

Sustainability Report

2024



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Introduction

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2024

Founded with a strong commitment to integrity and regional development, Baku Business Group is a privately held company operating across Azerbaijan, Georgia, and Turkey. Specializing in construction and the supply of high-quality building materials, we have positioned ourselves as a trusted partner for infrastructure and industrial projects in the South Caucasus and neighboring markets.

In an increasingly interconnected and demanding global landscape, sustainability has become a core component of responsible business. At Baku Business Group, we understand that long-term success is not measured solely by financial performance, but also by our impact on people, communities, and the broader environment in which we operate.

Our approach to sustainability is shaped by our core values:

- Integrity – conducting our business transparently and ethically;
- Responsibility – being accountable for our actions and their consequences;
- Respect – valuing people, diversity, and local cultures;
- Partnership – building relationships based on trust and shared purpose;
- Efficiency – delivering quality and value through effective operations.

This 2024 Sustainability Report reflects our ongoing efforts to embed these values into the fabric of our operations. While we are still in the early stages of developing formal ESG (Environmental, Social, and Governance) strategies, we have taken clear steps to establish responsible business practices – especially in the areas of social responsibility, corporate governance, business ethics, and anti-corruption.

Through this report, we aim to transparently share the progress we have made, the principles we uphold, and the goals we have set for the years ahead. We believe that sustainable development is not a static destination, but a continuous process of learning, improving, and leading by example.

As we grow, we remain committed to creating long-term value not only for our clients and partners, but also for the people and communities who form the foundation of everything we do.

Social Responsibility

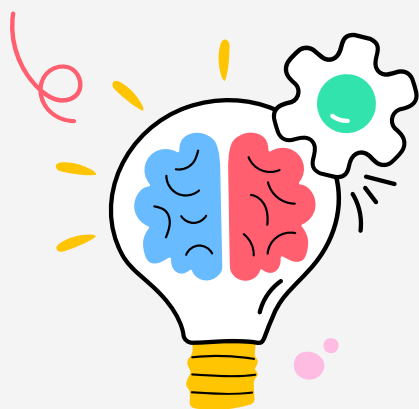
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Employee Welfare and Working Conditions

In 2024, we ensured:

- Full legal employment and social protection for all 22 staff members;
- Timely and transparent salary payments across all departments;
- Family-friendly policies, including flexible working hours and paid leave where applicable;
 - - Compliance with national labor standards and workplace safety norms.



Learning and Development

- - Conducted regular in-house safety, compliance, and ethics training sessions;
- - Offered co-funding for professional certification programs relevant to construction and logistics;
- - Encouraged a culture of continuous learning through knowledge-sharing sessions.



Equality and Inclusion

- Adopted and enforced an Equal Opportunity Employment Policy;
- Maintained zero tolerance for discrimination or harassment in the workplace;
- Promoted diversity and inclusion in recruitment and leadership development.

Corporate Governance & Ethics

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There are 17 SDGs and 169 targets in total. While they are all important and interrelated, some will be more relevant to your organization than others. This section can identify the specific SDGs and targets you are prioritizing, and demonstrate how they align with your own strategy and goals.



Governance Structure

- Baku Business Group is governed by a Board of Directors composed of a Chairperson and three independent members;
- The Board meets quarterly to ensure strategic oversight, financial accountability, and operational transparency;
- All strategic decisions are formally documented and subject to internal compliance reviews;
- In 2024, the company began aligning its governance practices with international business conduct standards to ensure long-term sustainability.



Code of Ethics

- In 2024, Baku Business Group formally introduced a Corporate Code of Ethics applicable to all employees and management levels;
- The Code outlines clear expectations regarding integrity, respect, and professional behavior;
- It includes comprehensive guidance on preventing conflicts of interest, misuse of authority, bribery, and harassment;



Internal Communication

- An anonymous whistleblowing channel was launched to allow employees to safely report concerns related to misconduct, fraud, or ethical violations;
- All reports are treated confidentially and investigated through a fair and transparent process;
- The company is committed to protecting whistleblowers from retaliation and encouraging a culture of open communication.

Anti-Corruption Practices

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At Baku Business Group, we maintain a strict zero-tolerance policy toward all forms of corruption, bribery, and unethical conduct. We believe that ethical behavior is not only a legal obligation, but also a cornerstone of long-term trust with our clients, suppliers, employees, and society at large.

In 2024, we took meaningful and structured steps to strengthen our internal control systems, increase awareness among staff, and implement safeguards against potential risks. These efforts included targeted compliance training, implementation of third-party due diligence procedures, and formalization of ethical contract clauses across our operations.

Key Indicator	Activity / Project	Data / Outcome
Number of employees trained in anti-corruption	In-house compliance workshop held in Q2 and Q4 2024 for admin and procurement teams	18 employees trained; 100% completion rate; post-training evaluation score: 92%
Whistleblowing reports received and investigated	Launch of anonymous reporting platform; monthly internal audit review	2 reports submitted anonymously; 1 confirmed breach addressed with disciplinary action
Third-party due diligence checks performed	Screening of suppliers for compliance risks prior to contract signing	9 suppliers screened; 1 disqualified due to non-transparency of ownership structure

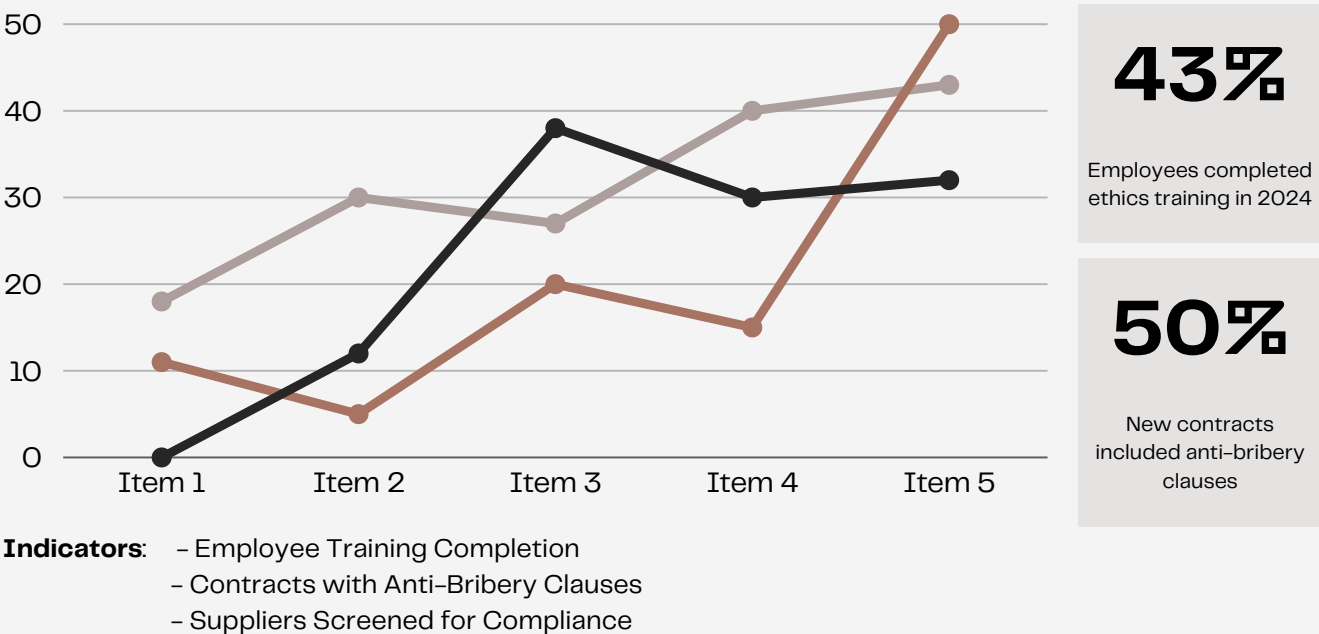
Progress Toward Sustainability Goals

Measuring our alignment with ethical and governance-related SDGs

In 2024, Baku Business Group initiated internal alignment with selected UN Sustainable Development Goals (SDGs), particularly those related to governance, ethics, transparency, and institutional integrity. Although we are not formally reporting under global frameworks, our internal efforts are closely aligned with the intent of SDG 16 – Peace, Justice and Strong Institutions.

Our initiatives in anti-corruption, corporate ethics, and stakeholder accountability reflect our dedication to building trust-based and responsible business practices across all markets where we operate.

Infographic/Table Suggestion



The chart above summarizes BBG’s key governance and compliance-related performance indicators tracked throughout 2024. Each metric reflects a core area of ethical business conduct, such as employee training, contractual integrity, whistleblower response, and partner screening. Continuous improvement was observed across all five categories, with notable acceleration in Q3 and Q4 following the introduction of new compliance protocols and leadership involvement.

Stakeholder Engagement

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Where do you go from here? Sustainability reports are not just about looking back, but also looking forward. This SDG Progress Report is a continuous work in progress – a way for your organization to track its impact and improvements over time. This section outlines your strategy for continuing the good work done so far.



Community Support Programs

We partnered with local municipalities in rural Azerbaijan to provide building materials for the renovation of community centers and schools. This initiative fosters goodwill, strengthens local infrastructure, and aligns with our mission to support social inclusion through sustainable development.



Smart Waste Campaign

In 2024, we launched internal and external awareness campaigns on construction waste reduction, including visual materials and employee briefings. These actions were designed to raise environmental awareness among staff and subcontractors, and to initiate more responsible practices across sites.



Educational Outreach in Schools

BBG volunteers conducted interactive sessions in public schools to promote the basics of sustainability and ethical decision-making. Engaging with younger generations helps us build a culture of responsibility and reinforces our long-term commitment to social impact.

Conclusion

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2024 marked a year of foundational progress for Baku Business Group. From strengthening internal governance to engaging with local communities, our efforts were aimed at creating meaningful impact. As we look ahead, we reaffirm our commitment to responsible growth and to the Sustainable Development Goals by 2030.



Corporate Integrity

- Adopted a formal Code of Ethics applicable to all staff
- Introduced anti-corruption clauses into 100% of new contracts
- Established a whistleblower system with 100% resolution rate



Long-Term Governance

- Provided building materials for rural school renovation
- Conducted sustainability sessions in public schools
- Maintained a zero-discrimination employment policy



Social Commitment

- Provided building materials for rural school renovation
- Conducted sustainability sessions in public schools
- Maintained a zero-discrimination employment policy



Environmental Awareness

- Launched company-wide waste awareness campaign
- Engaged employees in responsible site management
- Committed to developing a full environmental roadmap in 2025

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Baku Business Group| Sustainability Report 2024

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We thank each person and partner who played a role in shaping this report and in strengthening our long-term sustainability efforts. Your commitment helps us build a responsible and transparent future.

Contact

BAKU BUSINESS GROUP

152 Ave. Heydar Aliyev, Chinar Plaza

123-456-7890

www.bbgholding.org

office@bbgholding.org