

"Baku International Sea Trade Port" CJSC

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Letter of Commitment

H.E. António Guterres Secretary-General United Nations New York, NY 10017, USA

Dear Mr. Secretary General,

I am pleased to assure you that the Baku International Sea Trade Port CJSC (hence Baku Port) adheres to the Ten Principles of the United Nations (UN) Global Compact to achieve sustainable development. We express our commitment to implement these principles, to making the UN Global Compact and its principles part of our company's strategy, culture and day-to-day operations, and to engaging in collaborative projects that lead to achievement of the broader United Nations development goals, especially in the area of Sustainable Development Goals (SDGs).

The Port of Baku, as the region's leading seaport, is actively seeking to align its own operating principles, as well as influence its supply chain and stakeholders, to adhere to sustainable business practices and therefore contribute to the global sustainability agenda. The Port's ambitions and actions to achieve twelve of the seventeen SDGs are formally included in its strategy and action plans. By joining the UN Global Compact, the Port of Baku has set clear targets and key performance indicators to monitor and report on progress within the UN Global Compact initiatives.

Adhering to international standards and using modern technologies in the field of renewable energy and waste management, monitoring of air and water quality, digitalization of manual processes, as well as adoption of sustainable business practices, the Port of Baku has successfully completed the certification processes of ISO 14001:2015 (Environmental Protection Management System), ISO 45001:2018 (Occupational Health and Safety Management Systems), ISO 50001:2018 (Energy Management System) and has taken the necessary steps to be recertified for ISO 9001:2015 (Quality Management System).

By further integrating environmentally sound practices into the port activities, operations and management, the Port of Baku became the first port in the region to develop the net-zero emission "2035 Climate Action Plan". It was also awarded the European Sea Ports Organization (ESPO) "EcoPort" Certificate in 2019 and successfully passed recertification in 2021. This is a specific environmental management standard that raises awareness on environmental protection and helps ports reach sustainable development targets. Azerbaijan is now amongst 25 countries in the world that has a port with "Green Port" status.

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In our Climate Action Plan, the Port of Baku has set an ambitious goal of achieving carbon neutrality by 2035 by setting and implementing the following strategic goals: continuously reduce port-related energy consumption, develop energy efficiency measures, promote renewable energy and clean fuel production, and develop other vital activities to reduce carbon emissions. The Port of Baku clearly states this commitment to its stakeholders.

We recognize that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP), which describes our company's efforts to implement the Ten Principles. We support public accountability and transparency and are therefore committed to reporting progress within one year of joining the UN Global Compact and then annually thereafter in accordance with the UN Global Compact COP policy. This includes:

- A statement signed by the Chief Executive expressing our unwavering support for the UN Global Compact and reaffirming our continued commitment to this initiative and its principles. This is separate from our original letter of commitment to join the UN Global Compact.
- A description of the practical actions (i.e., disclosure of any relevant policies, procedures, actions) that the company has taken (or plans to take) to implement the principles of the UN Global Compact on the environment and other green-related matters.
- Outcome measurement (i.e., degree of achievement of targets/performance indicators or other qualitative or quantitative measures of results).

We would like to express our gratitude to the United Nations for its leadership and support in achieving sustainable development and look forward to strengthening our cooperation with the UN specialized institutions to achieve sustainable social and ecological systems in our region.

I would like to take this opportunity to renew to Your Excellency, the assurance of my highest esteem.

Truly yours,

Dr. Taleh Ziyadov

Director-General of "Baku International Sea Trade Port" CJSC