Note
Vergi			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 207: Tax 2019	207-1 Approach to tax	✓	Financial statements
	207-2 Tax governance, control, and risk management	✓	
	207-3 Stakeholder engagement and management of concerns related to tax	✓	
	207-4 Country-by-country reporting	✓	
Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	✗	Not material for the Bank.
	301-2 Recycled input materials used	✗	
	301-3 Reclaimed products and their packaging materials	✗	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 302: Energy 2016	302-1 Energy consumption within the organization	✓	9. Environmental Protection
	302-2 Energy consumption outside of the organization	✗	Not material for the Bank.
	302-3 Energy intensity	✓	9. Environmental Protection
	302-4 Reduction of energy consumption	✓	9. Environmental Protection
	302-5 Reductions in energy requirements of products and services	✓	3.2.1. Sustainable Finance 9. Environmental Protection

GRI Standard	Disclosure	Status	Reference / Note
Water and sinks			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	✗	9. Environmental Protection
	303-2 Management of water discharge-related impacts	✗	Not material for the Bank.
	303-3 Water withdrawal	✗	Not material for the Bank.
	303-4 Water discharge	✗	Not material for the Bank.
	303-5 Water consumption	✓	9. Environmental Protection
Biodiversity			
GRY 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 material for the Bank
	304-2 Significant impacts of activities, products, and services on biodiversity	✗	
	304-3 Habitats protected or restored	✗	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	✗	

GRI Standard	Disclosure	Status	Reference / Note
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	✓	9. Environmental Protection
	305-2 Energy indirect (Scope 2) GHG emissions	✓	9. Environmental Protection
	305-3 Other indirect (Scope 3) GHG emissions	✓	9. Environmental Protection
	305-4 GHG emissions intensity	✓	9. Environmental Protection
	305-5 Reduction of GHG emissions	✓	9. Environmental Protection
	305-6 Emissions of ozone-depleting substances (ODS)	✗	Not material for the Bank
	305-7 NOx, SOx, and other significant air emissions	✗	
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	✓	9. Environmental Protection
	306-2 Management of significant waste-related impacts	✓	9. Environmental Protection
	306-3 Waste generated	✓	9. Environmental Protection
	306-4 Waste diverted from disposal	✗	Not material for the Bank
	306-5 Waste directed to disposal	✗	

GRI Standard	Disclosure	Status	Reference / Note
Environmental Supplier Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	✓	10. Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	✓	10. Supply Chain Management
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRY 401: Employment 2016	401-1 New employee hires and employee turnover	✓	7. Human Capital Management
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	✓	7. Human Capital Management
	401-3 Parental Leave	✗	Not disclosed.
Labor/Management Relations			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	✓	It is regulated on the basis of the Labor Code of the Republic of Azerbaijan.

GRI Standard	Disclosure	Status	Reference / Note
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	⊗	
	403-2 Hazard identification, risk assessment, and incident investigation	⊗	Not material for the Bank.
	403-3 Occupational health services	⊗	
	403-4 Worker participation, consultation, and communication on occupational health and safety	⊗	
	403-5 Worker training on occupational health and safety	⊗	7. Human Capital Management
	403-6 Promotion of worker health	✓	7. Human Capital Management
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	⊗	Planned for upcoming reporting periods.
	403-8 Workers covered by an occupational health and safety management system	⊗	
	403-9 Work-related injuries	⊗	Not material for the Bank.
	403-10 Work-related ill health	⊗	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 404: Training and Education 2016	404-1 Average annual training hours per employee	✓	7. Human Capital Management
	404-2 Programs for upgrading employee skills and transition assistance programs	✓	6.1. Risk Management 6.2. Ethics and Compliance 7. Human Capital Management
	404-3 Percentage of employees receiving regular performance and career development reviews	⊗	Not disclosed.

GRI Standard	Disclosure	Status	Reference / Note
Diversity and Equal Opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	✓	7. Human Capital Management
	405-2 Ratio of basic salary and remuneration of women to men	✗	7. Human Capital Management
Non-discrimination			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	✓	7. Human Capital Management
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	✗	Not disclosed.
Child labor			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	✓	10. Supply Chain Management
Forced or Compulsory Labor			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced labor	✓	10. Supply Chain Management
Security Practices			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	✗	Not disclosed.
Rights of Indigenous Peoples			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	✓	No incidents of violation of rights were recorded during the reporting period.
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	✓	8. ATB's Corporate Social Responsibility
	413-2 Operations with significant actual and potential negative impacts on local communities	✓	8. ATB's Corporate Social Responsibility

GRI Standard	Disclosure	Status	Reference / Note
Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	✓	5.1. Material Topics
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers screened using social criteria	✓	10. Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	✓	10. Supply Chain Management
Public Policy			
GRI 415: Public Policy 2016	415-1 Political contributions	✗	Not disclosed.
Customer Health and Safety			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	✗	Not material for the Bank.
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	✗	Not material for the Bank.
Marketing and Labeling			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	✗	Not material for the Bank.
	417-2 Incidents of non-compliance concerning product and service information and labeling	✗	Not material for the Bank.
	417-3 Incidents of non-compliance concerning marketing communications	✗	Not material for the Bank.
Customer Privacy			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	✓	3.3. Customer Relationship Management

Contact information

ATB places great importance on the feedback and recommendations of its stakeholders. Every suggestion that can contribute to the enhancement of our report and activities is highly valued.

Responsible contact person:

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