

FOCUS ON A SUSTAINABLE FUTURE



UZBEKNEFTEGAZ

2023

Sustainability
Report



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MESSAGE FROM THE CHAIRMAN OF THE BOARD

GRI 2-22

DEAR COLLEAGUES AND PARTNERS!
AS A LEADER IN THE OIL, GAS, AND PETROCHEMICAL INDUSTRIES OF THE REPUBLIC OF UZBEKISTAN, UZBEKNEFTEGAZ JOINT STOCK COMPANY SETS AMBITIOUS GOALS IN SUSTAINABLE DEVELOPMENT AND CONTINUES TO ACTIVELY MOVE TOWARDS THEIR ACHIEVEMENT. OUR SUCCESS IN 2023 REFLECTED OUR SHARED COMMITMENT AND DESIRE TO IMPROVE.

In the reporting year, Uzbekneftegaz JSC demonstrated significant achievements in energy efficiency and emission reduction. Thus, we reduced the consumption of electricity by 8.5% and heat energy by 1.6% compared to 2022. These results were made possible by the implementation of the Energy Saving and Renewable Sources Development Plan. It is also worth noting that greenhouse gas emissions in the reporting year were reduced by 7.8% in the Scope 1 category and 3% in the Scope 2 category. As part of its commitment to the UN Sustainable Development Goals, the Company is making efforts to reduce greenhouse gas emissions by 25% by 2030 and achieve complete carbon neutrality by 2050.

Occupational safety and a high level of social protection of employees remain among our key priorities. In 2023, more than 24,000 employees underwent medical examinations, of which 2,800 received the necessary

treatment. We also focus on developing our personnel, which is especially important in today's conditions. We trained 9,155 employees, and 232 specialists were given the opportunity to improve their qualifications abroad. We firmly believe that investing in personnel development is an investment in the Company's future.

An equally important aspect of our work is improving corporate governance. We strive to increase transparency, accountability, and efficiency of decision-making and actively work to improve these processes. As a result of the self-assessment of the corporate governance system for 2023, Uzbekneftegaz JSC scored 33 out of a possible 58 points. This is a significant improvement of 11 points compared to the scores obtained in the 2022 self-assessment.

In addition, in 2023, Uzbekneftegaz JSC launched several significant projects aimed at digitalization and op-



**SIDIKOV
BAKHODIRJON
BAKHROMOVICH**

Chairman of the Board
of Uzbekneftegaz JSC

timization of production processes. One such project is E-kon, which ensures the digitalization of natural gas production processes and increased resource management efficiency in the Company's fields. By introducing advanced technologies, Uzbekneftegaz JSC strives to minimize costs and improve accounting and production management transparency.

Uzbekneftegaz JSC also actively supports initiatives to maintain the environment and increase the use of renewable energy sources. As part of the implementation of the nationwide "Yashil Makon" project, more than 1.6 million trees were planted in 2023, which contributed to the improvement of the environmental situation and offset part of the greenhouse gas emissions.

In support of our beliefs, we continuously develop ESG practices, paying attention to environmental protection, employee support, and interaction with communities as key elements of sustainable development.

In conclusion, I would like to express my gratitude to all employees and partners for their invaluable contribution and ongoing support. Together, we will be able to reach new heights and make a significant contribution to the sustainable development of both our Company and the economy of the Republic of Uzbekistan.

KEY INDICATORS OF 2023

Total direct and indirect greenhouse gas emissions

6.65

MILLION TONS CO₂-EQ

2023

7.10

MILLION TONS OF CO₂-EQ

2022

Total volume of water withdrawn

32.6

MILLION LITERS

2023

28.6

MILLION LITERS

2022

Saving energy through the introduction of alternative sources

10.55

MILLION KWH

2023

Percentage of waste recycled

94.1 %

Proportion of senior managers in regions of presence from among the local population

100 %

Total share of employees covered by collective agreements

100 %

Total number of employees

32,294

PEOPLE

Number of employees trained

9,155

PEOPLE

Number of recorded cases of violation of business ethics

0

CASES

Saving money through localization of production and expansion of cooperation links

656.1

MILLION USD

Net profit

628

BILLION UZS
(53.3 MILLION USD)

Corporate Governance Assessment results

727

POINTS

International credit ratings

BB-

FITCH RATINGS

Forecast "Stable"

B+

STANDARD & POOR'S

Forecast "Stable"

RESPONSIBILITY TO SOCIETY

SOCIAL ACTIVITIES OF UZBEKNEFTEGAZ JSC

Uzbekneftegaz JSC pays special attention to the implementation of social projects, recognizing their crucial role in ensuring the sustainable development of both the Company and society. In 2023, the Company continued to actively support and implement various social projects, striving to positively

impact society and make a significant contribution to its development. As one of the largest companies in the country, we understand our role in improving social conditions, whether it is supporting education, healthcare, infrastructure projects or programs to protect vulnerable groups.

The Youth Union organized the donor campaign “Madad Bo’li” in which blood was donated for children by more than

60

EMPLOYEES

As part of the nationwide project “Yashil Makon,” were planted

1,609,379

SAPLINGS



EDUCATION AND YOUTH SUPPORT:

At the Uzbekistan GTL LLC plant, free argon welding courses were conducted for the unemployed, with subsequent certification and employment opportunities.

The company established scholarships for 10 talented students of the Tashkent Branch of the Russian State University of Oil and Gas.

A tour of the Uzbekistan GTL LLC plant was organized for school students from Karshi to introduce them to modern technologies and the specifics of working in the oil and gas industry.

As part of the “Oil and Gas of Uzbekistan — OGU 2023” exhibition and the Energy Forum of the Republic of Uzbekistan UEF-2023 a “Case Championship” was held for students and young professionals who presented projects aimed at developing the oil and gas sector.

A drawing competition was held among the employees’ children on the topic of “Green Economy and Renewable Energy Sources”, aimed at developing an interest in ecology and maintaining creative abilities.



VOLUNTEER AND CHARITY INITIATIVES

The Youth Union together with the Department of Human Resources Management of the Uzbekneftegaz JSC held a blood donation campaign “Madad Bo’li”, in which more than 60 employees donated blood for children undergoing treatment in oncology and hematology centers.

In order to promote a healthy lifestyle, the Company’s employees actively participated in the “UNG-Youth Marathon” marathon and the mass race “Yangi Nafas”.



ENVIRONMENTAL PROJECTS

As part of the national project “Yashil Makon” for environmental preservation and air purification, 1,609,379 tree and shrub seedlings were planted, and 437.18 hectares of disturbed land were reclaimed. Additionally, a 4.5-hectare garden was created in the Karaulbazar district.



CULTURAL AND EDUCATIONAL EVENTS

Uzbekneftegaz JSC held cultural and educational events, competitions, and round tables dedicated to the 582nd anniversary of Alisher Navoi, aimed at promoting his ideas and works among employees.

Cultural and educational events were held in honor of the birthday of the national poet Zulfiya, including poetry readings and the screening of a documentary dedicated to her work.

Young professionals from Uzbekneftegaz JSC laid flowers at the monument to Zakhiriddin Muhammad Babur in honor of the 540th anniversary of his birth. Additionally, creative gatherings and round tables dedicated to his legacy were held across the company’s enterprises.

As part of the “Oil and Gas of Uzbekistan — OGU 2023” exhibition and the Energy Forum of the Republic of Uzbekistan UEF-2023, an intellectual game “Zakovat” was held among young specialists.



PROFESSIONAL DEVELOPMENT AND TRAINING

Uzbekneftegaz JSC held a training seminar on managing corruption risks, where participants discussed global sanctions lists, conflicts of interest, and strategies for minimizing corruption risks. The event was attended by over 1,100 employees from 19 enterprises, with the goal of enhancing qualifications in compliance control and anti-corruption practices

Seminars were conducted for oil and gas enterprise employees to improve skills and ensure correct actions in emergency situations.

THE “E-KON” PROJECT AND THE DIGITALIZATION OF NATURAL GAS PRODUCTION PROCESSES AT UZBEKNEFTEGAZ JSC

IN 2023, THE “E-KON” PROJECT BECAME ONE OF THE KEY INITIATIVES OF UZBEKNEFTEGAZ JSC AS PART OF THE “DIGITAL UZBEKISTAN — 2030” STRATEGY.

The project aims to digitize natural gas production processes at the Company’s fields. Its focus is on implementing advanced technologies to enhance transparency in monitoring, improve control and management of hydrocarbon production processes, and automate key production operations.

The project includes comprehensive equipping of fields with modern measurement devices and data transmission systems, enabling real-time well monitoring and more accurate gas accounting. This significantly reduces dependency on human intervention, increases productivity, and enhances the overall efficiency of natural gas production.

The main objectives of the project:

The “E-kon” project is aimed at achieving the following goals:

- ▶ Round-the-clock management of all technological and organizational processes of hydrocarbon production.
- ▶ Minimization of the human factor by increasing the level of automation of processes.
- ▶ Optimization of well operation by selecting rational technological operating modes.
- ▶ Increasing the well exploitation coefficient by reducing the waiting time for operations and timely response to changes in operating conditions.
- ▶ Increasing the accuracy of gas production metering at all stages, which helps improve control and reporting.

Problems solved by the project

Before the implementation of the E-kon project, the Company faced a number of problems that limited the efficiency of gas production:

- ▶ Lack of round-the-clock monitoring of technical parameters of wells, which led to delays in process management.
- ▶ Insufficient technological metering of gas consumption for each field, which made accurate reporting and resource management difficult.
- ▶ Reduction in the well exploitation coefficient due to increased downtime and inefficient operation planning.

The implementation of the project made it possible to eliminate these problems by automating processes and creating real-time monitoring systems. Information on the state of wells is now transmitted to the Company’s central servers online, which allows for a timely response to any changes and optimizes the operation of production facilities.

Project status

As of 2023, the E-kon project has achieved significant success:

- ▶ 1,406 wells have been fully digitized (100% of the planned number).
- ▶ 96 out of 154 gas gathering points have been digitized (62%).
- ▶ 3,024 pressure sensors and 1,597 temperature sensors have been installed, providing real-time monitoring of technical parameters of wells.
- ▶ 86 base stations for data collection and transmission have been implemented.

The project has provided full online monitoring of all key parameters of wells and gas gathering systems. From 800 to 900 data points are received from one well per day, which allows for prompt monitoring of changes in pressure, temperature and other indicators, which in turn improves process controllability.

The “E-kon” project marks an important step in the digital transformation of Uzbekneftegaz JSC. The implementation of advanced technologies has enabled the company to significantly enhance the efficiency of natural gas production processes, improve monitoring of well operations and transportation systems, and ensure more accurate resource accounting and management. The project continues to evolve, with plans for further integration of new technologies by 2025. This will enable the company to improve production performance even further and strengthen its position in the energy market.

Staff training

One of the key aspects of the E-kon project is the training of qualified personnel to work with new systems. For this purpose, the Company has organized advanced training courses for operator engineers.

- ▶ 700 employees have been trained;
- ▶ The “Neftgaz-malaka” training center has organized 8-day courses for employees from the Mubarek, Shurtan, Ustyurt and Gazli OGPD;
- ▶ The training program covers 9 areas related to the automation of production and field development, with the involvement of professors from the Gubkin Russian State University of Oil and Gas and the PETRONAS University of Technology (Malaysia).

The training is aimed at improving the professional skills of engineers and operators in the field of using automated systems and advanced technologies in the gas production process.

Technological achievements

The implementation of the “E-kon” project also enabled the introduction of new technological solutions for gas processing and transportation at the fields. An example is the project at the Yangi Alat field, where facilities for preliminary gas, condensate, and formation water processing have been installed.

- ▶ A three-phase separator, a tank for unstable condensate and pumps for degassing formation water were added to the process flow chart. This allowed to reduce pressure losses in the gas pipeline and increase the productivity of the gas collection system.

After the introduction of new installations, gas production at the Yangi Alat field increased from 792 to 864 thousand m³ per day, which corresponds to an increase of 9.1%. This result was achieved by optimizing technological processes and introducing innovative solutions.

LAUNCH OF THE DRILLING CONTROL CENTER AT UZBEKNEFTEGAZ JSC WITH THE SUPPORT OF GAZPROM NEFT

ONE OF THE KEY EVENTS OF 2023 WAS THE TEST LAUNCH OF THE FIRST DRILLING CONTROL CENTER (DCC) IN THE REPUBLIC OF UZBEKISTAN. THE CENTER PROVIDES ROUND-THE-CLOCK ONLINE MONITORING OF WELL CONSTRUCTION, ENABLING ENHANCED EFFICIENCY AND RESPONSIVENESS IN DRILLING OPERATIONS.

Main Objectives of the Project and Goals of the Drilling Control Center

The project is aimed at achieving the following objective:

- ▶ 24/7 management of technological and organizational processes;
- ▶ Reduction of drilling costs;
- ▶ Ensuring compliance with HSE (Health, Safety, and Environment) requirements;
- ▶ Reduction of well construction time.

Digitalization and Real-Time Monitoring

Drilling parameters from each rig are transmitted to the Company's headquarters server and processed using specialized software. The data is displayed as parameters and charts, allowing for quick responses to changes in the drilling process. One of the center's key roles is to prevent accidents and incidents through rapid analysis and response to potential risks.

KEY RESULTS FOR 2023



Drilling footage

444

THOUSAND METERS



Completed construction

143

WELLS



Drilling rigs mobilized

84

RIGS



Put into operation

20

FIELDS



Discovered

7

FIELDS

PROSPECTS AND FURTHER STEPS

Drilling Control Center will continue to develop, introducing new technological solutions. It is planned to create a Capital Repair Management Department and a Department for Minimizing Injuries, which will also contribute to improving safety and efficiency indicators. An important task of the center is also the training and retraining of personnel to work with new technologies. At the moment, the center's specialists are undergoing training using specialized software products to improve the management of drilling processes.



Drilling footage

310

THOUSAND METERS



Completed construction

127

WELLS



Drilling rigs mobilized

67

RIGS



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UZBEKNEFTEGAZ JSC IS A MODERN VERTICALLY INTEGRATED COMPANY UNITING OVER 60 ORGANIZATIONS, INCLUDING 10 JOINT VENTURES.

PROFILE OF UZBEKNEFTEGAZ JSC

GRI 2-1

UZBEKNEFTEGAZ JSC (HEREINAFTER REFERRED TO AS THE COMPANY) IS THE LARGEST STATE-OWNED COMPANY IN THE REPUBLIC OF UZBEKISTAN, A LEADER IN THE OIL AND GAS INDUSTRY OF UZBEKISTAN.

The Company and its subsidiaries carry out all types of work in the production cycle of the oil and gas industry, including geological exploration, drilling and production of hydrocarbons, their transportation and storage, as well as the production and sale of petroleum products to consumers.

Uzbekneftegaz JSC is a modern vertically integrated company uniting over 60 organizations, including 10 joint ventures. The Company's head office is located in Tashkent.

The Company is a key player in the oil and gas industry of Uzbekistan, releasing 60% of the country's hydrocarbons. The Company is one of the main taxpayers of Uzbekistan — based on the results of 2023, 7.2 trillion UZS was paid. The Company is also the country's largest employer with a total of 32.3 thousand employees as of the end of 2023.

100% of the voting shares (99.94% of the total number of shares) of the Company are owned by the state. The holder of the voting shares of the Company is the Ministry of Finance of the Republic of Uzbekistan, 0.06% of the total number of shares are owned by individuals and legal entities.

THE COMPANY HAS CREDIT RATINGS FROM INTERNATIONAL AGENCIES

FITCH RATINGS

BB-

STANDARD & POOR'S

B+

WHICH CORRESPOND TO THE SOVEREIGN RATINGS OF THE REPUBLIC OF UZBEKISTAN.

Uzbekneftegaz JSC is a modern vertically integrated company uniting over

60

ORGANIZATIONS

The Company is also the country's largest employer with a total of

32,294

EMPLOYEES



COMPANY HISTORY

THE COMPANY WAS ESTABLISHED ON MAY 3, 1992, IN ACCORDANCE WITH THE DECREE OF THE PRESIDENT OF THE REPUBLIC. THE REPUBLIC OF UZBEKISTAN ISLAM KARIMOV “ON THE FORMATION OF THE UZBEK STATE CONCERN OF THE OIL AND GAS INDUSTRY “UZBEKNEFTEGAZ”¹.

In December of the same year, the Company was transformed into the National Corporation of Oil and Gas Industry “Uzbekneftegaz”². In December 1998, Uzbekneftegaz was transformed into the National Holding Company “Uzbekneftegaz”³, and in July 2017 it was reorganized into a joint-stock company⁴.

1992

Formation of the Uzbek State Concern of Oil and Gas Industry “Uzbekneftegaz”.

¹Decree of the President of the Republic of Uzbekistan No. PD-393 of May 3, 1992 “On the formation of the Uzbek State Concern of the Oil and Gas Industry “Uzbekneftegaz”.

²Decree of the President of the Republic of Uzbekistan No. PD-518 of December 23, 1992 “On the transformation of the Uzbek State Concern of the Oil and Gas Industry into the National Corporation of the Oil and Gas Industry “Uzbekneftegaz”.

1997

The Bukhara Oil Refinery, built jointly with a consortium consisting of Technip (France), Marubeni, and JGC (Japan), was put into operation.

Commissioning of a compressor station with units from Dresser-Rand (USA) at the Kokdumalak field, which was an important step in the development of the oil and gas industry for the Republic Uzbekistan.

1998

By Decree of the President of the Republic of Uzbekistan The National Corporation of Oil and Gas Industry Uzbekneftegaz was transformed into the National Holding Company Uzbekneftegaz.

1999

Together with the company “BSI Industries” (USA) The Khodjaabad underground gas storage facility was put into operation using compressors from Dresser-Rand (USA).

2000

The reconstruction of the Fergana oil refinery was carried out jointly with the companies Mitsui and Toyo Engineering (Japan).

2001

Construction of the Shurtan Gas Chemical Complex jointly with a consortium led by ABB Lummus Global (USA), which included Mitsui, Toyo Engineering and Nisho Iwai (Japan) and ABB Soimi (Italy).

2002

An Agreement on strategic cooperation in the gas industry was signed between Gazprom and Uzbekneftegaz, with the aim of activating and expanding cooperation between the parties.

2003

The Bateman booster compressor station was put into operation at the Shurtan field.

2004

Between the Republic of Uzbekistan and a consortium of investors consisting of the Russian oil company LUKOIL and the “Uzbekneftegaz” National Holding Company signed a Production Sharing Agreement (PSA) for the Kandym group of fields, the Khauzak and Shady fields, and the Kungrad field for a period of 35 years.

³Decree of the President of the Republic of Uzbekistan No. PD-2154 of December 11, 1998 “On the transformation of the National Corporation of Oil and Gas Industry “Uzbekneftegaz” into the National Holding Company “Uzbekneftegaz”.

⁴Resolution of the President of the Republic of Uzbekistan No. PR-3107 of June 30, 2017 “On measures to improve the management system of the oil and gas industry”.

2007

Construction of the transnational gas pipeline Turkmenistan – Uzbekistan – Kazakhstan – China, which is the longest in the world (7,000 km).

2012

A joint Uzbek-Italian enterprise “ARISTON-Thermo UTG” was created on the territory of the FIEZ “Navoi”.

2014

The Infrastructure Journal has awarded the prestigious award “Global Deal 2014 in the Oil and Gas sector” to the Ustyurt Gas Chemical Complex construction project.

2016

Launch of the project for the construction of the Uzbekistan GTL LLC plant for the production of synthetic diesel fuel.

2017

By decree of the President of the Republic of Uzbekistan, the National Holding Company «Uzbekneftegaz» was reorganized into a joint-stock company.

2019

The separation of Uztransgaz JSC from Uzbekneftegaz JSC;

Reduction of excessive intermediate levels in the management system through the merger of Uzburneftegaz JSC, Uzneftegazdobycha JSC, Uznefteprodukt JSC, and Uzneftegazmash JSC.

The merger included Mubarekneftegaz LLC, Shurtanneftegaz LLC, Ustyurtgaz LLC, Gazlineftegazdobycha LLC, Andijan-neft JSC, and Mubarek Gas Processing Plant LLC.

2020

Application of International Financial Reporting Standards (IFRS), preparation of reports for 2016-2020, conducting an independent external audit by the international company Ernst & Young.

2022

The first batches of synthetic naphtha (“heavy gasoline”) and synthetic diesel fuel were produced at the Uzbekistan GTL LLC plant.

2023

Export of synthetic diesel fuel produced at the Uzbekistan GTL LLC plant to Europe via Georgia has been established.

The Bukhara Oil Refinery has launched production of high-quality diesel fuel of the “SSDF” brand.

COMPANY DEVELOPMENT

MISSION AND VISION



Mission

To be an efficient commercial company, contributing to the sustainable development of the energy sector with care for people and the environment.



Vision

To be an environmentally responsible and socially oriented leader in hydrocarbon production and processing in the Republic of Uzbekistan.

GOALS, OBJECTIVES AND PRIORITIES

Main objectives of Uzbekneftegaz JSC within the framework of fuel and energy supply of the country for 2020-2030:



Dynamic development of the fuel and energy sector of the Republic of Uzbekistan, ensuring balanced and sustainable activities at all stages of its reform and technical and technological modernization, taking into account the strategic interests of the state, providing for further economic growth, improving the quality of life of the population and strengthening the country's energy security.



Satisfying the growing needs of consumers for fuel and energy products at affordable competitive prices that ensure a return on investment, providing for the modernization and reconstruction of existing fuel and energy enterprises, the construction of new capacities based on highly efficient technologies for the production and processing of energy resources, the improvement and automation of the system for accounting and monitoring of electricity and natural gas at all stages of gas supply, the diversification of fuel and energy resources with the development of the use of renewable energy sources, implementation of relevant geological and technical measures (aimed at increasing hydrocarbon reserves in the subsoil and increasing hydrocarbon production).

STRATEGY



The main objectives of the Company in the context of improving fuel-energy supply:

Increasing the energy efficiency of the economy with a parallel reduction in its energy intensity, including through the creation of economic mechanisms to stimulate the rational use of energy resources by consumers.

Improving production efficiency and introducing advanced technologies for geological exploration and processing of fuel and energy resources to meet demand with growing consumption of products in the fuel and energy industry.

Reducing the level of equipment wear through their gradual renewal, increasing the reserve capacity of power generating and energy transmission equipment.

Development and expansion of the use of renewable energy sources, their integration into the unified energy system of the Republic of Uzbekistan



In order to implement the corporate strategy, the Company is working in the following priority areas:

Sustainable energy supply of the economy and improvement of the quality of life of the population based on the most efficient use of the existing and further expansion of the production potential of the industry.

Modernization and construction of energy facilities necessary to ensure the effective functioning of the domestic market through the introduction of advanced information and communication technologies.

Ensuring an increase in explored hydrocarbon reserves in the subsoil and an increase in their production, including through increased efficiency of geological exploration and production equipment.

Increasing the volume of deep processing of hydrocarbon raw materials, production of petrochemical products and alternative fuels, through the introduction of modern innovative technologies.

Formation of a comfortable social and investment environment to attract long-term, primarily foreign direct investment.

Improving corporate governance, increasing the transparency of financial and economic activities of organizations in the fuel and energy industry.

GEOGRAPHY AND SCALE OF ACTIVITIES

GRI 2-6



Uzbekneftegaz JSC operates 129 hydrocarbon fields, which constitutes

45%

OF THE RESERVES OF THE REPUBLIC OF UZBEKISTAN

The Company has an resource base of oil and condensate

17.6

MILLION BARRELS

The Company has an resource base of natural gas

641.6

BILLION M³

OPERATIONAL ACTIVITIES OF UZBEKNEFTEGAZ JSC

GRI 2-6

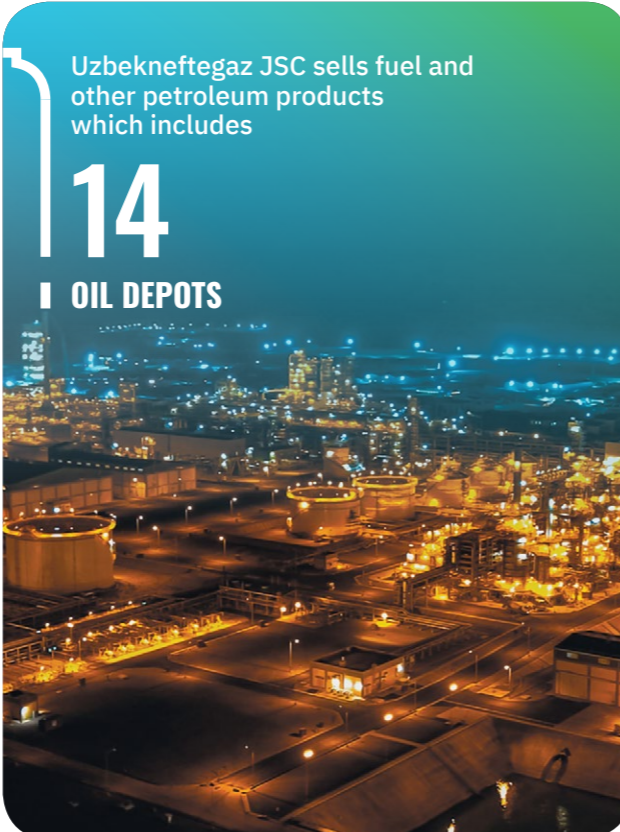
UZBEKNEFTEGAZ JSC CARRIES OUT ALL TYPES OF WORK IN THE PRODUCTION CYCLE OF THE OIL AND GAS INDUSTRY, INCLUDING GEOLOGICAL EXPLORATION, DRILLING AND PRODUCTION OF HYDROCARBONS, THEIR TRANSPORTATION AND STORAGE, AS WELL AS THE PRODUCTION AND SALE OF PETROLEUM PRODUCTS TO CONSUMERS.

The Company comprises six production units, four OGPDs (Mubarek, Shurtan, Gazli and Vodiy), Ustyurt GPD and Mubarek GPP. Three subsidiaries of Uzbekneftegaz JSC – Shurtan Gas Chemical Complex LLC, Bukhara Oil Refinery LLC and Uzbekistan GTL LLC are engaged in the processing of hydrocarbons.

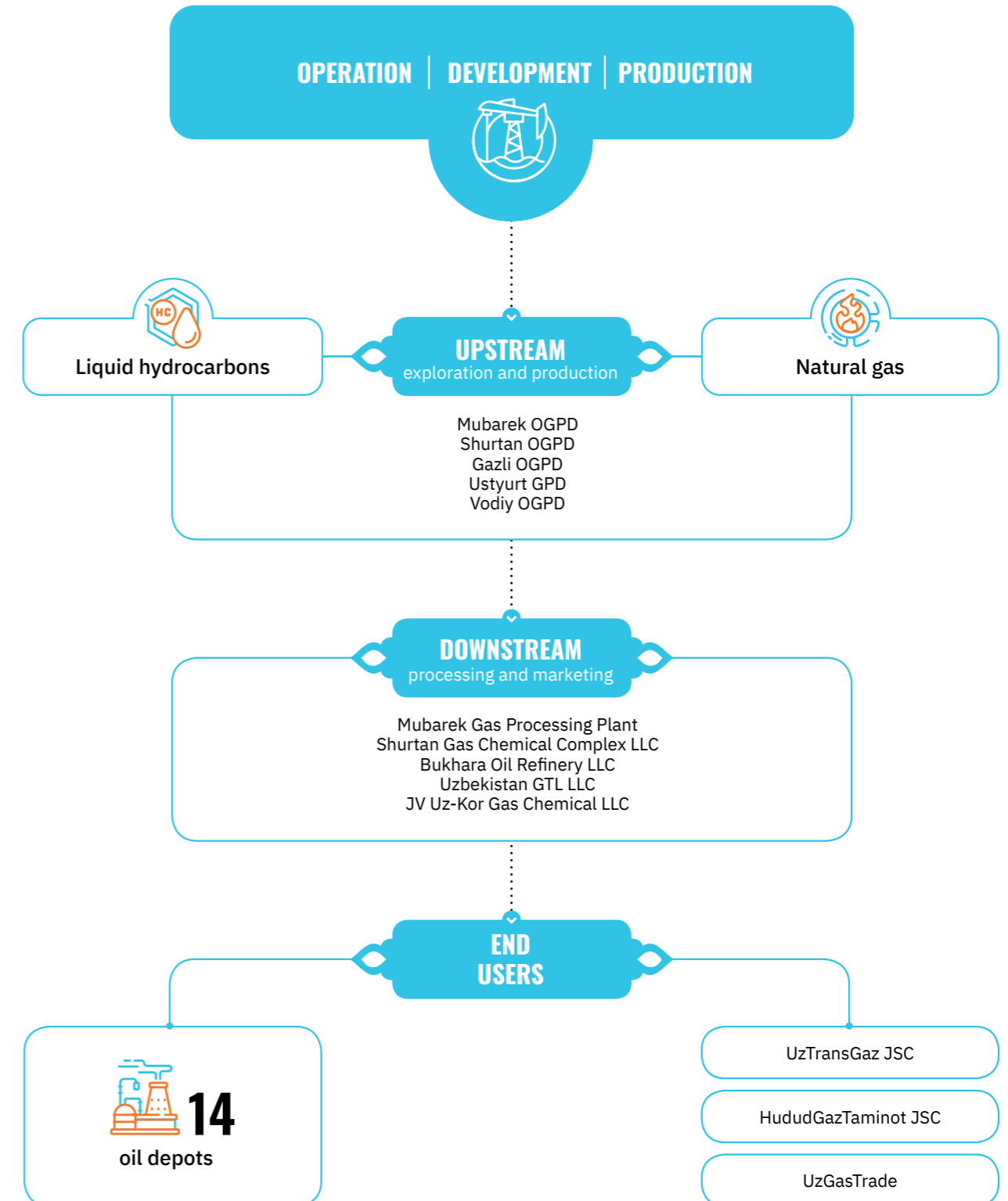
Uzbekneftegaz JSC sells fuel and other petroleum products through its own network, which includes 14 oil depots that operate as separate legal entities. The Company also includes six oilfield service companies, a specialized scientific publication Oil and Gas Journal LLC and O'zlitineftegaz JSC, which carries out advanced research and design work in the oil and gas sector and provides services in the field of environmental and industrial safety. In addition, the Company is a participant in joint ventures such as JV Asia Trans Gas LLC, JV Uz-Kor Gas Chemical LLC, JV Ko'kdumaloq-Gaz LLC.

Uzbekneftegaz JSC sells fuel and other petroleum products which includes

14 OIL DEPOTS



OPERATING MODEL OF UZBEKNEFTEGAZ JSC



PRODUCTION ACTIVITIES OF THE COMPANY

PRODUCTION INDICATORS FOR 2023



HYDROCARBON PRODUCTION

Natural gas

29.2
BILLION M³

Oil

76.8
THOUSAND TONS

Gas condensate

1,357.9
THOUSAND TONS



OIL AND GAS PROCESSING

Liquefied gas

687.8
THOUSAND TONS

Sulfur

236.0
THOUSAND TONS

Diesel fuel

565.9
THOUSAND TONS

Petrol

1,013.8
THOUSAND TONS

Fuel oil

55.1
THOUSAND TONS

Aviation fuel

179.4
THOUSAND TONS



DEEP PROCESSING OF HYDROCARBONS

Polyethylene

409.0
THOUSAND TONS

Polypropylene

82.2
THOUSAND TONS

Synthetic naphtha

212.3
THOUSAND TONS

Synthetic diesel fuel

374.6
THOUSAND TONS

Synthetic kerosene

67.1
THOUSAND TONS



SALES OF OIL AND GAS PRODUCTS ON THE DOMESTIC MARKET

Natural gas

24.8
BILLION M³

Liquefied gas

678.2
THOUSAND TONS

Polymers

218.6
THOUSAND TONS

Petroleumproducts

1,877.4
THOUSAND TONS



HYDROCARBON EXPORTS

Synthetic diesel fuel

61.7
THOUSAND TONS

Polymers

254.8
THOUSAND TONS

Liquefied gas

0

FINANCIAL-ECONOMIC INDICATORS

Direct economic value generated and distributed	31
Taxation	32
Procurement practices and localization	34

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UZBEKNEFTEGAZ JSC MAKES A SIGNIFICANT CONTRIBUTION TO THE ECONOMY OF UZBEKISTAN, PROVIDING NOT ONLY SIGNIFICANT TAX REVENUES AND SUPPORT FOR IMPORT SUBSTITUTION PROGRAMS, BUT ALSO CREATING JOBS BY ACTIVELY COOPERATING WITH DOMESTIC PRODUCERS.

UZBEKNEFTEGAZ JSC MAKES A SIGNIFICANT CONTRIBUTION TO THE ECONOMY OF UZBEKISTAN, PROVIDING NOT ONLY SIGNIFICANT TAX REVENUES AND SUPPORT FOR IMPORT SUBSTITUTION PROGRAMS, BUT ALSO CREATING JOBS BY ACTIVELY COOPERATING WITH DOMESTIC PRODUCERS.

Guided by the principles of operational efficiency, financial transparency and a responsible approach to the extraction of natural resources, the Company strives to promote the socio-economic development of the regions of presence and ensure long-term value for all stakeholders. At the same time, Uzbekneftegaz JSC strictly observes financial discipline and fulfills all its financial obligations in a timely manner.



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1

Efficient economic activity of Uzbekneftegaz JSC and strong financial results ensure the strengthening of the Company's position in the market and contribute to the development of the economy of Uzbekistan. The main focus is on increasing the value of the business for shareholders and creating long-term investment attractiveness.

The direct economic value generated by the Company in 2023 reached 31,538 billion UZS, which exceeds the 2022 figures by 10%. These results were achieved due to the growth of total revenues.

The distribution of economic value in the interests of various stakeholders increased by 20% by 2022, amounting to 30,910 billion UZS in 2023. The increase in the Company's total expenses is associated with investments and expansion of operating activities.

Retained economic value in 2023 amounted to 628 billion UZS, which is significantly less than in 2022 (4.5 times). This decrease is due to an increase in payments to capital providers and an increase in capital investments.

The direct economic value generated of the Company in 2023

31,538

BILLION UZS

The distribution of economic value in the interests of various stakeholders in 2023 amounted to

30,910

BILLION UZS

Retained economic value in 2023 amounted to

628

BILLION UZS

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Indicator	Units of measurement	2021	2022	2023
1. Direct economic value created				
Total income	billion UZS	24,698	28,712	31,538
2. Distributed economic value				
Total expenses	billion UZS	19,182	25,860	30,910
3. Retained economic value				
Profit	billion UZS	5,516	2,853	628
Payments to capital providers	billion UZS	10,481	5,972	9,077
Payments to the government	billion UZS	179	1,340	907
Capital investments	billion UZS	11,211	6,962	10,727

TAXATION

GRI 3-3, GRI 207-1, GRI 207-2, GRI 207-3

THE COMPANY HAS A SIGNIFICANT IMPACT ON THE SOCIO-ECONOMIC INDICATORS OF THE REGIONS, BEING A PRIMARY TAXPAYER TO THE STATE AND REGIONAL BUDGETS.

By the end of 2023, a total of taxes paid into the budget amounted to

165.9

TRILLION UZS

According to the Tax Committee of the Republic of Uzbekistan, at the end of 2023, a total of 165.9 trillion UZS (13.2 billion US dollars) in taxes were received by the budget. At the same time, among large taxpayers, which provided 58.9% of all tax revenues, Uzbekneftegaz JSC (excluding Navoi and Almalyk MMC) took first place, with a share of 4.5% of the total tax revenues to the state budget.

- ▶ Constitution of the Republic of Uzbekistan
- ▶ Tax Code of the Republic of Uzbekistan
- ▶ Law No. 474-I dated August 29, 1997, "On the State Tax Service"
- ▶ Law No. 742 dated December 30, 2021, "On the State Budget of the Republic of Uzbekistan for 2022"
- ▶ Presidential Resolution No. 73 dated December 30, 2021, "On Measures to Ensure the Implementation of the Law of the Republic of Uzbekistan 'On the State Budget of the Republic of Uzbekistan for 2022'"
- ▶ Regulation on the State Tax Committee of the Republic of Uzbekistan, approved by Appendix No. 1 to the Cabinet of Ministers Resolution No. 320 dated April 17, 2019
- ▶ Presidential Decree No. PD-5468 dated June 29, 2018, "On the Concept for Improving the Tax Policy of the Republic of Uzbekistan"
- ▶ Presidential Decree No. PD-5837 dated September 26, 2019, "On Measures for Further Improvement of the Tax Policy of the Republic of Uzbekistan"

Among large taxpayers Uzbekneftegaz JSC (excluding Navoi and Almalyk MMC) took

1

PLACE

The Company adheres to all established tax accounting and reporting procedures, strictly following tax legislation standards. A key part of this work is effective tax planning and control, ensuring timely fulfillment of all tax obligations. Continuous monitoring of the company's tax payments by tax authorities ensures transparency, and any arising issues are promptly resolved through the electronic portal.

When assessing tax risks, the management of Uzbekneftegaz JSC considers potential liabilities in areas where there may be a risk of tax legislation violations and where disputing or successfully appealing additional tax assessments by the authorities is unlikely. The Company is committed to transparency and maintaining open relations with tax authorities, ensuring the submission of all necessary reports in full compliance with Uzbekistan's legislation. In cases of tax uncertainty, the Company actively consults the Ministry of Finance of the Republic of Uzbekistan for official clarifications.

To enhance financial transparency and employee awareness, the Company, in cooperation with the State Tax Committee of the Republic of Uzbekistan, organizes seminars on recent changes to the Tax Code and national tax legislation. Since 2022, in accordance with a Cabinet of Ministers resolution, State Tax Service bodies exchange information with taxpayers, providing explanatory documents on issues that arise from audits and control measures.



PROCUREMENT PRACTICES AND LOCALIZATION

GRI 3-3

ENSURING AN EFFECTIVE PROCUREMENT PROCESS AND STRIVING TO ADHERE TO THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT ARE ESSENTIAL ASPECTS OF THE COMPANY'S ACTIVITIES.

Optimizing the procurement process helps support local suppliers, develop the regional economy, create jobs, and increase transparency. Fundamental principles of procurement activities of Uzbekneftegaz JSC include:

- ▶ ensuring transparency both with respect to potential suppliers and within the Company;
- ▶ guaranteeing equal opportunities for all counterparties by establishing unified and justified selection criteria, which include both price and non-price factors applied to all potential suppliers;
- ▶ promoting fair competition through competitive selection, which includes evaluation and selection from a wide range of suppliers whenever possible and appropriate;
- ▶ effective management and control of the procurement process;
- ▶ support for local suppliers within the framework of the localization program, including assistance to domestic producers where possible or in accordance with applicable law;
- ▶ compliance with all applicable legal regulations and prevention of illegal actions by any participants in the procurement process;
- ▶ ensuring the timely delivery of goods, performance of work or provision of services.

Uzbekneftegaz JSC, as a leading national oil and gas producer with a vast scale of operations, pays spe-

cial attention to the timely and effective satisfaction of the Company's needs to ensure uninterrupted operations and improve operational efficiency. Suppliers play a key role as strategic partners in strengthening and developing the business, as well as achieving the goals of Uzbekneftegaz JSC in the process of development of the fuel and energy sector of the Republic of Uzbekistan. Therefore, strengthening relations with suppliers remains an important priority for the Company, and is based on the mutual exchange of knowledge, experience and common goals.

In the reporting year, the Company entered into 4,006 contracts totaling 16,613.8 billion UZS, including the following categories:

- ▶ electronic procurement (through electronic and national stores, auctions, cooperation portals and special trading platforms through electronic exchanges) — 2,367 contracts totaling 1,221.3 billion UZS;
- ▶ tender purchases — 6 contracts totaling 105.6 billion UZS (in accordance with the Law on Public Procurement №684);
- ▶ procurement through selection of the best offers — 209 contracts totaling 206.3 billion UZS (in accordance with the Law on Public Procurement №684);
- ▶ purchases from single suppliers — 423 contracts totaling 436.1 billion UZS;

- ▶ purchases based on the Resolutions of the President of the Republic of Uzbekistan and other regulatory legal acts (implemented mainly through direct contracts) — 1,001 contracts totaling 16,644.4 billion UZS (based on the Decisions of the President and Resolutions of the Cabinet of Ministers).

GRI 204-1

To increase the share of local content in purchases, the Company regularly holds events to support domestic producers, develop production cooperation and create conditions for the production of import-substituting products in the Republic of Uzbekistan.

In 2023, the percentage of procurement from local suppliers was

43%

The Company participates in the implementation of state programs for localization and reduction of imports, making a significant contribution to the development of these critical areas and stimulating the growth of national industry.

SHARE OF SPENDING ON LOCAL SUPPLIERS

Indicator	2021	2022	2023
Number of suppliers, total	2,681	2,935	3,897
Total purchase amount, billion UZS	6,271.6	10,03.6	23,161.6
Number of local suppliers, total	2,637	2,895	3,788
Amount of purchases from local suppliers, billion UZS	5,097.8	8,392	9,867.8
% , by quantity	98%	99%	97%
% , by amount	81%	84%	43%

The Company is one of the largest customers for many domestic manufacturers, which helps support local production and increases the number of partner enterprises. Sustainable work with suppliers helps improve product quality and expand the range of goods, as well as strengthen the competitiveness of enterprises and create new jobs.

In 2023, import substitution amounted to 656.1 million USD, including 74.7 million USD through expanded cooperative ties and 581.4 million USD through localization efforts.

The Company regularly participates in and organizes various events aimed at informing about the current needs for goods and services of Uzbekneftegaz JSC.

In 2023, the Company's specialists and managers took part in more than 30 inter-industry cooperation fairs and exchanges throughout the Republic. At most of them, the Company presented its own branded stand, where meetings with domestic manufacturers were

held and samples of imported products offered for localization were demonstrated.

As part of strengthening international relations with the Republic of Azerbaijan, the Company, together with the state oil company SOCAR, has begun developing a project to organize the production of chemical reagents and oil and gas equipment in the Kashkadarya region. Within the framework of this project, it is planned to produce import-substituting products in demand in the oil and gas and mining industries. The project includes the production of three types of drilling fluids, four types of chemical reagents, 29 types of well equipment and equipment for well work-over, as well as one type of service covering four types of service work on the restoration of drilling and cement solutions. The project is scheduled for implementation in the period from 2024 to 2033 (in two stages). When reaching full capacity, it will create up to 400 new jobs and will have a positive impact on the socio-economic development of the entire region.

SUSTAINABLE DEVELOPMENT

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10 PRIORITY UN SDGS ADOPTED BY UZBEKNEFTEGAZ JSC:



SUSTAINABLE DEVELOPMENT MANAGEMENT

UZBEKNEFTEGAZ JSC PAYS SPECIAL ATTENTION TO BUILDING AN EFFECTIVE SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM, RECOGNIZING THE IMPORTANCE OF INTRODUCING ENVIRONMENTAL, SOCIAL AND ECONOMIC ASPECTS INTO THE COMPANY'S KEY BUSINESS PROCESSES.

In determining priority areas of activity in the field of sustainable development, Uzbekneftegaz JSC is guided by the goals and objectives of the UN Global Agenda for Sustainable Development, as set out in UN General Assembly Resolution 70/1 of 15 September 2015, "Transforming our world: the 2030 Agenda for Sustainable Development", as well as the provisions of other international standards and initiatives in this area.

Main directions of the sustainable development management system of Uzbekneftegaz JSC:

- ▶ reducing the Company's carbon footprint;
- ▶ protection of atmospheric air;
- ▶ rational use of water resources;
- ▶ ensuring industrial safety;
- ▶ diversity and equal opportunity;
- ▶ staff development and support;
- ▶ charity and social projects.
- ▶ effective corporate governance.



SUSTAINABLE DEVELOPMENT MANAGEMENT FRAMEWORK

THE COMPANY'S CORPORATE GOVERNANCE SYSTEM IS BASED ON COLLECTIVE RESPONSIBILITY, WHERE EACH EMPLOYEE PLAYS AN IMPORTANT ROLE IN ACHIEVING THE GOALS OF SUSTAINABLE DEVELOPMENT. THUS, THE TOP MANAGEMENT PROVIDES A LEADERSHIP ROLE AND ACCOUNTABILITY, WHILE THE STRUCTURAL DIVISIONS OF THE COMPANY ARE RESPONSIBLE FOR IMPLEMENTING THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT IN THEIR DAILY OPERATIONS.



The Supervisory Board and its Committees play an important role in developing strategy and determining priority areas, assessing risks and monitoring performance in the area of sustainable development.



The Management Board is involved in environmental, social and economic impact management and risk management processes and monitors the results of activities in the area of sustainable development.



Responsibilities for direct management of various aspects of sustainable development are distributed among the Company's divisions, which are responsible for setting goals and implementing specific activities.

Since 2022, the Company has maintained an ESG Implementation Department — an independent department responsible for the systematic management of sustainable development, coordination of initiatives and increasing the information transparency of activities in the field of sustainable development. The functions of the ESG Implementation Department include the development and monitoring of the Company's ESG goals, the implementation of environmental initiatives, and the preparation and publication of ESG reports in accordance with international standards.

Plans for 2024:

- ▶ Implementation of the project "Reduction of methane emissions in the territory of the Republic of Uzbekistan";
- ▶ Development and enhancement of the Health, Safety and Environment Policy and Risk Management at Uzbekneftegaz JSC;
- ▶ Development of a new season of the 3D animated cartoon "QUVVAT" in order to popularize energy saving among the population, educate environmental awareness among young people and promote the rational use of natural resources;
- ▶ Attracting "green" loans;
- ▶ Improving the qualifications of department employees;
- ▶ Improving the Company's corporate website.

IMPLEMENTATION OF UN SDGS

THE COMPANY ACTIVELY SUPPORTS THE UN SUSTAINABLE DEVELOPMENT GOALS (SDG), INTEGRATING THEM INTO ITS STRATEGIC AND OPERATIONAL ACTIVITIES.

UZBEKNEFTEGAZ JSC STRIVES TO CONTRIBUTE TO SOLVING GLOBAL PROBLEMS, SUCH AS CLIMATE CHANGE OR ENSURING EQUALITY, THROUGH THE PRACTICAL IMPLEMENTATION OF INITIATIVES DEVELOPED ON THE PRINCIPLES OF THE UN SDG AND AIMED AT IMPROVING ENVIRONMENTAL, ECONOMIC AND SOCIAL INDICATORS. THE COMPANY RECOGNIZES THE IMPORTANCE OF ALL 17 UN SDGS AND STRIVES TO MAKE A SIGNIFICANT CONTRIBUTION TO ACHIEVING EACH OF THEM.

For Uzbekneftegaz JSC's strategic objectives have been identified

10
PRIORITY SDGS



THE COMPANY'S CONTRIBUTION TO THE IMPLEMENTATION OF THE UN SUSTAINABLE DEVELOPMENT GOALS



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Tasks of UN SDG

3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Company initiatives

- ▶ Medical insurance for all employees of the Company and investments in the creation of medical facilities for employees;
- ▶ Training of all Company employees in safety precautions and compliance with international standards in this area;
- ▶ Implementation of infrastructure projects aimed at caring for the health of employees and promoting a healthy lifestyle.

Events

- ▶ In the healthcare sector, the company invested 22,259.0 million UZS in support of medical institutions and health improvement programs.
- ▶ In 2023, 25,453 employees underwent preventive medical examination.



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

Tasks of UN SDG

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Company initiatives

- ▶ Financial support for employees wishing to obtain professional education;
- ▶ Partnership with local and foreign higher education institutions;
- ▶ Allocation of grants to talented youth;
- ▶ Organization of educational programs and internships for students and graduates.

Events

- ▶ In 2023, the Company trained 9,155 employees, of which 2,007 were managers and specialists, and 7,148 were workers.
- ▶ 232 specialists improved their qualifications in foreign educational institutions and companies.
- ▶ In the reporting year, 37,252.8 million UZS were allocated to educational programs that supported educational institutions and contributed to improving access to quality education.
- ▶ Under agreements concluded with more than 20 educational institutions, 2,901 students received practical training.



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

Tasks of UN SDG

5.1 End all forms of discrimination against all women and girls everywhere.

Company initiatives

- ▶ Large-scale work to increase the socio-political activity of women, creating conditions for the realization of their abilities and opportunities in various spheres;
- ▶ Elimination of all forms of discrimination in the workplace against female employees.
- ▶ Operation of the Advisory Council to ensure equal rights and opportunities for women and men.

Events

- ▶ The share of women in the total number of employees as of December 31, 2023 was 11.32% (11.05% in 2022).
- ▶ In 2023, the Women's Council of Uzbekneftegaz JSC organized events aimed at raising legal awareness and legal culture among women, including trainings on protecting rights and combating violence in the family and at work, as well as educational meetings with lawyers and psychologists.



ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

Tasks of UN SDG

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing releases of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Company initiatives

- ▶ Implementation of innovative technologies for rational use of water, application of water circulation supply, reuse of treated wastewater for irrigation;
- ▶ Study of the possibility of cooperation in the field of designing technology for purification and preparation of industrial water, construction of treatment facilities;
- ▶ Conducting scientific experiments to neutralize microorganisms contained in wastewater.

Events

In the reporting year, the total volume of water discharged into city sewers decreased by 41.2%, and into cesspools by 54.1%.



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

Tasks of UN SDG

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.

Company initiatives

- ▶ Implementation of energy saving initiatives;
- ▶ Improving the automated system for recording electricity consumption;
- ▶ Conducting an energy audit in accordance with international standards and implementing the received recommendations.

Events

- ▶ In 2023, the Company saved 131,400 GJ of electricity, which allowed it to reduce costs by 32.9 billion UZS, and 824,381 GJ of fuel gas with a reduction in costs by 10.86 billion UZS.
- ▶ The company has carried out 91 activities to implement solar power plant, photovoltaic panel, solar collector and greenhouse gas electricity generation.



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Tasks of UN SDG

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Company initiatives

- ▶ Creation of work places in the regions of presence;
- ▶ Fulfilment of tax and other financial obligations to the state;
- ▶ Active support for localization, cooperation and local entrepreneurship programs.

Events

- ▶ In 2023, the Company paid 7.2 trillion UZS in taxes to the state.
- ▶ As part of the implementation of the Local Employment Program, the Company created 189 new work places.



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

Tasks of UN SDG

10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average

Company initiatives

- ▶ Ensuring equal opportunities in hiring, career growth and promotion;
- ▶ Sponsorship assistance to low-income families;
- ▶ Free medical and preventive care for all employees.

Events

- ▶ The company allocated 7,026.8 million UZS to support social initiatives, especially those that help vulnerable categories of the population.
- ▶ 180 pensioners were provided with one-time financial assistance, for which 2,680 million UZS were allocated from the Company's funds and 96.08 million UZS from the trade union budget.



MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

Tasks of UN SDG

11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.
11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

Company initiatives

- ▶ Greening of territories in the regions of presence with planting of seedlings of drought- and disease-resistant trees and shrubs;
- ▶ Material and technical assistance in the improvement of populated areas in the regions of presence;
- ▶ Creating conditions for providing the population with clean drinking water.

Events

- ▶ In 2023, the Company allocated 1,732.1 million UZS for projects related to the creation and improvement of infrastructure in the regions where the Company operates.
- ▶ In 2023, within the framework of the Yashil Makon project, Uzbekneftegaz JSC planted 1,609,379 ornamental seedlings and fruit trees.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Tasks of UN SDG

13.2 Integrate climate change measures into national policies, strategies and planning.

Company initiatives

- ▶ Preparation of greenhouse gas emissions reports;
- ▶ Industrial environmental monitoring of emission sources;
- ▶ Improving the energy efficiency of the Company's operations.

Events

- ▶ In the reporting year, greenhouse gas emissions (Scope 1) decreased by 7.8%.
- ▶ Greenhouse gas emissions (Scope 2) decreased by 2.9%.
- ▶ The Company has modernized 10 installations to reduce emissions and switch to environmentally friendly technologies.
- ▶ As part of the monitoring in 2023, 3,387 atmospheric air samples were taken.



PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS

Tasks of UN SDG

16.5 Substantially reduce corruption and bribery in all their forms

Company initiatives

- ▶ Conducting activities to prevent corruption offenses and illegal actions at the Company's enterprises;
- ▶ Improving the compliance control system;
- ▶ Refusal to operate in offshore jurisdictions.

Events

- ▶ In 2023, Uzbekneftegaz JSC launched a hotline to promptly address and combat corruption.
- ▶ During the reporting period, Uzbekneftegaz JSC received 961 requests, reflecting a 22% decrease compared to 2022.
- ▶ In 2023, anti-corruption training was completed by 18,805 employees, including 5,597 employees from factories and enterprises, 4,471 employees from departments, and 8,737 employees from oil depots.

MATERIAL TOPICS

GRI 3-1, GRI 3-2

IN THE REPORTING YEAR, THE LIST OF MATERIAL TOPICS WAS DEVELOPED THROUGH A COMPREHENSIVE ANALYSIS: AN ASSESSMENT BASED ON BEST DISCLOSURE PRACTICES OF SIMILAR COMPANIES IN THE OIL AND GAS SECTOR WAS CONDUCTED, THE DISCLOSURE REQUIREMENTS OF RATING AGENCIES CONCERNING MATERIAL TOPICS WERE REVIEWED, AND PRIORITY UN SDGS WERE CONSIDERED. THE PRIMARY ASSESSMENT CRITERIA INCLUDED THE SIGNIFICANCE OF THE COMPANY'S IMPACT ON THE ENVIRONMENT, SOCIETY, AND ECONOMY, AS WELL AS THE INFLUENCE ON STAKEHOLDER PERCEPTIONS AND DECISION-MAKING.

AN APPROACH TO IDENTIFYING MATERIAL TOPICS

Identification and Assessment of Impacts on an Ongoing Basis

01 Determination of the organization's activity context

02 Identification of actual and potential impacts

03 Assessment of the significance of impacts

Defining Material Topics for Reporting Preparation

04 Highlighting the most significant impacts

05 Creating of a list of material topics

Based on the results of the comprehensive assessment, 13 significant topics were identified, which are disclosed within the framework of this Report in accordance with the requirements of the GRI standards. In the reporting year, a new significant topic was identified — diversity and equal opportunities.

LIST OF SIGNIFICANT TOPICS OF THE REPORT IN 2023

Topic	GRI
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Land and biodiversity conservation	304
Emissions	305
Waste	306
Labor practices	401
Occupational health and safety	403
Employee training and development	404
Diversity and equal opportunities	405
Local communities	413



STAKEHOLDER ENGAGEMENT

GRI 2-29

Uzbekneftegaz JSC understands the importance of high-quality and effective interaction with stakeholders. The Company's communications with stakeholders are based on the principles of openness, trust and mutual respect. The Company strives to protect the interests of stakeholders by responding to requests from them and providing feedback promptly. The responsible functional

and structural units are engaged in identifying the main groups of stakeholders and coordinating interaction with them on an ongoing basis.

The key channels of interaction include corporate reporting, correspondence, the Company's website, forums and social media, media publications, and a hotline.

LIST OF KEY STAKEHOLDERS AND METHODS OF ENGAGEMENT WITH THEM

Stakeholders

01 Shareholders and investors

Interests and expectations

- ▶ Business stability and sustainability
- ▶ Market presence
- ▶ Financial stability and profitability
- ▶ Timely disclosure of information

Mechanisms of interaction

- ▶ Reporting
- ▶ Disclosure of information on the official website
- ▶ Handling of inquiries
- ▶ Digital communication channels
- ▶ Publications in the media

Stakeholders

02 Government Authorities and Regulators

Interests and expectations

- ▶ Compliance, stability and sustainability of business
- ▶ Creating and preserving jobs
- ▶ Representation of the country's economic interests at the international level
- ▶ Improving energy and resource efficiency in production
- ▶ Minimizing emissions into the environment

Mechanisms of interaction

- ▶ Agreements with government authorities
- ▶ Working meetings and consultations
- ▶ Digital communication channels

Stakeholders

03 Local communities

Interests and expectations

- ▶ Compliance, job creation and retention
- ▶ Sponsorship and charitable assistance
- ▶ Improving energy and resource efficiency in production
- ▶ Minimizing emissions into the environment
- ▶ Contribution to education

Mechanisms of interaction

- ▶ Acceptance of requests in oral, written or electronic form
- ▶ Social and economic partnership
- ▶ Charity programs, sponsorship, cooperation with charitable organizations

Stakeholders

04 Employees and the trade union

Interests and expectations

- ▶ Creating and preserving work places
- ▶ Relationships between employees and management
- ▶ Non-discrimination / Diversity and equal opportunities
- ▶ The level of satisfaction with the work of employees, as well as the work of the Company's services under their control
- ▶ Training and education
- ▶ Raising the level of production safety culture

Mechanisms of interaction

- ▶ Hotline
- ▶ Collective agreement
- ▶ Digital communication channels
- ▶ Annual meetings of all employees
- ▶ Publications in the media
- ▶ Industrial Safety Trainings

Stakeholders

05 Business partners

Interests and expectations

- ▶ Market Share/Market Presence
- ▶ Specific production cost of manufactured products

Mechanisms of interaction

- ▶ Purchasing activities
- ▶ Hotline

Stakeholders

06 Media

Interests and expectations

- ▶ Transparency and honesty
- ▶ Timely disclosure of information

Mechanisms of interaction

- ▶ Disclosure of information on the official website
- ▶ Issuing press releases
- ▶ Answers to queries

Stakeholders

07 Structural enterprises

Interests and expectations

- ▶ Economic interests
- ▶ Support in interaction with government agencies

Mechanisms of interaction

- ▶ Reporting
- ▶ Disclosure of information on the official website
- ▶ Conducting meetings, negotiations, appointments
- ▶ Orders and instructions of the Company

ESG-TRANSFORMATION

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TODAY, THE TRANSFORMATION PROCESS REPRESENTS DYNAMIC CHANGES ENCOMPASSING ALL BUSINESS SEGMENTS AND FUNCTIONS OF UZBEKNEFTEGAZ JSC.

TOWARDS A SUSTAINABLE BUSINESS

IN 2023, THE DEPARTMENT OF TRANSFORMATION AND OPERATIONAL EFFICIENCY CONTINUED TO IMPLEMENT A NUMBER OF PROJECTS AIMED AT OPTIMIZING PRODUCTION PROCESSES, IMPROVING THE CORPORATE STRUCTURE, AND AUTOMATING KEY BUSINESS PROCESSES TO INCREASE THE OVERALL EFFICIENCY OF THE COMPANY.



CORPORATE DEVELOPMENT



IFRS STANDARDS

Financial statements are prepared in accordance with IFRS, audited according to ISA, and published.



PRMS SYSTEM

An audit of hydrocarbon reserves is conducted in accordance with PRMS.



GRI STANDARDS

ESG reporting is prepared and published in accordance with GRI standards.



CORPORATE CREDIT RATING

Credit ratings obtained from S&P and Fitch.



EUROBOND ISSUANCE

Placed on the London Stock Exchange, issuing debenture eurobonds amounting to 700.0 million USD.



PROCUREMENT SYSTEM

A forensic analysis and audit of the procurement system were conducted.



COMPLIANCE CONTROL SYSTEM

A “Compliance-Control” system has been implemented.



IPO PREPARATION

- Analysis of readiness for IPO has been conducted.
- Red flag reports have been prepared.
- An investment story has been developed – “Equity Story”




DIGITALIZATION AND AUTOMATION

100% **DIGITALIZATION AND AUTOMATION**
A roadmap consisting of 140 initiatives has been developed.




100% **AUTOMATION PROJECT OFFICE**
A project office for automation and digitalization has been established.



OPERATIONAL EFFICIENCY

100% **OPERATIONAL EFFICIENCY**

- Initiatives with an economic efficiency of 682 billion UZS have been developed.
- Achieved economic impact of initiatives in the amount of 617.2 billion UZS.
- A unified technical policy was developed and approved.
- Reliability management services were established at production enterprises.




100% **OPERATIONAL EFFICIENCY OF WELL SERVICING AND DRILLING PROCESSES**
Initiatives to improve the operational efficiency of drilling processes have been developed.




HR

75% **ATTRACTION OF FOREIGN SPECIALISTS**
7 foreign specialists have been attracted to key positions in various fields.




2% **PUBLIC OFFERING OF SHARES (IPO/SPO)**
Preparation for the public offering of 2% of shares on the local stock exchange has been organized.



STRATEGIC AND CORPORATE DEVELOPMENT


90% **COMPANY STRATEGY**
Development of the medium and long-term company development strategy.




80% **CORPORATE GOVERNANCE SYSTEM**
Implementation of a modern corporate governance system in accordance with the roadmap.




45% **IMPLEMENTATION OF ESG STANDARDS**
Integration of ESG standards into the company's business processes and publication of the ESG report for 2022.



50% **IFRS STANDARDS**
Implementation of the "fast close" project for rapid financial period closure.




80% **CORPORATE CREDIT RATING**
Obtaining a credit rating from Moody's, updating the ratings from S&P and Fitch.



50% **PROCUREMENT SYSTEM**

- Creation of a Unified System for managing normative reference data (NRD).
- Implementation of the 1C MTO system.
- Optimization of the warehouse network.



IMPROVING OPERATIONAL EFFICIENCY

30% **E-KON**
Digitalization of the natural gas production process and creation of a production management center.



70% **ENHANCING DRILLING PROCESS EFFICIENCY**
Digitalization of drilling processes and creation of a drilling management center.



100% **PRODUCTION PROCESSES**
Completion of the implementation of the production efficiency assessment system based on indices.



50% **PRODUCTION PROCESSES**

- Pilot implementation of HRM (Human Resource Management System), DOCFLOW (document management system), PMS (Power Management System).
- Development of the RISK.UNG system.



E REDUCTION OF EMISSIONS AND RATIONAL USE OF RESOURCES

6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION
01 Reduction of Greenhouse Gas Emissions (Scope 1 + 2) -25% 2030	02 Reduction of Company Carbon Footprint (Scope 1 + 2) 0 2050	03 Reduction of Sulfur Oxides Emissions -35% 2030	04 Reduction in Water Consumption -35% 2030

S SAFE WORK, EQUAL OPPORTUNITIES, CHARITABLE AND SOCIAL PROJECTS

3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES
01 Reduction of FAR (Fatal Accident Rate) 0 2030	02 Reduction of LTIFR (Lost Time Injury Frequency Rate) <0.2 2050	03 Increase in the Percentage of Women in the Workforce 20% 2030	04 Skills Development 40 2030	Up to 3% of net profit Social benefits and bonuses for employees Student support programs Charitable projects, environmental improvement initiatives Ensuring the stability of the social sector	

G EFFECTIVE CORPORATE GOVERNANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Expansion of the Supervisory Board 11 — 15 2025	Increase in the Percentage of Independent Directors on the Board 30% 2025	Increase in the Percentage of International Managers on the Management Board 30% 2025
01	02	03	06
04 Increase in the percentage of women in the Supervisory Board and Management Board 10% 2025	05 Balance of qualifications among Supervisory and Management Board members 3 OF 3 2025	06 Disclosure of Information and Annual Reporting 1) IFRS Financial statement, 2) Annual report, 3) Sustainability report 3 OF 3 2025	

OPERATIONAL EFFICIENCY



Improving operational efficiency and reliability of production processes

Goal

Implementation of new approaches and modern methods to ensure reliable, uninterrupted and efficient operation of equipment, reduction of overall costs, as well as improvement of organizational structures of manufacturing enterprises, which will help to better ensure interaction for the implementation of identified opportunities.

Achievements

- ▶ Operational efficiency departments have been created at key production facilities to improve operational efficiency and implement modern approaches.
- ▶ A system for assessing the performance of manufacturing enterprises based on operational efficiency indices has been introduced.
- ▶ Measures have been developed to improve operational efficiency based on indices and their factor analysis.
- ▶ A comprehensive repair schedule has been developed to coordinate repair work and reduce associated losses based on best practices.
- ▶ A new approach to planning shutdown repairs has been introduced, and a new regulation on the system for conducting shutdown repairs of facilities, structures and equipment has been approved.
- ▶ A new approach has been developed for assessing production indicators taking into account key performance indicators (KPI) and the personal responsibility of enterprise directors.
- ▶ The concept for the implementation of the Business Service Center (BSC) has been developed.

CORPORATE TRANSFORMATION



Implementation of a modern corporate governance system

Goal

Diagnosis of the level of maturity of corporate governance and bringing it into line with the listing requirements of global stock exchanges.

Achievements

- ▶ The composition of the Supervisory Board has been determined, which will include 2 independent members;
- ▶ A plan for the succession of collegial bodies has been developed;
- ▶ The Corporate Secretary Service was created;
- ▶ The 2021 and 2022 ESG reports have been published;
- ▶ New risk management tools have been introduced;
- ▶ An Anti-Corruption Policy has been adopted, incorporating the requirements of the UK Bribery Act;
- ▶ The Internal Audit Service (IAS) was formed.



Improving the reporting system in the field of accounting and financial reporting

Goal

Assessing the Company's readiness for an IPO in the area of accounting and financial reporting, as well as improving the reporting system. Implementation of the "fast closing of reporting periods" project – reducing the time for preparing consolidated financial statements of Uzbekneftegaz JSC under IFRS for timely submission of reports to potential investors and current creditors (for annual reporting – up to 120 calendar days, for semi-annual reporting – up to 90 in accordance with DTR-4).

Achievements

- ▶ An "AS IS" analysis of the current IFRS consolidated reporting processes was conducted based on recommendations from multi-brand IT integrators, including "SAP" and "IBM."
- ▶ Requirements for the information system (IS) to automate the process of IFRS consolidated reporting were developed.
- ▶ Scoring criteria for selecting the IT vendor and IT integrator were established.
- ▶ A "Fast Closing Calendar for IFRS Reporting Periods" was developed.
- ▶ The first round of training sessions for the Accounting and Corporate Reporting Department employees was conducted on the application and implementation of the developed methodological documents.
- ▶ The foundation for a pre-project survey on the automation of consolidated reporting processes in accordance with IFRS, considering potential synergy with the business planning process, was prepared.



Transformation of procurement processes

Goal

Standardization and automation of procurement processes from the formation of requirements to write-off from the warehouse. Improvement of warehouse management processes. Organizing normative reference data (NRD) and automation of reference management processes.

Achievements

- ▶ A project to improve Master Data Management (MDM) processes has been launched in collaboration with the consulting firm KPMG.
- ▶ The automated system 1C:MTO has been developed and tested.
- ▶ A diagnostic assessment of the current state of the warehouse network at Uzbekneftegaz JSC was conducted.
- ▶ The basis for developing a warehouse management model (warehouses for material and technical supplies and finished goods) has been prepared.
- ▶ A centralized service for maintaining reference data has been created in the company's executive office and local reference data groups have been created at the Bukhara Oil Refinery and Shurtan Gas Chemical Complex.
- ▶ An individual training and professional development program for supply chain employees has been developed. The consulting company PwC has been engaged to implement the training program.
- ▶ Training was conducted for procurement department specialists at manufacturing enterprises of Uzbekneftegaz JSC.
- ▶ A pilot implementation of the 1C:MTO system has begun at the Ustyurt OGPD in terms of the needs of the transport service.

DIGITALIZATION AND AUTOMATION



Digitalization of natural gas production processes – “E-kon”

Goal

Creation of an automated integrated system for managing production processes, namely, digitalization of natural gas production processes and ensuring complete transparency of the raw gas accounting system.

Achievements

- ▶ An EPC contract (Engineering, Procurement, and Construction) has been signed for project implementation.
- ▶ The production of separators, degassers and buffer tanks has been established jointly with a domestic manufacturer.
- ▶ A total of 2,747 pressure sensors and 1,338 temperature sensors have been installed on 1,362 wells at Uzbekneftegaz JSC’s oil and gas production departments to digitalize well indicators.
- ▶ 67 base stations have been installed to ensure uninterrupted transmission of signals from sensors.
- ▶ Training was provided to more than 600 employees of oil and gas production departments on the implementation of a new approach to monitoring and analyzing well data.
- ▶ The positions of “operating engineers” responsible for production indicators in the context of fields were created (112 specialists began work).
- ▶ Technical conditions and material and technical resources have been prepared for the construction of 80 gas primary processing units (GP-PU) with gas flow metering units.



Digitalization of drilling processes

Goal

Digitalization of drilling processes in Uzbekneftegaz JSC – the opening of the “Drilling Control Center” will allow managing technological and organizational processes online (24/7) and will also help reduce the time required to construct wells.

Achievements

- ▶ 23 drilling rigs are equipped with a drilling parameter control system of Uzbekneftegaz Drilling Works LLC.
- ▶ The operational model of the Drilling Control Center (DCC) has been agreed upon.
- ▶ The process of data transfer and monitoring in real time using Nedra Drilling RTM software has been launched.
- ▶ Software has been installed to perform engineering calculations during well construction.
- ▶ Software has been installed for collecting historical data, assessing its quality, storing and operating it.
- ▶ Digital (remote, 24/7) support of drilling processes has been established at 3 wells: Yangi Tegermen 3, Shurtan 407 and Kuyi Sharkiy Berdakh 7.
- ▶ After the project implementation, the well construction period is expected to be reduced by 20% and NPV by 50%.



Development of the SAP ERP system

Goal

Optimization of business processes, reduction of the number of manual operations and the influence of the human factor, collection of data in a single source of information for making informed decisions, achieving positive economic results and increasing the overall efficiency of the company.

Achievements

- ▶ A draft roadmap for the implementation of the SAP ERP system has been developed.
- ▶ The experience of implementing the SAP BPC system (planning and budgeting) was studied.
- ▶ The capabilities of SAP PI/PO (integrated data bus) were studied and a comparative analysis was conducted with solutions from other international companies.
- ▶ A project team at Uzbekneftegaz JSC has been established to explore the potential implementation of SAP PM (Plant Maintenance) for maintenance and repair, SAP FI (Financial Accounting) for financial management, SAP MDG (Master Data Governance) for centralized data/reference management, and other modules.



Implementation of UNG-PMS – an automated system for accounting and monitoring the state of electricity produced by solar photovoltaic stations

Goal

The system is designed for centralized monitoring of electricity generated by solar photovoltaic installations installed at all facilities of Uzbekneftegaz JSC.

Achievements

- ▶ Data on photovoltaic stations installed at the Company’s facilities have been analyzed.
- ▶ Backend and Frontend applications for the system have been developed.
- ▶ A passport, concept and necessary materials for the system for registration in the Unified Register of Information Systems and Resources of the Digital Government (reestr.uz) have been developed.
- ▶ Testing of devices to be installed at photovoltaic stations has been conducted, and work is underway to connect them to the Uzbekneftegaz JSC server.



Implementation of UNG-CMMS – automated maintenance and repair management system

Goal

The automated maintenance and repair management system is designed to extend the service life of equipment, facilitate enterprise management and planning of maintenance and repair schedules, improve the efficiency and use of spare parts and resources (technical, human, time, etc.).

Achievements

- ▶ The UNG-CMMS system is registered in the Unified Register of Information Systems and Resources of Electronic Government (reestr.uz).
- ▶ The necessary documents have been developed and executed to begin the process of purchasing systems.



Implementation of UNG-HRM – automated human resource management system

Goal

The UNG-HRM system is designed to automate the data storage system, personnel management, personnel reserve management, department and personnel assessment, systematic identification of important performance indicators, and interaction with the unified portal of public services.

Achievements

- ▶ The UNG-HRM system has been developed and implemented in test mode.
- ▶ The passport, concept and technical specifications of the system are registered in the Unified Register of Information Systems and Resources of Electronic Government (reestr.uz).
- ▶ Comprehensive training was conducted for Uzbekneftegaz JSC enterprises on methods of operating within the system.



Implementation of UNG-DOCFLOW – automated document management system

Goal

UNG-DOCFLOW is designed to control electronic document flow, execution of tasks and documents, as well as executive discipline.

Achievements

- ▶ The UNG-DOCFLOW system (electronic document management) has been developed and implemented in test mode.
- ▶ The software for cryptographic protection of the UNG-DOCFLOW system has been tested.
- ▶ The passport, concept and technical specifications of the system are registered in the Unified Register of Information Systems and Resources of Electronic Government (reestr.uz).



ENVIRONMENTAL RESPONSIBILITY (E ASPECT)

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Water resources	80
Preservation of biodiversity	84
Waste management	86



UZBEKNEFTEGAZ JSC STRIVES TO INTEGRATE THE PRINCIPLES OF ENVIRONMENTAL RESPONSIBILITY INTO ALL ASPECTS OF ITS ACTIVITIES, UNDERSTANDING THE IMPORTANCE OF PRESERVING NATURAL RESOURCES FOR FUTURE GENERATIONS.

APPROACH TO ENVIRONMENTAL MANAGEMENT

GRI 3-3

TODAY, SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PROTECTION ARE BECOMING KEY PRIORITIES FOR COMPANIES IN THE OIL AND GAS INDUSTRY. UZBEKNEFTEGAZ JSC STRIVES TO INTEGRATE THE PRINCIPLES OF ENVIRONMENTAL RESPONSIBILITY INTO ALL ASPECTS OF ITS ACTIVITIES, UNDERSTANDING THE IMPORTANCE OF PRESERVING NATURAL RESOURCES FOR FUTURE GENERATIONS. OUR APPROACH TO ENVIRONMENTAL MANAGEMENT IS BASED ON COMPLIANCE WITH INTERNATIONAL STANDARDS AND CONTINUOUS IMPROVEMENT OF ENVIRONMENTAL EFFICIENCY. THE COMPANY ALSO ACTIVELY PROMOTES THE IMPLEMENTATION OF INNOVATIVE SOLUTIONS TO IMPROVE ITS ENVIRONMENTAL SUSTAINABILITY.

Key regulatory documents of Uzbekneftegaz JSC:

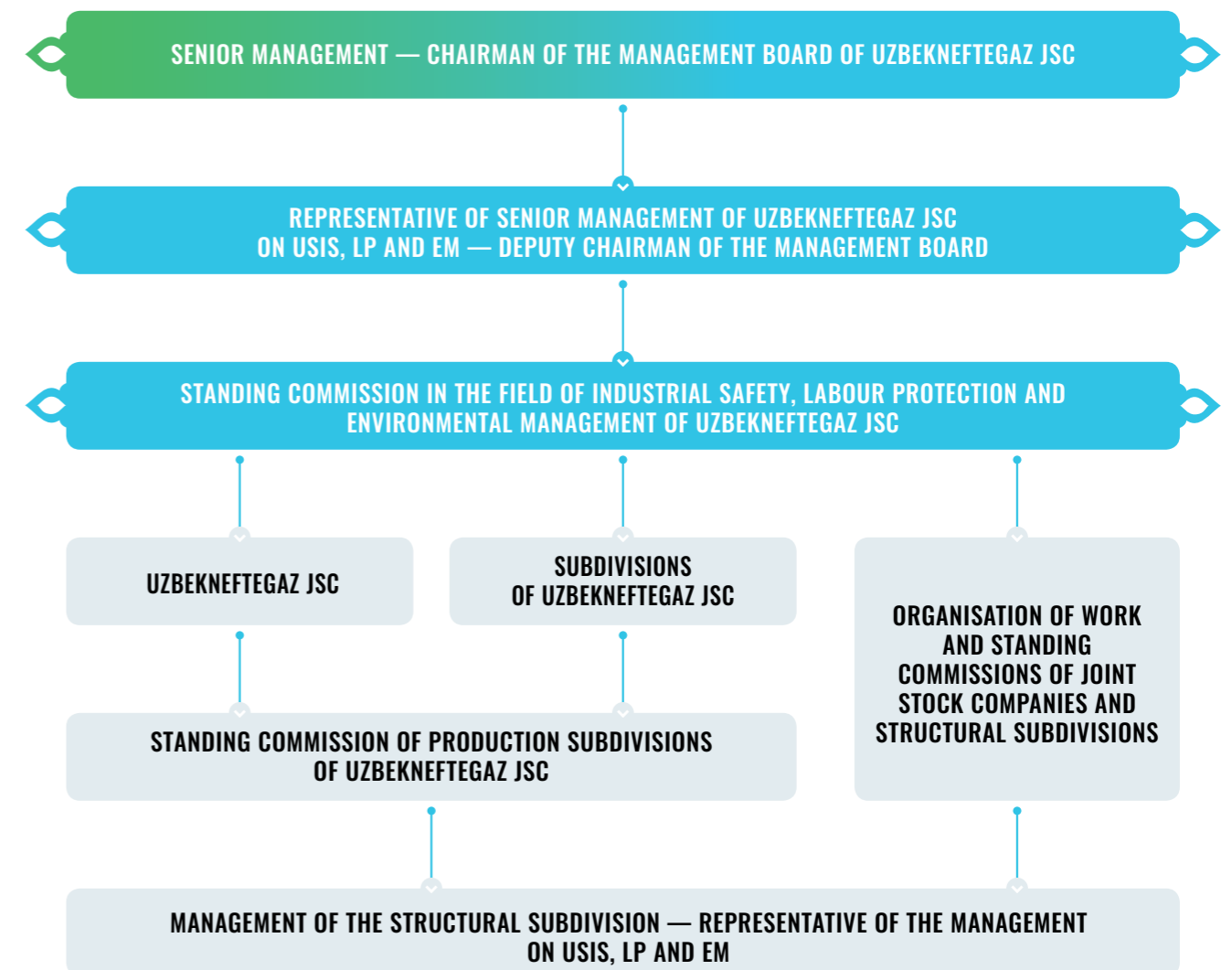
GRI 2-23, GRI 2-24

- ▶ Law of the Republic of Uzbekistan of December 9, 1992 No. 754-XII "On Nature Protection";
- ▶ Law of the Republic of Uzbekistan dated December 27, 2013 No. ZRU-363 "On environmental control";
- ▶ Resolution of the Cabinet of Ministers of the Republic of Uzbekistan, dated January 21, 2014 No. 14 "On approval of the Regulation on the procedure for developing and coordinating draft environmental standards";
- ▶ Policy in the field of industrial safety, labor protection and the environment;
- ▶ Permitting documentation in accordance with the requirements of the legislation of the Republic of Uzbekistan (waste generation standards (WGS), maximum permissible emissions (MPE), maximum permissible discharges (MPD), etc. for each enterprise);
- ▶ Sanitary rules and regulations of the Republic of Uzbekistan No. 0293-11. List of maximum permissible concentrations (MPC) of pollutants in the atmospheric air of populated areas on the territory of the Republic of Uzbekistan;
- ▶ Sanitary rules and regulations of the Republic of Uzbekistan No. 0300-11. Sanitary rules and regulations for the organization of collection, inventory, classification, disposal, storage and disposal of industrial waste in the conditions of Uzbekistan;
- ▶ GOST 12.1.007-76. Occupational safety standards. Harmful substances. Classification and general safety requirements;
- ▶ NGH 39.0-140:2012. Methodology for calculating pollutant emissions into the atmosphere for oil and gas producing enterprises;
- ▶ ISO 14001:2015 Environmental management systems — Requirements and guidelines for their use";
- ▶ Plans for environmental protection and rational use of natural resources.

ENVIRONMENTAL MANAGEMENT SYSTEM

In Uzbekneftegaz JSC environmental protection management issues are covered by the Unified System for Industrial Safety, Labor Protection and Ecology Management (USIS, LP and EM). The system covers all levels of Company's management: from top management, which determines environmental policy and strategic goals, to structural units responsible for implementing environmental measures on the ground.

UNIFIED SYSTEM FOR INDUSTRIAL SAFETY, LABOR PROTECTION AND ECOLOGY MANAGEMENT IN UZBEKNEFTEGAZ JSC



This system has been developed and is being improved in accordance with the requirements of international standards ISO 9001:2015, ISO 45001:2018 (formerly OHSAS 18001), ISO 14001:2015. Thus, by the end of 2023 18 of the Company's enterprises were certified according to the international standard ISO 14001 (17 divisions — in 2022).

Control over compliance with environmental requirements of the Unified System for Industrial Safety, Labor Protection and Environmental Protection lies at the Environmental Safety Service, whose tasks include the following areas:

- ▶ prevention, detection and suppression of violations of legal requirements in the field of environmental protection and rational use of natural resources;
- ▶ monitoring the state of the environment, identifying situations that may lead to environmental pollution and irrational use of natural resources;
- ▶ effectiveness of environmental protection activities — determination of compliance with environmental requirements of planned or ongoing economic and other activities;
- ▶ observance of the rights and legitimate interests of government bodies and economic management, economic entities, and the performance of their duties

in the field of environmental protection and rational use of natural resources;

- ▶ informing government and other organizations, as well as citizens on changes in the environment, forecasts of its state, the use of natural resources and the appropriate measures taken.

Within the framework of the industrial safety, health and environmental protection policy, based on the analysis of significant environmental factors, the Company develops goals and objectives to minimize and control the impact on the environment. Mechanisms for identifying and preventing potential emergency situations, as well as response measures to mitigate their consequences, are constantly being implemented.

In the reporting year, at enterprises of Uzbekneftegaz JSC no environmental accidents were recorded.

COMPLIANCE WITH ENVIRONMENTAL REQUIREMENTS

GRI 2-27

Uzbekneftegaz JSC strives to reduce the negative impact on the environment, annually implementing events and initiatives in this direction.

In 2023, the total amount of compensation payments for environmental pollution and waste disposal amounted to 2.3 billion UZS (185 thousand USD), which is slightly higher than the figures for 2021 and 2022. The main factors for this increase were the disposal of industrial waste and the commissioning of new production facilities. In addition, the increase in payments is partly due to an increase in production volumes.

TABLE 8. COMPENSATION PAYMENTS FOR NATURE MANAGEMENT, MILLION UZS

Year	2021	2022	2023
Emissions into the atmosphere	969.46	1,347.1	1,360.07
Wastewater discharges	691.7	530.5	517.8
Waste disposal	560.1	325	432.2
Total	2,221.26	2,202.6	2,310.07

In 2023, no violations of environmental legislation were recorded. Also, in the reporting year, the Company was not subject to non-financial sanctions or other administrative penalties for violations in the field of environmental protection.



In 2023, the total amount of compensation payments for environmental pollution and waste disposal amounted to

2,310.07

■ MILLION UZS

ENERGY CONSUMPTION

GRI 3-3

RATIONAL ENERGY MANAGEMENT AND ENERGY EFFICIENCY IMPROVEMENT PLAY A KEY ROLE IN STRATEGIC DEVELOPMENT UZBEKNEFTEGAZ JSC, HELPING TO REDUCE OPERATING COSTS AND MAINTAIN ENVIRONMENTAL SUSTAINABILITY

The Company has implemented an energy management system that ensures the interaction of various functional units at all management levels and regulates the main processes of energy efficiency management in accordance with the requirements of the international standard ISO 50001:2018.

In pursuance of the Resolution of the President of the Republic of Uzbekistan dated August 22, 2019 No. PP-4422 "On accelerated measures to improve the energy efficiency of economic and social sectors, the introduction of energy-saving technologies and the development of renewable energy sources", a "Roadmap" was developed to improve the energy efficiency of economic and social sectors and the development of renewable energy sources. As part of the implementation of the tasks set in the "Roadmap", in 2020, the Automated System for Commercial Accounting of Electricity (ASCAE) was introduced, designed to record and analyze electricity consumption.

As of 2023, the ASKAE system continues to demonstrate high efficiency, significantly reducing the risks associated with errors in data collection, manual input and human factor. Modern automatic metering systems provide accurate, fast and simultaneous data collection from all electricity meters in the network. Thanks to the ASKAE system, consumers can quickly receive data on their energy consumption, which allows them to create accurate balances and improve energy resource management.

GRI 302-1

At the end of 2023, the Company's consumption of electrical and heating energy amounted to 2,455,366.3 GJ (electric energy) and 21,525,372.9 GJ (heating energy), which is lower than the level of 2022 by 9.24% and 1.57%, respectively.

CONSUMPTION OF HEATING AND ELECTRICAL ENERGY, GJ

Yea	2021	2022	2023	Change, %
Electricity	2,745,667.4	2,684,461.7	2,455,366.3	-9.24
Heating energy	22,537,730.4	21,864,593.1	21,525,372.9	-1.57

The total consumption of fuel gas in 2023 was 149,389,175 GJ, which 7.82% below the 2022 level. In the reporting year, gasoline consumption decreased by 40.77%, and liquefied petroleum gas (LPG) consumption fell by 6.24%. The consumption of process natural gas and compressed natural gas declined by 11.98% and 25.93%, respectively. This reduction in resource consumption was attributed to the overall decrease in hydrocarbon production and processing volumes.

TOTAL CONSUMPTION OF NON-RENEWABLE FUEL RESOURCES

Fuel type	Units of measurement	2021	2022	2023	Change, %
Fuel gas	million m ³	2,262.69	2,555.14	2,355.41	-7.82
Process gas	million m ³	178.17	211.80	186.42	-11.98
Leaks	million m ³	1.67	1.46	1.40	-4.11
Petrol	T	5,724.05	4,795.85	2,840.41	-40.77
Diesel fuel	T	38,885.71	31,868.33	36,262.85	13.79
Liquefied petroleum gas	T	4,032.91	3,716.47	3,484.48	-6.24
Compressed Natural Gas	thousand m ³	380.43	655.96	485.84	-25.93

TOTAL ENERGY CONSUMPTION FROM RENEWABLE SOURCES, GJ

Fuel type	2021	2022	2023
Solar panels and solar thermal generators	684	2,520	15,332.3
Solar water heaters	298.1	834.7	1,407.1

At the end of 2023, the Company's consumption of electricity totalled

2,455,366.3

GJ

At the end of 2023, the Company's consumption of heat totalled

21,525,372.9

GJ



Energy consumption from renewable sources in 2023 increased by **4.99** TIMES

GRI 302-4

In 2023 Uzbekneftegaz JSC developed a plan for energy conservation, increasing energy efficiency, introducing energy-saving devices, developing the introduction of renewable energy sources and rational use of energy. The plan provides for the implementation of the following measures aimed at increasing the energy efficiency of production:

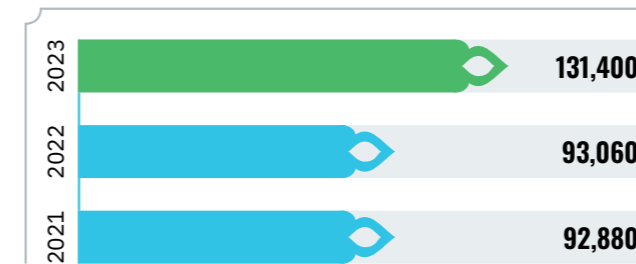
- ▶ Reducing electricity consumption by improving the operating condition of electrical appliances and lighting, installing energy-saving devices, and reducing electrical loads (18 measures);
- ▶ Reducing electricity consumption through systematic monitoring of operating modes and installation

of devices that reduce the operating time of electrical appliances and lighting (7 measures);

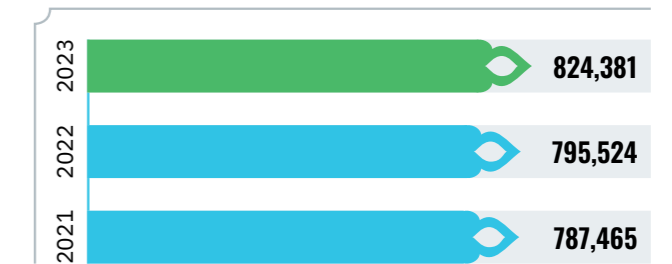
- ▶ Saving electricity through the implementation of a solar power plant, photovoltaic panel and solar collector and generating electricity from greenhouse gases (91 measures);
- ▶ Saving fuel gas through the secondary use of heating energy (1 measures);
- ▶ Reduction of fuel consumption through the use of steam boilers, fire regenerators, heating furnaces based on a regime map (2 measures);
- ▶ Improving thermal protection of devices, equipping with energy-efficient and economical devices (2 measures);

REDUCING ENERGY CONSUMPTION AS A RESULT OF MEASURES CONSERVATION PROGRAMS, GJ

Electricity



Fuel gas



AS OF JANUARY 1, 2024, DUE TO THE COMPLETION OF EVENTS AT ALL LOCATIONS:

Actual energy savings amounted to

131,400

GJ

THE PLAN WAS FULFILLED BY 104.9%, AND COSTS WERE REDUCED BY 32.9 BILLION UZS (2,653,178 USD)

The actual fuel gas savings amounted to

824,381

GJ

THE PLAN WAS FULFILLED BY 101.9%, AND EXPENSES WERE REDUCED BY 10.86 BILLION UZS (876,047 USD).

CLIMATE CHANGE

GRI 3-3, GRI 305-1, GRI 305-2

UZBEKNEFTEGAZ JSC, RECOGNIZING THE GLOBAL CHALLENGE OF CLIMATE CHANGE, ACTIVELY SUPPORTS INTERNATIONAL INITIATIVES TO REDUCE GREENHOUSE GAS EMISSIONS. THE COMPANY INTRODUCES ENERGY-EFFICIENT AND INNOVATIVE TECHNOLOGIES IN THE PROCESS OF EXTRACTION AND PROCESSING OF HYDROCARBON RAW MATERIALS, DEVELOPS COOPERATION WITH INTERNATIONAL PARTNERS AND ACTIVELY PROMOTES THE USE OF ALTERNATIVE ENERGY SOURCES.

Today, the Company has already implemented projects to utilize GHG emissions, which has significantly reduced the volume of flared associated gases, minimizing their use only for maintaining the duty fire on emergency gas discharge lines. These efforts emphasize the Company's commitment to national and global climate goals, as well as the desire for sustainable development in the long term.

Scope 1 emissions at sites of Uzbekneftegaz JSC are carried out during purging and degassing of process equipment, purging of pipelines and wells, as well as as a result of natural gas leaks from flange joints of pipeline fittings and chemical incomplete combustion of hydrocarbon fuel in energy and technological units, such as gas pumping units (GPU), boiler houses, heating furnaces, fire regenerators and flares. Methane is released directly into the atmosphere, methane and carbon dioxide are released as a result of incomplete combustion of hydrocarbon fuel.

Scope 2 indirect energy emissions are associated with the generation of purchased electricity and heating energy used within the organisation.

At hydrocarbon production facilities, greenhouse gases are formed during purging and degassing of process equipment, pipelines and wells, natural gas leaks, and also during incomplete combustion of hydrocarbon fuel in energy and technological units. At oil and gas refining and petroleum product transportation and storage facilities, greenhouse gas emissions occur mainly due to chemical incomplete combustion of hydrocarbon fuel.

To calculate greenhouse gas emissions, the Company used methodological guidelines, including the IPCC Guidelines for National Greenhouse Gas Inventories, 2006, ISO 14064-1:2006, and STO Gazprom 102-2011 Greenhouse Gas Emissions Inventory. The Russian methodology for calculating greenhouse gas emissions in CO₂ equivalent, developed for the energy activities of enterprises, was also used.

According to the First Biennial Updated Data Report of the Republic of Uzbekistan, prepared in accordance with the UN Framework Convention on Climate Change, the Company uses a methane conversion factor of 25 tonnes of CO₂-eq.

GREENHOUSE GAS EMISSIONS (SCOPE 1), T CO₂-EQ

	2021	2022	2023	Change, %
Carbon dioxide (CO ₂)	4,291,298.7	4,845,511.8	4,467,768.9	-7.80%
Methane (CH ₄)	10,055.7	10,711.8	9,596.2	-10.41%
Total:	4,301,354.5	4,856,223.7	4,477,365.0	-7.80%

GREENHOUSE GAS EMISSIONS (SCOPE 1) BY SEGMENT, T CO₂-EQ

Segment	2021	2022	2023
Hydrocarbon production:			
Shurtan OGPD			
Mubarek OGPD	2,798,616.0	2,702,919.8	2,412,760.1
Gazli OGPD			
Ustyurt GPD			
Oil and gas refining			
Bukhara Oil Refinery			
Mubarek Gas Processing Plant	1,501,903.8	2,152,342.1	2,063,825.5
Shurtan Gas Chemical Complex LLC			
Uzbekistan GTL LLC			
Transportation and storage of petroleum products			
Oil producers	715.1	747.3	642.8
Service			
Drilling	119.6	214.4	136.6
Repair of wells			
Total direct emissions (Scope 1) of greenhouse gases:	4,301,354.5	4,856,223.7	4,477,365.0

GREENHOUSE GAS EMISSIONS (SCOPE 2), T CO₂-EQ

	2022	2023	Change, %
CO ₂ electricity	457,611.3	447,060.5	-8.46
CO ₂ heating energy	1,927,038.3	1,794,807.9	-1.55
Total:	2,384,649.6	2,241,868.5	-2.93



In 2023, the following measures were implemented to reduce greenhouse gas emissions:

- MODERNIZATION OF THE 10TH UNIT WITH CONVERSION TO AN ENVIRONMENTALLY FRIENDLY UNIT, COMMISSIONING OF THE NEW 6TH UNIT FOR OBTAINING SULFUR AT THE MUBAREK GAS PROCESSING PLANT, REPLACEMENT AND REPAIR OF EQUIPMENT AT THE SULFUR OBTAINING UNIT AT THE SHURTAN GDP IN ORDER TO IMPROVE THE CONVERSION OF ACID GAS EMISSIONS INTO SULFUR;
- REDUCTION OF FUEL GAS CONSUMPTION BY SHUTTING DOWN ONE COMPRESSOR FOR RESERVE OPERATION DUE TO REPLACEMENT OF THE REPLACEABLE FLOW PARTS IN THE BOOSTER COMPRESSOR STATION-2 OF THE SHURTAN OGDG;
- USE OF REGENERATION GASES FROM THE FLARE FOR FUEL PURPOSES ON SKS ALAN AND KO'KDUMALOQ JV OF MUBAREK OGDG;

- REPLACEMENT OF OUTDATED ENERGY-INTENSIVE BOILER HOUSES AT THE MUBAREK OGDG AND USTYURT GDP FIELDS;
- RECYCLING AND PROCESSING OF CARBON DIOXIDE EMISSIONS GENERATED AT THE PLANT OF JV UZ-KOR GAS CHEMICAL LLC;
- IN ORDER TO OFFSET GHG EMISSIONS AS PART OF THE IMPLEMENTATION OF THE NATIONAL PROJECT "YASHIL MAKON" AT ENTERPRISES OF UZBEKNEFTEGAZ JSC IN 2023, 1,609,379 ORNAMENTAL SEEDLINGS AND FRUIT TREES WERE PLANTED.

GRI 305-4

GREENHOUSE GAS EMISSIONS (SCOPE 1)

Segment	Units of measurement	2021	2022	2023
Hydrocarbon production	t CO ₂ -eq/t	0.101	0.102	0.101
Oil and gas processing	t CO ₂ -eq/t	0.081	0.121	0.127
Transportation and storage of petroleum products	t CO ₂ -eq/t	0.0004	0.0004	0.0003
Service	t CO ₂ -eq/thousand UZS	0.0000003	0.0000003	0.0000005

GRI 305-5

The reduction of Scope 1 greenhouse gas emissions in 2023 by 378,858.6 t CO₂-eq. (8%) was achieved through the repair of a number of facilities, the replacement of a significant amount of shut-off and control equipment and the adjustment of hydrocarbon production process modes.

The reduction in Scope 2 greenhouse gas emissions by 65,594.2 t CO₂-eq. (3%) is due to a reduction in ener-

gy consumption, which was achieved through a number of measures:

- ▶ Implementation of a system for control and monitoring of electricity consumption, allowing to monitor the situation and expenses at enterprises, as well as to optimize the waste of electrical energy;
- ▶ Implementation of renewable energy sources (RES);
- ▶ Installation of energy efficient lighting system;

Reduction of Scope 1 greenhouse gas emissions in 2023

378,858.6

t CO₂-EQ

Reduction of Scope 2 greenhouse gas emissions in 2023

65,594.2

t CO₂-EQ



PROTECTION OF ATMOSPHERIC AIR

GRI 3-3, GRI 305-7

THE GRADUAL REDUCTION OF POLLUTANT EMISSIONS INTO THE ATMOSPHERE IS AN INTEGRAL PART OF STRATEGIC DECISIONS OF UZBEKNEFTEGAZ JSC .

THE COMPANY CONSISTENTLY IMPLEMENTS MEASURES AIMED AT REDUCING THE NEGATIVE IMPACT ON THE ENVIRONMENT, REGULARLY IMPLEMENTING INITIATIVES TO REDUCE EMISSIONS WITHIN THE FRAMEWORK OF ITS PRODUCTION ACTIVITIES.

The most significant volumes of pollutant emissions are formed during the extraction and processing of hydrocarbons. At the same time, emissions associated with the transportation and storage of petroleum prod-

ucts, as well as service work, are minimal. The total volume of emissions does not exceed the established standards for maximum permissible concentrations of pollutants.

VOLUME OF POLLUTANT EMISSIONS INTO THE ATMOSPHERE, TONS

	2022	2023	Change, %
nitrogen oxides (NOX)	6,740.4	6,463.6	-19.31
sulfur dioxide (SOX)	90,020.7	74,124.8	2.15
volatile organic compounds (VOCs)	183.4	142.2	-2.81
carbon monoxide (CO)	25,141.7	25,226.3	2.83
particulate matter (PM)	544.4	480.3	1.96
other	1,752.4	49.8	-28.31
Total:	124,383	106,486.9	0.99
Hydrocarbons	7,786.3	8,226.0	-8.78
Hydrogen sulfide	14.7	64.0	41.56

In 2023, the volume of significant emissions of pollutants into the atmosphere at Uzbekneftegaz facilities amounted to 107.5 thousand tons. Over the past three years, the largest contribution to air pollution has been made by emissions of sulfur dioxide (SO₂) and carbon monoxide (CO).

In order to control emissions of pollutants, the Company periodically monitors the state of atmospheric air at production facilities. In 2023, a total of 3,387 atmospheric air samples were taken.

In accordance with the approved roadmap of Uzbekneftegaz JSC in the field of environmental protection and rational use of natural resources for the period 2022-2024, developed in accordance with the approved Concept of Environmental Protection of the Republic of Uzbekistan until 2030, it is envisaged to implement major measures to protect atmospheric

air, such as the modernization of the sulfur recovery unit at the Mubarek Gas Processing Plant (reducing emissions by 5-6 thousand tons), the introduction of new capacities at Uzbekistan GTL LLC, modernization of the Bukhara Oil Refinery facilities with the aim of switching to the production of motor fuel according to Euro 4-5 standards.

The company aims to reduce emissions of sulfur oxides, which account for the largest share of total emissions, by 35% by 2030. To this end, measures are being taken to reduce the volume of sulfur dioxide emitted into the atmosphere. In addition, other measures were taken in 2023 to reduce emissions of pollutants into the atmosphere, including:

- ▶ conversion of vehicles to gas cylinder equipment;
- ▶ production of environmentally friendly fuels;
- ▶ equipping with energy-efficient and energy-saving equipment and improving thermal protection.



WATER RESOURCES

GRI 3-3, GRI 303-1, GRI 303-2

UZBEKNEFTEGAZ JSC IS AWARE OF THE IMPORTANCE OF RATIONAL USE OF WATER RESOURCES AND IS CONSTANTLY WORKING TO IMPROVE THEIR MANAGEMENT SYSTEM.

In its activities to protect water resources, the Company is guided by SDG 6 “Ensure availability and sustainable management of water and sanitation for all”, within the framework of which the Company strives to reduce water consumption by 35% by 2030.

Objects of Uzbekneftegaz JSC use water from various sources: surface (rivers, reservoirs, canals), underground

(artesian wells) and collector-drainage systems. Water is used for industrial needs, domestic and drinking purposes, as well as for fire protection. At some oil and gas processing facilities, such as the Mubarek Gas Processing Plant, Shurtan Oil and Gas Production Department, Shurtan Gas Chemical Complex and Bukhara Oil Refinery, water recycling systems have been introduced, which allows for a significant reduction in the load on water resources.

GRI 303-3

The total volume of water withdrawn in 2023 amounted to 32,608.7 thousand m³, which is 14.0% more than in 2022. Surface water resources have remained the main source of water withdrawal over the past three years. The increase in water consumption in the reporting year was due to the introduction of new facilities and enterprises, such as Uzbekistan GTL LLC.

TOTAL VOLUME OF WATER INTAKE, THOUSAND M³

Year	2021	2022	2023	Change, %
surface sources	31,870.1	24,532.5	27,542.1	12.3
underground sources	809.9	792	1,482.0	87.2
third party waters	2,741.5	3,277.4	3,583.7	9.3
Total:	35,421.5	28,601.9	32,608.7	14.0

TOTAL VOLUME OF WATER WITHDRAWN, BROKEN DOWN INTO FRESH AND OTHER WATER, THOUSAND M³

Year	2021	2022	2023
Fresh water	6,093.0	4,919.9	6,004.6
Other water	29,328.5	23,681.0	26,604.2

The total volume of water withdrawn in 2023 amounted to

32,608.7

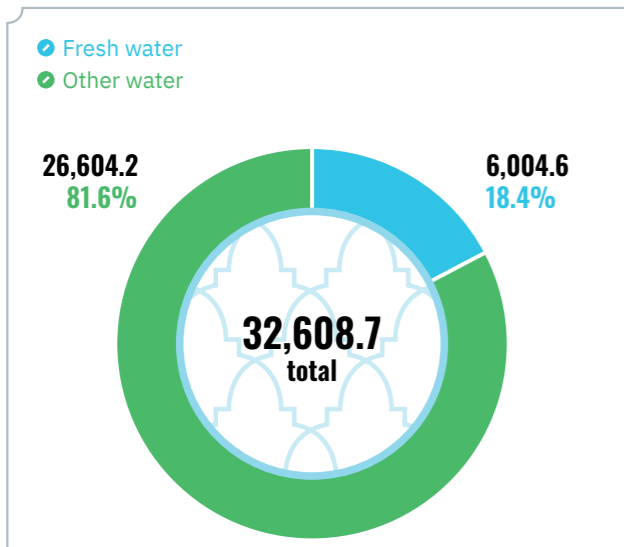
THOUSAND M³

GRI 303-4

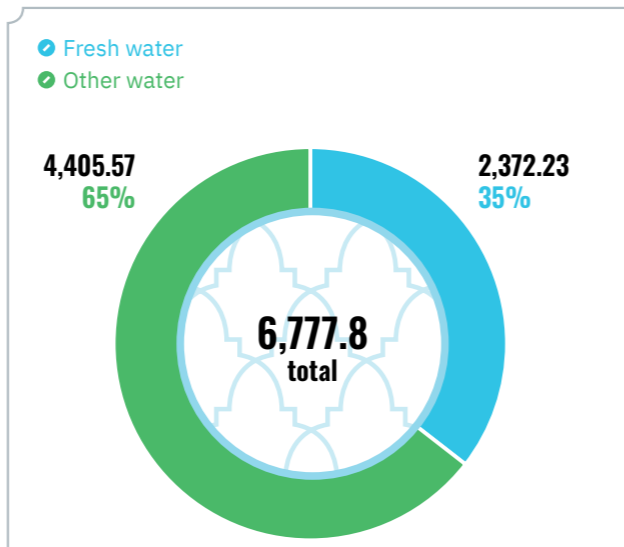
Uzbekneftegaz JSC strictly observes the standards for maximum permissible discharges onto the terrain and into water bodies at all production sites where the relevant requirements are established. Wastewater is discharged onto the terrain, into collector-drainage systems, evaporation ponds, cesspools and sewer systems. The quality of the discharged water complies with the established standards.

In 2023, the total volume of discharged water was 6,777.8 thousand m³, which is 5.77% higher than the 2022 level. Of the total discharge volume, 35% is fresh water with a dissolved solids concentration of less than 1000 mg per liter. Before discharge, the water undergoes biological, physicochemical and physical treatment. At the facilities of the Shurtan OGPD, Shurtan GCC and Mubarek GPP, purified domestic wastewater is used to irrigate forest plantations, and at the plant of Uzbekistan GTL LLC wastewater after treatment is completely reused in the production process.

TOTAL VOLUME OF WATER DISCHARGE BROKEN DOWN INTO FRESH AND OTHER WATER, THOUSAND M³



TOTAL VOLUME OF WATER DISCHARGE BROKEN DOWN INTO FRESH AND OTHER WATER, THOUSAND M³



TOTAL VOLUME OF WATER DISCHARGE, THOUSAND M³

Year	2021	2022	2023	Change, %
Evaporation pond	2,550.2	1,818.3	2,161.2	18.86
Terrain	3,262.0	3,094.3	3,221.0	4.10
City sewerage	46.9	36.3	21.4	-41.05
Cesspool	65.9	71.8	33	-54.29
Burial through a borehole	1,178.4	1,387.0	1,341.2	-3.31
Total:	7,103.4	6,407.7	6,777.8	5.77

GRI 303-5

The total amount of water consumption in 2023 was

25,830.9
THOUSAND M³



PRESERVATION OF BIODIVERSITY

GRI 3-3, GRI 303-1, GRI 303-2

UZBEKNEFTEGAZ JSC PAYS SPECIAL ATTENTION TO THE ISSUES OF PRESERVING BIODIVERSITY IN THE REGIONS OF ITS OPERATIONS, RECOGNIZING THE IMPORTANCE OF ECOSYSTEMS FOR MAINTAINING SUSTAINABLE DEVELOPMENT.

The Company strives to minimize the impact of its production activities on the environment and actively implements measures to protect and restore natural resources.

In order to minimize the impact of the oil and gas industry on the environment during work related to land use and biodiversity, a schedule has been developed for the reclamation of disturbed lands for 2022-2025.

According to the Strategy for the Conservation of Biological Diversity in the Republic of Uzbekistan for the period 2019-2028. The Company is actively implementing measures to green areas, use drip irrigation systems and generally preserve biological diversity. Also, in order to improve the ecological environment in structural divisions of Uzbekneftegaz JSC, enterprises are implementing the national project “Yashil Makon” at their facilities.

GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4

Uzbekneftegaz JSC operates two production sites located in a protected natural area: the Savatli and Dayakh-tyn deposits of the Gazli OGPD. These sites are located within the Kyzylkum State Tugai-Sand Nature Reserve, founded in 1971. The reserve covers 10,311 square

kilometers, including the Romitan district of the Bukhara region and the Khazarab district of the Khorezm region. According to the IUCN classification, it belongs to the category of a strict nature reserve, emphasizing its importance for the conservation of rare species.

Species on the verge of extinction:	flamingo, steppe eagle, mute swan
Threatened species:	goitered gazelle
Vulnerable species:	Bukhara deer, marbled polecat, houbara bustard, pelican, imperial eagle
Potentially vulnerable species:	steppe turtles, long-eared hedgehog
Species with the lowest risk of extinction:	pheasant, eagle, white and black storks, little cormorant

The main impact on the reserve’s biodiversity is due to the development of deposits, which leads to the destruction of vegetation and soil cover, as well as air pollution. These changes occur during the development of well sites,

the laying of pipelines and the construction of gas pipelines. The duration of the impact is three months, after which the territory is reclaimed to restore biodiversity and minimize negative consequences for the reserve’s ecosystem.



WASTE MANAGEMENT

GRI 306-1, 306-2

DURING THE OPERATION OF OIL AND GAS PRODUCTION AND OIL AND GAS PROCESSING FACILITIES UZBEKNEFTEGAZ JSC WASTE, ASSOCIATED WITH CERTAIN TECHNOLOGICAL PROCESSES IS GENERATED.

The main types of waste generated by the Company's activities include ferrous scrap, spent aluminum oxide, polymer waste, low-molecular polymers, waste oil, worn tires and oil sludge. The Company mainly produces low-hazard and non-hazardous waste of hazard classes IV and V. In 2023, the total volume of waste generated was 9,830.4 tons, which is 6.28% lower than in 2022.

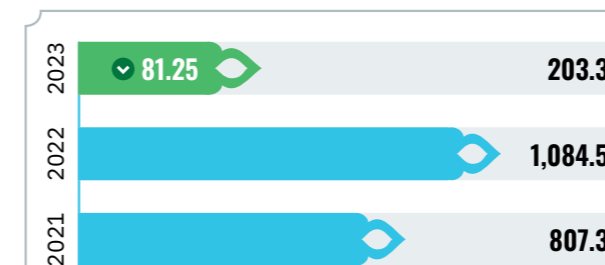
Control and monitoring of the processes of collection, temporary and long-term storage, as well as disposal of waste are carried out by the relevant divisions of the Company in strict accordance with the requirements of the Law of the Republic of Uzbekistan "On Waste" No. 362-II of April 5, 2002.

GRI 306-3

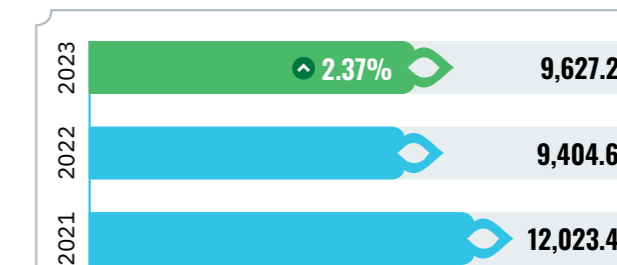
TOTAL VOLUME OF WASTE BY HAZARD CLASS, TONS

Hazard classes	2021	2022	2023	Change, %
I hazard class	1.1	0.6	0.1	-83.33
II hazard class	806.2	1,083.9	581.2	-46.38
III hazard class	634.5	394.2	450.3	14.23
IV hazard class	7,113.9	6,303.5	6,179.0	-1.97
V Hazard class	4,275.1	2,707.1	2,619.8	-3.22
Total:	12,830.7	10,489.1	9,830.4	-6.28

TOTAL VOLUME OF WASTE SENT FOR DISPOSAL AND BURIAL



TOTAL VOLUME OF WASTE DISPOSED OF



PLANS FOR 2024 IN THE FIELD OF ECOLOGY:

- Development of an action plan for environmental protection and rational use of natural resources, covering all enterprises and organizations of the Company;
- Continuing participation in the implementation of the "Yashil Makon" project, aimed at increasing greenery and improving the environmental situation in the country;
- Development of a range of environmental standards for enterprises, including standards for permissible emissions and waste management;
- Conducting environmental assessment and monitoring to assess the impact on the environment;
- Organization of regular monitoring of emissions of harmful substances and control over waste disposal;
- Preparation of environmental protection reports for the State Statistics Committee.



CARE FOR PEOPLE (S ASPECT)

Management approach	90
Workers and Employment	92
Social support	96
Training and development of personnel	102
Production safety	106
Contribution to the socio-economic development of the regions of presence	114

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SPECIALISTS OF UZBEKISTAN GTL LLC



UZBEKNEFTEGAS JSC ATTACHES SPECIAL IMPORTANCE TO ENSURING DECENT WORKING CONDITIONS FOR ITS EMPLOYEES, RECOGNIZING THEM AS THE MAIN RESOURCE AND GUARANTEE OF THE COMPANY'S SUCCESSFUL DEVELOPMENT.

MANAGEMENT APPROACH

GRI 3-3

UZBEKNEFTEGAZ JSC ATTACHES SPECIAL IMPORTANCE TO ENSURING DECENT WORKING CONDITIONS FOR ITS EMPLOYEES, RECOGNIZING THEM AS THE MAIN RESOURCE AND GUARANTEE OF THE COMPANY'S SUCCESSFUL DEVELOPMENT.

In accordance with high corporate standards, the Company creates safe and comfortable working conditions, actively develops the professional skills of its personnel through systematic training programs and provides opportunities for career growth. Particular attention is paid to maintaining an inclusive work environment, where each employee has equal opportunities to realize their potential. Caring for the well-being of employees is a priority that contributes to the stable development and achievement of the Company's strategic goals.

The main internal documents regulating the activities of Uzbekneftegaz JSC in the field of personnel management are:

- ▶ Personnel policy of Uzbekneftegaz JSC;
- ▶ Recruitment and Retention Policy of Uzbekneftegaz JSC No. 24 of April 15, 2022;
- ▶ Human Resources Management Policy of Uzbekneftegaz JSC No. 24 of 15.04.2022;
- ▶ Collective agreement of Uzbekneftegaz JSC for 2023-2025, adopted by the decision of the General Meeting No. 4 of April 27, 2023;
- ▶ Employment contract of Uzbekneftegaz JSC;
- ▶ Regulation on key performance indicators of employees of Uzbekneftegaz JSC;
- ▶ Policy on training and development of employees;
- ▶ Regulations on the procedure for conducting qualification tests for managers and specialists of Uzbekneftegaz JSC;



PRINCIPLES OF PERSONNEL POLICY OF UZBEKNEFTEGAZ JSC:



The Key Role of Human Capital



Strategic Human Resource Planning



Focus on staff development



Competitive and equal pay regardless of the employee's gender



Quality personnel management



Focus on creating added value for the company and investment attractiveness for local and foreign investors



Strategic partnership with leading educational institutions of the Republic of Uzbekistan

Personnel management in the Company is regulated by the HR Department, which is responsible for the selection, adaptation and development of the Company's human resources.

Under the supervision of the head of the department, employee training, performance management, corporate culture development and a reward system are

carried out. The Company adheres to the principles of equality, providing all employees with equal conditions for career growth, regardless of gender, age, origin or nationality. Youth development programs are implemented, a decent level of wages is ensured, and conditions are created to support a healthy lifestyle for employees.

Key results in 2023 in the field of HR management:

Uzbekneftegaz JSC continues to improve its internal processes and management system, introducing modern technologies and advanced practices. Within the framework of this direction:

- ▶ An automated compliance program has been created: daily employee reporting has been refined, mechanisms for entering plans and tasks have been implemented, as well as automatic generation of general information based on monthly data. The program also includes learning outcomes, GPS attendance data, and KPI system functions.
- ▶ A system of continuous personnel development has been implemented, ensuring the constant professional development of the Company's employees.

- ▶ A seminar was organized with the participation of foreign partners, including Baker Hughes GE, for which a list of candidates was formed and their successful participation in the training was ensured.
- ▶ Quotas have been approved for concluding contracts with promising students in priority areas of the industry. Within the framework of this area, memorandums of cooperation have been signed with the Tashkent State Technical University, which contributes to the training of highly qualified specialists for the industry.

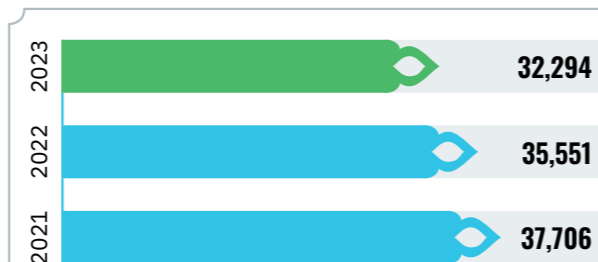
WORKERS AND EMPLOYMENT

NUMBER AND STRUCTURE OF PERSONNEL

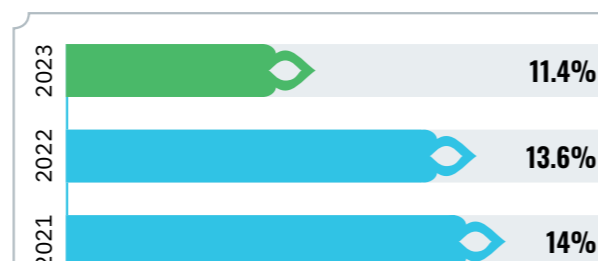
GRI 3-3, GRI 2-7

AS OF DECEMBER 31, 2023, THE TOTAL NUMBER OF EMPLOYEES WAS 32,294 PEOPLE (2022 — 35,551 PEOPLE). FOR 2023 COMPARED TO 2022, EMPLOYEE TURNOVER DECREASED BY 2.2%, TO 11.4% IN 2023. THE REDUCTION IN THE NUMBER OF EMPLOYEES OF UZBEKNEFTEGAZ JSC OCCURRED DUE TO THE OPTIMIZATION OF PROCESSES AT OIL DEPOTS.

DYNAMICS OF THE LIST OF PERSONNEL, PERSONS



EMPLOYEE TURNOVER, %



As of December 31, 2023, the total number of employees amounted to

32,294

PEOPLE



BREAKDOWN OF PERSONNEL BY GENDER AND AGE, PERSONS

Year	2021	2022	2023
Total:	37,706	35,551	32,294
Men	33,635	31,623	28,639
Women	4,071	3,928	3,655
Up to 30 years old	7,982	6,618	5,350
From 30 to 50 years old	22,931	22,332	20,757
Over 50 years old	6,703	6,601	6,187

GRI 401-1

Recruitment and hiring policy in Uzbekneftegaz JSC does not include age restrictions in the criteria for selecting and promoting employees. The average age of the Company's employees is 38 years.

TOTAL NUMBER OF EMPLOYEES HIRED BY GENDER AND AGE, PEOPLE

Year	2021	2022	2023
Total:	3,286	2,845	2,342
Men	3,084	2,466	2,170
Women	202	379	172

GRI 405-1, GRI 406-1

In the personnel structure of Uzbekneftegaz JSC the The following key categories of employees are distinguished:

Managers:

employees holding the positions of department managers, including first managers, deputy managers, heads of departments, divisions and workshops, as well as their deputies and chief specialists.

Service personnel:

engineering and technical service staff, junior service personnel, as well as freight forwarding service staff.

Specialists:

employees holding engineering positions responsible for various areas of the company's activities.

Technical staff:

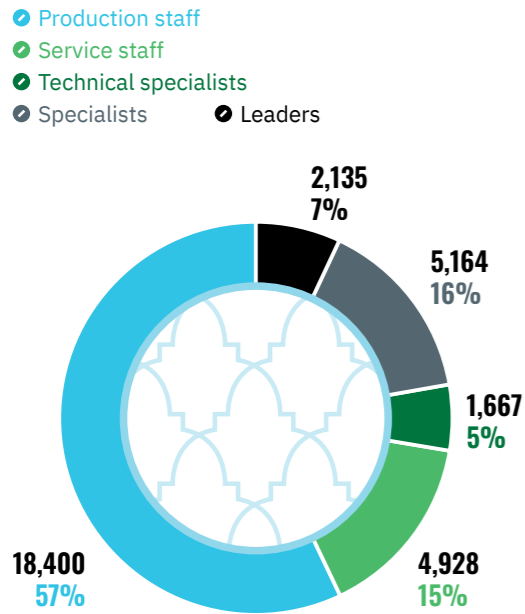
employees who provide support and services to management and specialists in the process of developing and implementing management decisions.

Production personnel:

employees directly employed at the company's production facilities.

THE MOST NUMEROUS CATEGORIES OF EMPLOYEES ARE PRODUCTION PERSONNEL (57%) AND SPECIALISTS (16%).

STAFF COMPOSITION BY FUNCTIONAL DEPARTMENTS, PERSONS



The share of women in the total number of employees as of December 31, 2023 was 11.32% (11.05% in 2022). Uzbekneftegaz JSC adheres to the principles of equality and does not discriminate on the basis of gender, selecting personnel solely on the basis of professional qualities, experience and achievements. The low percentage of women on the Company’s staff is explained by the specifics of the oil and gas industry, where most jobs are associated with dangerous and difficult working conditions that require significant physical exertion and work in the fields.

IN THE REPORTING YEAR, NO CASES OF DISCRIMINATION WERE RECORDED IN THE COMPANY.

PERSONNEL STRUCTURE BY GENDER AND AGE FOR 2023, PERSONS

	Leaders	Specialists	Technical staff	Service staff	Production staff
Number of employees	2,135	5,164	1,667	4,928	18,400
Men	2,040	4,453	1,098	3,636	17,412
Women	95	711	569	1,292	988
up to 30 children	64	845	393	815	3,233
30-50 years	1,508	3,459	937	3,068	11,785
over 50 years old	563	860	337	1,045	3,382
People with disabilities	5	35	19	57	120

GRI 405-2

The Company ensures equal pay, and the salary does not depend on the employee’s gender, which eliminates the need to maintain separate statistics on the pay of men and women. In 2023, the average salary for

starting positions in the central office of Uzbekneftegaz JSC amounted to 4,408,456 UZS (375 US dollars), and at production facilities – 2,282,704 UZS (194 US dollars), the same for all employees, regardless of their gender.

GENDER EQUALITY AND INCLUSIVE OPPORTUNITIES

GRI 3-3, GRI 405-1

Policy of Uzbekneftegaz JSC in the field of human rights protection includes a number of provisions aimed at combating discrimination. The Company strictly adheres to the principles of fair treatment of all employees, as well as the personnel of counterparties, ensuring respect for their dignity without any discrimination. In particular, special attention is paid to preventing discrimination in hiring on any possible grounds, including gender, age, race or nationality, religious beliefs and other factors.

Uzbekneftegaz JSC actively implements initiatives and strategies aimed at ensuring sociocultural diversity of the workforce. The Company attracts, develops and promotes talented employees regardless of their race, religious beliefs, age, gender or other characteristics.

In 2020, the Company created a Women’s Committee, which is engaged in supporting women, protecting their rights and legitimate interests, and developing proposals to increase their role and activity in public and political life. The Committee provides social, legal, psychological and material assistance to women in need of support, including women with disabilities. The Committee also conducts a comprehensive analysis of issues related to women’s rights, organizes social surveys to identify the most pressing problems and proposes solutions, as well as provides methodological and practical support to women’s organizations within the system.

In 2023, the Women’s Council of Uzbekneftegaz JSC continued to implement comprehensive measures aimed at improving the situation of women working in the Company and creating favorable conditions for their development. The Council organized events aimed at raising legal awareness and legal culture among women, including trainings on protecting rights

and combating violence in the family and at work. During the year, as part of the “16 Days Against Violence” initiative, dedicated to the International Day for the Elimination of Violence Against Women, educational meetings were held with lawyers and psychologists who advised women on legal mechanisms for protection from harassment and violence.

The Women’s Council also actively supported programs related to medical care and disease prevention, including free mammography screenings for 136 women. Particular attention was paid to activities to strengthen family values, for which cultural and educational programs were held, including participation in holidays such as Navruz and Independence Day.

An important part of the council’s work was to promote the professional development of women. Competitions and events were held to improve the qualifications and skills of women in the system, including participation in the national competition “Woman of the Year” and international forums dedicated to the role of women in science and innovation. Women who made a significant contribution to the development of the oil and gas industry were awarded state and departmental awards.

In addition, the Women’s Council supported sports and cultural initiatives by organizing volleyball championships, intellectual tournaments “Zakovat” and other events aimed at strengthening health and developing spiritual and educational traditions among women and girls working in the Company.

During the reporting year, there were no cases of discrimination recorded in the Company.

PARENTAL LEAVE

GRI 401-3

In accordance with the Labor Code of the Republic of Uzbekistan, each employee of Uzbekneftegaz JSC leave is granted to care for a child until the child reaches the age of two years, with payment of benefits for this period in the manner established by law. In 2023, 448 people were on maternity/paternity leave, including 38 men and 410 women.

SOCIAL SUPPORT

COLLECTIVE AGREEMENT

GRI 3-3, GRI 2-30, GRI 402-1

COLLECTIVE AGREEMENT OF UZBEKNEFTEGAZ JSC, DEVELOPED IN ACCORDANCE WITH THE LABOR CODE OF THE REPUBLIC OF UZBEKISTAN, IS A LOCAL REGULATORY LEGAL ACT GOVERNING LABOR AND SOCIO-ECONOMIC RELATIONS BETWEEN THE EMPLOYER AND EMPLOYEES. IN THE REPORTING YEAR 2023, THE COLLECTIVE AGREEMENT COVERS 100% OF THE COMPANY'S EMPLOYEES.

The fulfillment of the terms of the collective agreement is monitored by representatives of the parties through regular joint meetings of the work collective. In the event of changes to the Collective Agreement, the employer undertakes to notify all employees no later than 30 working days before signing the new version. Individual and collective conflicts, as well as dis-

putes, are considered in accordance with the legislation of the Republic of Uzbekistan, with special attention paid to compliance with the principles of social partnership and mutual respect. In all structural divisions of the Company, labor dispute commissions have been created in accordance with the conditions specified in the collective agreement.

SOCIAL BENEFITS

GRI 401-2

Trade Union Committee of Workers of Uzbekneftegaz JSC represents the interests of all employees of the Company in negotiations on the Collective Agreement, as well as on issues of labor legislation and trade unions. Also, interaction with stakeholders on issues of the activities of social facilities is carried out through trade union committees and social development services of the divisions of Uzbekneftegaz JSC. In the reporting year, the employees of the Company and its subsidiaries actively used the ex-

tensive social package provided to them, which is financed directly by the Company and the trade union. As part of this package, employees received access to medical care, sanatorium-report treatment, financial support, cultural events, sports and health programs, as well as social benefits and assistance aimed at supporting employees, retirees and their families. These measures contributed to improving health, improving working conditions and increasing the overall well-being of employees.



MEDICAL CARE

In 2023, 24,405 employees underwent preventive medical examination. Of these, 2,800 employees received treatment.

In order to improve the health of employees, the Company:

- ▶ In the clinical hospital “UNG Medline” 860 employees received treatment worth 2.714 billion UZS;
- ▶ At the “UNG Toshkent Dengzi Oromgohi” sanatorium, 1,330 employees received treatment for a total of 4.686 billion UZS;
- ▶ 899 workers and their families received treatment at the “Mingchinor” sanatorium, for which 2.333 billion UZS were allocated.

In addition, the Company organized one-day tours to the “Ugamoromgohi” sanatorium and provided vouchers to sanatoriums that were part of the Federation of Trade Unions of Uzbekistan.

Underwent preventive medical examination

24,405

EMPLOYEES

Received treatment

2,800

EMPLOYEES

FINANCIAL ASSISTANCE ON THE OCCASION OF THE BIRTH OF A CHILD

When a child is born, employees receive a one-time financial assistance in the amount of 1.2 times the minimum wage. In 2023, the total amount of financial assistance to employees on the occasion of the birth of a child amounted to 1.495 billion UZS, which is 1.06 times higher than the 2022 level.

In 2023, the total amount of financial assistance to employees on the occasion of the birth of a child amounted to

1.495

BILLION UZS

FINANCIAL ASSISTANCE ON THE OCCASION OF THE FIRST MARRIAGE

One-time financial assistance in the amount of ten times the minimum wage is provided to the Company’s employees and their children (only one family member). In 2023, the total amount of financial assistance to employees on the occasion of their first marriage was 10.730 billion UZS, which is 1.05 times higher than the 2022 level.

In 2023, the total amount of financial assistance to employees on the occasion of their first marriage was

10.730

BILLION UZS

RETIREMENT BENEFIT

In case of termination of the employment contract within one month from the date of reaching the retirement age, the employee is paid a one-time benefit in the amount of 20% of his current monthly salary for each year of work in the industry. In case of termination of the employment contract after one month from the date of reaching the retirement age, the employee is paid a one-time benefit in the amount of 8% of his current monthly salary for each year of work in the industry.

In 2023, 180 persons of retirement age received one-time financial assistance and valuable gifts before retirement. A total of 2,680 million UZS from the Company’s funds and 96.08 million UZS from the trade union budget were spent for these purposes.

180 persons of retirement age received one-time financial assistance and valuable gifts before retirement

2,680

MILLION UZS

HELP FOR EMPLOYEES WITH PRESCHOOL CHILDREN

Women with children under two years of age are given a 30-minute break every three hours to feed their child, also, women with children under two years of age are given a one-hour break every three hours. Breaks for feeding children are considered paid working time.

Employees with disabled children receive one-time financial assistance in the amount of one minimum wage for the purchase of school uniforms and school supplies.

Women with pre-school children (6-7 years old) are given one day off before the start of the school year to prepare their children for the school year.

FINANCIAL ASSISTANCE TO PEOPLE WITH DISABILITIES AND THOSE WHO NEED TRAINING

On the eve of the holidays, the Company provided significant support to 1,480 people with disabilities and those who need training. For these purposes, 1.785 billion UZS were allocated from the Company's funds and 98 million UZS from the trade union budget.

Support for people with disabilities and those in need of training was provided, with a total allocation of

1.785
BILLION UZS

SUPPORT FOR LOW-INCOME AND LOW-INCOME FAMILIES

The Company partially covered the costs of purchasing school supplies for children from 64 low-income families who lost their breadwinner, allocating 64.7 million UZS for these purposes. Also, 369 young families with low incomes received financial assistance from the trade union committee in the amount of 141.3 million UZS.

The Company partially covered the costs of purchasing school supplies for children from 64 low-income families allocating

64.7
MILLION UZS

SOCIAL AND ECONOMIC SUPPORT FOR EMPLOYEES

In 2023, in connection with anniversaries, births and deaths of employees or their close relatives, 3,240 employees were provided with financial assistance in the amount of 15.868 billion UZS.

In honor of the New Year, 20,280 children of employees under the age of 14 were given New Year gifts worth 4.444 billion UZS.

in connection with anniversaries, births and deaths of employees or their close relatives, 3,240 employees were provided with financial assistance in the amount of

15.868
BILLION UZS

In honor of the New Year, 20,280 children of employees under the age of 14 were given New Year gifts worth

4.444
BILLION UZS

PROMOTING A HEALTHY LIFESTYLE

In 2023, the Football-2023 football tournament, mini-football, volleyball, chess, archery and bowling competitions were held. The winners of the tournaments were awarded valuable prizes and diplomas. As part of the implementation of the decree of the President of Uzbekistan on supporting women, 12 employees received subscriptions for yoga classes at the Atletika sports complex.

TRAINING AND DEVELOPMENT OF PERSONNEL

GRI 3-3, GRI 404-1

IN 2023 UZBEKNEFTEGAZ JSC CONTINUED TO ACTIVELY DEVELOP AND IMPLEMENT TRAINING AND ADVANCED TRAINING PROGRAMS FOR ITS EMPLOYEES, PAYING SPECIAL ATTENTION TO THE DEVELOPMENT OF SOCIALLY ORIENTED EDUCATIONAL PROJECTS.

As part of the Company’s strategy to create highly qualified human resources, various courses, trainings and educational events were organized both within the country and abroad.

One of the fundamental elements of the Company’s HR policy is the development of employees’ skills and invest-

ment in their training. Uzbekneftegaz JSC strives to improve the level of knowledge of personnel and instill in them modern skills in the management of oil and gas operations, technological and technical and economic management, ensuring that work is carried out in accordance with international standards.

THE PERSONNEL STRUCTURE BY GENDER AND AGE IN 2023, PERSONS.

Enterprise	Managers and specialists	Production staff	Total
The Central Office of the Company	487	0	487
Mubarek OGPD	163	732	868
Shurtan OGPD	57	502	559
Gazli OGPD	68	198	266
Ustyurt GPD	75	96	171
Mubarek GPP	120	789	909
Vodiy OGPD	10	1	11

In 2023, the Company trained 9,155 employees, of whom 2,007 were managers and specialists, and 7,148 were workers. 232 specialists improved their qualifications in foreign educational institutions and companies. The average number of training hours per employee was 40 hours.



In 2023, the Company trained **9,155** EMPLOYEES

The average number of training hours per employee was **40** HOURS

COOPERATION WITH HIGHER AND SECONDARY SPECIALIZED EDUCATIONAL INSTITUTIONS

GRI 404-2

Leading educational institutions such as Tashkent State Technical University, Tashkent Chemical-Technological Institute, Karshi Engineering and Economics Institute and Bukhara Engineering and Technological Institute take an active part in providing the Company with qualified personnel. The oil and gas industry closely cooperates with these and other educational institutions to train highly educated specialists.

In recent years, with the growing interest of young people in the oil and gas industry, special attention has been paid to improving the educational and professional opportunities for young people. Bukhara and Fergana Colleges of the Oil and Gas Industry are actively working on training specialists with secondary specialized education. Currently, 1,380 students are studying in these educational institutions, of which 1,058 are in Bukhara College and 322 are in Fergana. Also, 943 students are studying at the academic lyceum of the branch of the Russian State University of Oil and Gas named after I.M. Gubkin in Tashkent.

Additionally, industrial training at enterprises of Uzbekneftegaz JSC play an important role in the training of future specialists. Within the framework of agreements concluded with more than 20 educational institutions,

2,901 students have undergone practical training. The experience of the Company's employees, mentoring and real-life practice in production serve as a significant stage in the training of students.

Improving the qualifications of employees is also an important part of the Company's HR strategy. Specialists of Uzbekneftegaz JSC regularly improve their leadership qualities and professional skills in such educational institutions as the Academy of Public Administration under the President of the Republic of Uzbekistan, the Higher School of Business and Entrepreneurship, as well as in the educational centers of the system, including UNG training LLC. In 2023, the company's employees took part in a number of significant events, such as:

- ▶ advanced training courses on modern project management methods and lithological-facies analysis of oil and gas formations in cooperation with Gazprom JSC;
- ▶ information technology courses at the Digital Technologies training center IT Park;
- ▶ anti-corruption programs at the Academy of the Prosecutor General's Office;
- ▶ specialized courses at Schlumberger on the use of modern software tools.

The largest educational institutions with which the Company cooperates:

- ▶ Branch of the Russian State University of Oil and Gas named after I.M. Gubkin in Tashkent;
- ▶ Tashkent State Technical University;
- ▶ Tashkent Institute of Chemical Technology;
- ▶ Karshi Engineering and Economics Institute;
- ▶ Bukhara Engineering and Technological Institute;
- ▶ Karakalpak State University;
- ▶ Bukhara College of Oil and Gas Industry;
- ▶ Fergana College of Oil and Gas Industry;
- ▶ Academy of Public Administration under the President of the Republic of Uzbekistan;
- ▶ Republican Higher School of Business and Management.

Objectives and plans for 2024 in the field of human resources management:

- ▶ Developing a Human Rights Policy and designating departments responsible for implementing human rights policies and procedures;
- ▶ Continuation of conducting social surveys of employee satisfaction within the Company and the introduction of a dialogue procedure between employees and managers in order to increase employee satisfaction;
- ▶ Implementation of the Personal UNG automated information system for personnel records management at subordinate enterprises; Holding a scientific and technical conference at the plant of Uzbekistan GTL LLC on the topic "The role of youth in the educational and industrial cluster";
- ▶ Active involvement of international specialists in the Company to obtain advanced experience in the field of occupational health and safety, as well as technical maintenance and reliability of technological equipment at manufacturing facilities in order to transform and improve the efficiency of the Company's business processes;
- ▶ Visit to the Azerbaijani oil and gas plant "SOCAR" in order to expand cooperation in the oil and gas sector between the companies and exchange experience in the areas of "Maintenance and repair of industrial equipment and reliability of process equipment" and "Study of approaches in the system of improving the efficiency of production processes";
- ▶ The launch of the GTL Company scholarship program, which provides financial and social support to talented students with the aim of expanding the training program for the liquid synthetic fuel plant — Uzbekistan GTL LLC.



PRODUCTION SAFETY

GRI 3-3, GRI 403-1, GRI 403-8

UZBEKNEFTEGAZ JSC STRICTLY ADHERES TO INTERNATIONAL AND NATIONAL REQUIREMENTS IN THE FIELD OF LABOR PROTECTION AND INDUSTRIAL SAFETY. THE COMPANY ATTACHES PARAMOUNT IMPORTANCE TO ENSURING SAFE WORKING CONDITIONS FOR BOTH ITS EMPLOYEES AND THOSE OF CONTRACTORS.

GRI 2-23, GRI 2-24

The key documents in the field of industrial safety management are:

- ▶ Law of the Republic of Uzbekistan dated September 28, 2006 No. ZRU-57 “On industrial safety of hazardous production facilities”;
- ▶ Law of the Republic of Uzbekistan dated September 22, 2016 No. ZRU-410 “On Amendments and Supplements to the Law of the Republic of Uzbekistan “On Labor Protection”;
- ▶ Law of the Republic of Uzbekistan dated September 30, 2009 No. ZRU-226 “On Fire Safety”;
- ▶ Labor Code of the Republic of Uzbekistan;
- ▶ Resolution of the Cabinet of Ministers of December 10, 2008 No. 271 “On additional measures for the implementation of the law of the Republic of Uzbekistan”;
- ▶ Resolution of the Cabinet of Ministers of May 19, 2020 No. 291 “On further measures to implement the Law of the Republic of Uzbekistan “On industrial safety of hazardous industrial facilities”;
- ▶ Resolution of the Cabinet of Ministers of October 2, 2018 No. 784 “On approval of the Regulation on the procedure for conducting industrial safety examinations and issuing expert opinions”;

- ▶ Resolution of the Cabinet of Ministers of June 6, 1997 No. 286 “On approval of the Regulation on the investigation and recording of industrial accidents and other injuries to workers’ health related to the performance of their work duties”;
- ▶ Resolution of the Cabinet of Ministers of December 31, 2018 No. 1066 “On measures to improve the activities of the Ministry of Employment and Labor Relations of the Republic of Uzbekistan”;
- ▶ Unified system of industrial safety, labor protection and ecology management in Uzbekneftegaz JSC;
- ▶ Policy in the field of industrial safety, labor protection and the environment.

For effective control, occupational health and safety issues in the company are regulated by the Unified Management System for Industrial Safety, Labor Protection and Environment (UMSIS, LP and E). This system was developed, implemented and maintained in accordance with the requirements of international standards ISO 9001:2015, ISO 45001:2018 (OHSAS 18001), ISO 14001:2015 and GOST 12.0.230 – 2007. As of the end of 2023, 19 enterprises of the Company were certified according to the ISO 45001 (OHSAS 18001) standard.

DYNAMICS OF IMPLEMENTATION OF THE MANAGEMENT SYSTEM ACCORDING TO ISO 45001 (OHSAS 18001) AT ENTERPRISES UZBEKNEFTEGAZ JSC

Year	2021	2022	2023
Number of companies where the ISO 45001 (OHSAS 18001) system was implemented	19	20	19

The key tasks in the field of labor protection and industrial safety facing the Company and its divisions within the framework of the Unified Management System for Industrial Safety, Labor Protection and Environment (UMSIS, LP and E) are:

- ▶ continuous improvement of the organization of work in the field of industrial safety and labor protection at all levels of production process management;
- ▶ ensuring safe working conditions for the Company’s employees, as well as contractors;
- ▶ improvement of sanitary and technical working conditions;

- ▶ strengthening labor discipline and production culture;
- ▶ ensuring high-quality sanitary and household services for employees;
- ▶ timely and correct investigation and recording of accidents at work with the elimination of their causes;
- ▶ increasing the responsibility of managers and engineering and technical workers for compliance with safety requirements;
- ▶ active involvement of employees at all levels and trade unions in the processes of ensuring safe working conditions, increasing their interest and initiative in these issues.

RISK ASSESSMENT

GRI 403-2

One of the central elements of the occupational health and safety management system is the risk management process. The main goal of this process is to prevent injuries and occupational diseases, reduce the impact of harmful and dangerous factors in production, and prevent or minimize the consequences of accidents at hazardous production facilities for employees, contractors, visitors and other interested parties.

The risk management procedure includes identification of potential hazards, risk and environmental assessment, and development of measures for their management. These processes are carried out during the preparation

of industrial safety declarations for hazardous production facilities and following the certification of workplaces. All assessment work is carried out by a team of employees with the necessary technical knowledge and experience. An important role in this activity is played by departments and responsible persons who control the planning, implementation, and monitoring of production processes.

Each identified hazard is subject to a thorough analysis in order to prioritize risks and develop measures to reduce or eliminate them. The analysis covers both normal operating conditions of the enterprise and potential deviations, including emergency situations.

THE KEY STEPS IN THE RISK MANAGEMENT PROCESS INCLUDE:



1. PLANNING AND ORGANIZING WORK:

- ▶ Formation of a working group for risk analysis;
- ▶ Definition of the goals and objectives of the analysis;
- ▶ Description of the objects of analysis and their characteristics;
- ▶ Setting risk assessment criteria;
- ▶ Collecting information about objects.



2. IDENTIFICATION OF HAZARDS:

- ▶ Identification of sources of potential hazards and ways of their occurrence.



3. RISK ASSESSMENT:

- ▶ Analysis of the frequency of occurrence of adverse events and their consequences;
- ▶ Consolidated risk assessment.



4. DEVELOPING RECOMMENDATIONS TO REDUCE RISK:

- ▶ Development of measures to minimize risks based on the analysis conducted.



All operations, as well as activities, products and services related to industrial safety and labor protection, undergo regular monitoring and inspections. Based on the results of monitoring, an act is drawn up that helps improve the industrial, environmental and labor safety system in the divisions of Uzbekneftegaz JSC.

The Company has also developed and implemented effective mechanisms for prompt response to possible emergency situations. The readiness of Uzbekneftegaz JSC for rapid and adequate incident response is ensured by the following measures:

- ▶ identification and registration of potential emergency situations based on the assessment of hazards and

Results for 2023:

- ▶ At hazardous production facilities of structural divisions and enterprises of Uzbekneftegaz JSC 232 emergency response plans (ERPs) have been developed. In accordance with the approved schedules, training exercises are regularly conducted to practice actions within the ERPs. In 2023, 799 such exercises were successfully conducted.
- ▶ Based on the results of the assessment, the most significant risks for the Company are power outages, emissions of harmful substances, fires, explosions, fires, leaks, freezing and spills.

GRI 403-3, GRI 403-4, GRI 403-6, GRI 403-7

Uzbekneftegaz JSC pays special attention to compliance with labor protection and industrial safety requirements in all aspects of production activities, including construction, repair and operation of production facilities.

To identify and eliminate potentially hazardous factors, industrial buildings and structures regularly undergo technical inspections, as well as routine and major repairs.

The Company also actively ensures the safety of production equipment and technological processes. As part of these measures, employees of departments and divi-

sions in the field of industrial safety and labor protection, as well as the results of a special assessment of working conditions in the workplace;

- ▶ development and approval of Emergency Response Plans (ERPs) and safety data sheets, including measures aimed at minimizing the consequences for the health of employees and protecting the Company's property;
- ▶ compliance with employee training plans and schedules, regular training sessions and drills to practice skills in preventing, localizing accidents and eliminating their consequences;
- ▶ informing and consulting employees and stakeholders on the procedure for action in emergency situations.

- ▶ In 2023, real-time (online) training sessions were also organized at major production facilities, including the Gazli, Shurtan and Mubarek oil and gas production departments, the Ustyurt gas production department, the Mubarek gas processing plant, the Shurtan gas chemical complex and the Bukhara oil refinery. All training sessions were successful, and the enterprises were recognized as ready for emergency situations.

sions are promptly provided with the necessary summer and winter special clothing, footwear, as well as dairy and food products. Much attention is paid to compliance with sanitary and hygienic standards and work and rest regimes, which helps maintain the health and safety of employees.

At every production facility of Uzbekneftegaz JSC there are medical stations equipped with everything necessary to provide medical care. Medical personnel are ready to provide assistance if necessary, and the stations are fully stocked with medications and first aid supplies.

In accordance with government requirements, the Company's employees have access to the following medical services:

- ▶ emergency medical care, including air ambulance and ambulance services;
- ▶ pre-hospital care at day medical centers;
- ▶ qualified medical care at facilities with a shift work regime;

GRI 403-5

The Company actively implements modern international standards in the field of safety and labor protection, paying special attention to training and improving the qualifications of employees in the field of safety and labor protection.

All employees of enterprises, including managers, are required to undergo training, instruction, knowledge testing and periodic certification in accordance with the established requirements for their professions and types of work, determined by state supervision and control bodies.

- ▶ mandatory medical examinations, including daily pre-shift and annual scheduled examinations.

In 2023, 25,453 employees of the Company underwent medical examinations, as a result of which 2,800 people received recommendations for treatment, and 2,500 employees were sent for treatment. These measures help maintain high levels of health and safety at production facilities.

In 2023, training in the field of occupational health and safety was completed by 6,493 employees of Uzbekneftegaz JSC. Of these, 6,435 people completed occupational health and safety courses, 33 employees completed fire safety courses, and 25 people were trained in first aid skills.

In addition, training and exchange of experience with colleagues were organized for 53 engineering and technical employees of the Gazli OGPD at the enterprises of Shurtan Gas Chemical Complex LLC, Shurtan OGPD, Uzbekistan GTL and Bukhara Oil Refinery.



In 2023, underwent medical examinations
25,453
EMPLOYEES

INJURY RATES

GRI 403-9

In 2023, at enterprises of Uzbekneftegaz JSC three accidents occurred, two of which involved serious injuries and one fatality. The main causes of the incidents were falls during loading operations, electric shock during electrical equipment repairs, and loss of balance during maintenance work.

EMPLOYEE INJURY RATES AT UZBEKNEFTEGAZ JSC

Показатель	Unit of measurement of measurement	2021	2022	2023
Number of fatalities in work-related accidents	person; %	0; 0	2; 0.68	1; 0.37
Number of victims of work-related accidents with serious outcomes	person; %	0; 0	0; 0	2; 0.74
Total number of registered accidents	unit	2	2	3
Lost Time Injury Frequency Rate (LTIF)	%	0.63	0.68	1.12
Total number of man-hours worked	man-hours	3,184,720	2,921,160	2,685,760

NUMBER OF ACCIDENTS BY TYPE OF INDUSTRIAL INJURY, UNITS

Indicator	2021	2022	2023
when working at height	-	1	1
in case of fire	1	-	-
when working on a drilling rig	-	-	-
when working with lifting mechanisms	-	-	-
in case of electric shock	1	-	1
during repair work	-	1	1
when repairing a lathe	-	-	-

The data provided covers

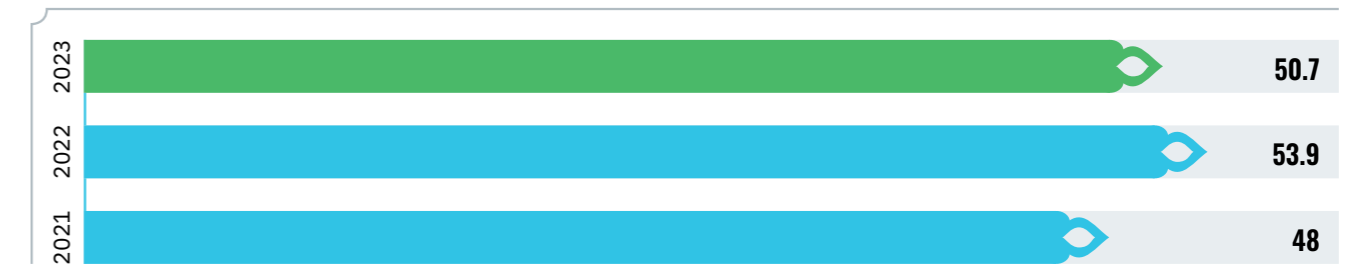
100%

EMPLOYEES

NO CATEGORIES OF WORKERS ARE EXCLUDED FROM THESE STATISTICS. RATES ARE CALCULATED BASED ON 1,000,000 HOURS WORKED.

The Company regularly conducts investigation, recording and analysis of accidents in order to comprehensively study the circumstances and causes that caused their occurrence, identify shortcomings and develop measures for their further prevention. The process of preventing industrial injuries, which is a very important production task, is inextricably linked with the constant improvement of the system of recording and analysis of causes of industrial accidents. In order to achieve the set tasks in a timely manner and ensure the health and safety of employees, the Company annually invests significant funds in this area. In the reporting year, total expenses on Occupational Health and Safety amounted to more than 50.7 billion UZS (4.1 million US dollars).

THE COMPANY'S INVESTMENTS IN INDUSTRIAL SAFETY AND LABOR PROTECTION, BILLION UZS



The Company develops corporate programs aimed at implementing a set of preventive measures in the field of safety. In the reporting year, employees continue to actively exchange experiences and best practices in improving sys-

temic work aimed at enhancing the safety culture. This exchange takes place at various meetings and forums, through local meetings and round tables, as well as by presenting reports at conferences on labor protection and health.

PLANS FOR 2024:

- ▶ Conducting medical examinations of employees, which includes concluding contracts with medical institutions;
- ▶ Conducting certification of workplaces in order to identify hazardous conditions and equipment;
- ▶ Organization of a training and advanced training program on labor protection;
- ▶ Development of a list of necessary PPE and organization of control over their supply and use;
- ▶ Implementation of stage-by-stage control of working conditions at facilities of Uzbekneftegaz JSC with the development of a plan and schedule of inspections to identify deficiencies and eliminate them;
- ▶ Conducting "Stop-clock" events to discuss the causes of accidents and ways to prevent them.

CONTRIBUTION TO THE SOCIO-ECONOMIC DEVELOPMENT OF THE REGIONS OF PRESENCE

GRI 3-3, GRI 203-1, GRI 203-2, GRI 413-1

SPONSORSHIP AND CHARITY

CHARITY AND SPONSORSHIP ACTIVITIES AT UZBEKNEFTEGAZ JSC ARE AN IMPORTANT ELEMENT OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY, AIMED AT IMPROVING THE QUALITY OF LIFE OF THE POPULATION IN THE REGIONS OF ITS PRESENCE.

In its charitable and sponsorship activities, the company adheres to such principles as compliance with the law, transparency and openness, achieving socially significant results, as well as control over the targeted use of the funds provided. Particular attention is paid to the analysis of recipients of assistance and reporting on its use, which ensures targeted and effective provision of support.

In 2023 Uzbekneftegaz JSC continued to actively participate in charitable projects as part of its corporate social responsibility invested significant funds in various social projects and programs as part of its charitable and sponsorship activities.

The total amount of investments in charity in 2023 amounted to

163,597.7
MILLION UZS

The total investment amounted to 163,597.7 million UZS, of which:

Education:

37,252.8
MILLION UZS

37,252.8 MILLION UZS WERE ALLOCATED TO EDUCATIONAL PROGRAMS THAT SUPPORTED EDUCATIONAL INSTITUTIONS AND CONTRIBUTED TO IMPROVING ACCESS TO QUALITY EDUCATION.

Sports development:

76,018.7
MILLION UZS

76,018.7 MILLION UZS WERE ALLOCATED FOR THE DEVELOPMENT OF SPORTS AND SUPPORT OF SPORTS EVENTS, WHICH EMPHASIZES THE IMPORTANCE OF PHYSICAL EDUCATION FOR THE POPULATION.

Healthcare:

22,259.0
MILLION UZS

IN THE HEALTHCARE SECTOR, THE COMPANY INVESTED 22,259.0 MILLION UZS IN SUPPORT OF MEDICAL INSTITUTIONS AND HEALTH IMPROVEMENT PROGRAMS.

Social projects:

7,026.8
MILLION UZS

7,026.8 MILLION UZS WERE ALLOCATED TO SUPPORT SOCIAL INITIATIVES, ESPECIALLY THOSE THAT HELP VULNERABLE CATEGORIES OF THE POPULATION.

Construction of social and infrastructure facilities:

1,732.1
MILLION UZS

1,732.1 MILLION UZS WERE ALLOCATED FOR PROJECTS RELATED TO THE CREATION AND IMPROVEMENT OF INFRASTRUCTURE IN THE REGIONS WHERE THE COMPANY OPERATES.

Othersponsorship:

19,308.3
MILLION UZS

AN ADDITIONAL 19,308.3 MILLION UZS WERE SPENT ON VARIOUS PUBLIC INITIATIVES AND SPONSORSHIP PROJECTS.

Thus, the Company continues to fulfill its obligations in the area of corporate social responsibility, investing in key areas that contribute to the development of society and improving the quality of life of the population.

On behalf of the Chairman of the Board of Uzbekneftegaz JSC The Company's production units and subsidiaries provide assistance to families in need of social

support on an ongoing basis. In particular, on the eve of the holidays of Navruz, Remembrance and Honor Day, Eid al-Fitr, Ramadan Hayit, Eid al-Adha, Independence Day, Constitution Day, New Year, food packages were presented to the system's employees, labor veterans who contributed to the development of the industry and are now retired, as well as families in need of social support.

SUPPORTING SPORTS AND HEALTHY LIFESTYLE

The Company seeks to promote health and social cohesion by supporting sports initiatives and actively participating in the organisation of social events.

Corporate sports events

To increase the level of physical activity of the Company's employees and promote the values of a healthy lifestyle among them, Uzbekneftegaz JSC organised a number of sporting events in 2023:

- ▶ Football-2023' football tournament among employees of various structural subdivisions of the Company: teams from Mubarek Gas Processing Plant, Shurtan Oil and Gas Production Department, Bukhara Oil Refinery and Andijan Oil Depot took part. The tournament was an important initiative to increase physical activity and create a cohesive corporate environment among the Company's employees.
- ▶ Archery competitions for employees were held in categories for men and women, and the winners were presented with valuable gifts and certificates

of honour, highlighting the significance of the event for the Company and its contribution to the promotion of an active lifestyle.

- ▶ Women's volleyball championship aimed at supporting and developing sports among female employees of the Company. The competition was held in several stages: the first — regional qualifying rounds, which ended on 21 October, and the second stage, held on 27-28 October in the sports complex "JAR" in Tashkent. According to the results of the tournament, the first place went to the team of Mubarek Gas Processing Plant, the second place to the team of Bukhara Oil Refinery, and the third place went to the team of Mubarek Oil and Gas Production Department. The winners were honoured with diplomas, cups and valuable gifts, while the best players received separate awards in special nominations.



AWARDING OF PARTICIPANTS
IN THE VOLLEYBALL
CHAMPIONSHIP

Participation in such activities not only promotes physical development, but also helps employees get to know each other better, improve teamwork skills and increase motivation.

"Yangi Nafas" marathon

Uzbekneftegaz JSC not only organises internal sports events for its employees, but also actively contributes to the development of mass sports and healthy lifestyle in Uzbekistan. Thus, the Company supports the annual mass race "Yangi Nafas", which is held jointly with the Athletics Federation of Uzbekistan.

On 3 September 2023, to celebrate the 32nd anniversary of Uzbekistan's independence, the "Yangi Nafas" mass run was organised in 16 cities of the country. The event took place in Tashkent, Samarkand, Bukhara, Fergana, Namanagan, Andijan and other major cities, uniting participants in a spirit of sporting unity.

The race was attended by residents of Uzbekistan as well as neighbouring countries such as Kazakhstan, Tajikistan and Kyrgyzstan. The event helped strengthen ties between the countries of the region and popularise athletics.

Under the slogan "One country, one start, one distance, one goal — let's run together", "Yangi Nafas" united participants from 7 to 70 years old, emphasising the idea of a healthy lifestyle and unity.



CHAIRMAN OF THE BOARD B.B. SIDIKOV
AND EMPLOYEES OF UZBEKNEFTGAZ JSC
AT THE AWARD CEREMONY
OF THE FOOTBALL TOURNAMENT

CREATION OF NEW WORK PLACES

As part of the implementation of the Local Employment Program, the Company created 189 new work places, including:

- ▶ as part of the construction of wellhead compressor stations (WCS) at the Chulkuvar field, Girsan Mubarek OGPD — 56 new work places;
- ▶ as part of the construction of a compressor station at the Yuzhny Tandyrcha field of the Shurtan OGPD — 69 new work places;
- ▶ within the framework of the program to increase the volume of hydrocarbon production for 2017-2023 — 64 new work places;

UNION OF YOUTH

Uzbekneftegaz JSC has a Youth Union, which is engaged in the implementation of programs and initiatives aimed at professional growth, cultural development and the involvement of young people in the public life of the Company. Young people actively participate in educational and sports events, social projects and intellectual competitions, which contributes to their comprehensive development and strengthening of the corporate culture.

In the reporting year, the Youth Union implemented a number of events aimed at supporting and developing young specialists. Among the main areas was the implementation of initiatives aimed at the social development of youth. Particular attention was paid to the celebration of national holidays and memorable dates, such as the birthdays of the heroes of Uzbekistan (A. Navoi, Z.M. Babur, A. Temur), as well as the Defenders of the Fatherland Day.

The Union also organized several meetings with the military led by officers of the Ministry of Defense as part

Plans for the development of hydrocarbon production at existing fields provide for the creation of 288 new work places, including the construction of WCS at OGPD — 167 fields, the construction of the Surgil compressor station — 50, as part of the project of the Shurtan Oil and Gas Production Department for the construction of a gas pretreatment device at the natural gas collection site — 49 new ones work places, as part of the program to increase the volume of hydrocarbon production for 2017-2024 — 22 new work places.

of the celebration of the 31st anniversary of the Armed Forces of Uzbekistan. This event not only emphasized the importance of national security but also contributed to raising awareness among young people about the country's military history.

As part of the spiritual and educational work, the Union organized various events and challenges, such as charity events under the motto "Madad bo'l", aimed at helping the poor and disabled. In addition, sports events were held, including football, volleyball and other sports. One of the significant events was the holding of the marathon and the intellectual game "Zakovat" within the framework of the international exhibition "Oil and Gas of Uzbekistan OGU 2023". During these events, young people had the opportunity to show their intellectual and athletic skills. The Union also organized landscaping events within the framework of the national project "Yashil Makon", where young employees planted 400 tree seedlings around the Milliy Stadium and other places.



“YASHIL MAKON” PROJECT

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CORPORATE GOVERNANCE OF UZBEKNEFTEGAZ JSC IS A SYSTEM OF MECHANISMS THAT ENSURE EFFECTIVE AND TRANSPARENT MANAGEMENT OF THE COMPANY'S ACTIVITIES.

CORPORATE GOVERNANCE SYSTEM

CORPORATE GOVERNANCE OF UZBEKNEFTEGAZ JSC IS A SYSTEM OF MECHANISMS THAT ENSURE EFFECTIVE AND TRANSPARENT MANAGEMENT OF THE COMPANY'S ACTIVITIES. THE CORPORATE GOVERNANCE SYSTEM INCLUDES CONTROL OVER THE FULFILLMENT OF STRATEGIC OBLIGATIONS, COMPLIANCE WITH ETHICAL STANDARDS, INTEGRATION OF SUSTAINABLE DEVELOPMENT PRINCIPLES, AS WELL AS PLANS FOR INTERACTION BETWEEN MANAGEMENT AND STAKEHOLDERS.

GRI 2-23, GRI 2-24

The main document in accordance with which corporate governance is carried out in the Company is the Corporate Governance Code (CGC), approved by the decision of the Commission for Improving the Efficiency of Joint-Stock Companies and Improving the Corporate Governance System dated December 31, 2015. The main principles of corporate governance are:

- ▶ accountability;
- ▶ transparency;
- ▶ reliability;
- ▶ adherence to high moral and ethical principles;
- ▶ focus on ensuring sustainable development of the Company in the long term.

Other internal documents of the Company:

- ▶ Charter of Uzbekneftegaz JSC, approved by the minutes of the meeting of the Supervisory Board dated October 10, 2023;
- ▶ Resolution of the Board of Uzbekneftegaz JSC from March 24, 2018 No. 73 "On the implementation

of unified risk management system in joint-stock companies and organizations of Uzbekneftegaz JSC";

- ▶ Regulation "On the Supervisory Board Uzbekneftegaz JSC, approved by the shareholder's decision" dated June 16, 2023;
- ▶ Regulation "On the Supervisory Board of Uzbekneftegaz JSC", approved at the meeting of the Supervisory Board on May 21, 2022;
- ▶ Regulation "On the Nomination and Remuneration Committee of the Supervisory Board of Uzbekneftegaz JSC", approved at the meeting of the Supervisory Board on December 28, 2021;
- ▶ Regulation "On the Strategy and Investment Committee of the Supervisory Board of Uzbekneftegaz JSC", approved at the meeting of the Supervisory Board on December 28, 2021;
- ▶ Regulation "On the Committee on Combating Corruption and Ethics of Uzbekneftegaz JSC", approved at the meeting of the Supervisory Board on May 21, 2022;
- ▶ Regulation "On the Board of Uzbekneftegaz JSC, approved by the shareholder's decision", dated July 4, 2023;

- ▶ Regulation "On Dividend Policy of Uzbekneftegaz JSC, approved by the shareholder's decision", dated December 11, 2020;
- ▶ The Corporate Governance Code, approved by the minutes of the meeting of the Commission for Improving the Efficiency of Joint-Stock Companies and Improving the Corporate Governance System dated December 31, 2015, No. 9;
- ▶ Risk Management Regulation No. 37 dated 24.03.2018;
- ▶ Conflict of Interest Management Policy;

- ▶ Internal Control Regulations of Uzbekneftegaz JSC;
- ▶ Policy of Uzbekneftegaz JSC on combating corruption, approved by the decision of the sole owner of common shares dated October 12, 2020 No. 15;
- ▶ Regulations for the reception and processing of messages received via communication channels of Uzbekneftegaz JSC;
- ▶ Guidelines for organizing anti-corruption training for employees of Uzbekneftegaz JSC;
- ▶ Regulations on charity and sponsorship.



Uzbekneftegaz JSC constantly strives to improve the corporate governance system. In the reporting year, the Company conducted an independent assessment, according to the results of which, the corporate governance system of Uzbekneftegaz JSC is considered “high”. The company scored 727 points, which is 62% of the maximum possible result.

In accordance with plans for 2023, the following internal regulatory documents were approved:

- ▶ Regulation “On the Internal Audit Service” in a new edition;
- ▶ Regulation “On the Fund for Support of Innovative Activities”;
- ▶ Regulation “On the alienation of non-core assets of Uzbekneftegaz JSC” in a new edition;
- ▶ Management Policy of Uzbekneftegaz JSC;
- ▶ Matrix (table) of distribution of powers of governing bodies of Uzbekneftegaz JSC.

In order to prepare for the initial public offering of shares, international consultants (Rothschild&Co, PricewaterhouseCoopers, Ernst&Young, Boston Consulting Group,

White&Case) were involved, on the basis of whose recommendations the roadmaps were approved. However, according to the Decree of the President of the Republic of Uzbekistan No. DP-67 dated 04/19/2024, parts of the “People’s IPO” resolution of the President of the Republic of Uzbekistan No. RP-102 dated 03/24/2023 were declared invalid.

As a result of the self-assessment of the corporate governance system for 2023, in accordance with the methodology developed by the Asian Development Bank, the Company scored 33 out of 58 possible points, which, compared to the indicators obtained based on the results of the self-assessment for 2022 (22 points), indicates an improvement in the corporate governance system in the Company.

Plans to improve corporate governance for 2024:

- ▶ Election of independent members to the Supervisory Board;
- ▶ Activation of the activities of the committees under the Supervisory Board.



SHAREHOLDING STRUCTURE

The owner of the Company’s common shares, in accordance with the Decree of the President of the Republic of Uzbekistan dated August 18, 2023 No. DP-283 “On additional measures to improve the mechanism for reforming enterprises and commercial banks with state participation”, is the Ministry of Economy and Finance of the Republic of Uzbekistan. The Ministry of Economy and Finance of the Republic of Uzbekistan owns 100% of the common shares, or 99.94% of all shares of the Company. Preferred shares without voting rights make up 0.06% of the total number of all shares and are owned by individuals and other legal entities.

INFORMATION ON THE COMPANY’S CAPITAL STRUCTURE AS OF DECEMBER 31, 2023

Total number of shares as of 01.06.2024, including:	42,547,186,563 pcs.
common	42,522,748,700 pcs.
preferred	24,437,863 pcs.
Par value of one share	500 sums
Total number of shareholders	more than 59,000 individuals and legal entities

DIVIDEND POLICY

The Company has a dividend policy, the main objective of which is to establish a transparent and understandable mechanism for shareholders to make decisions on the payment of dividends, determining the amount, procedure and terms of their payment. The Company adheres to a residual dividend payment policy, which means that the dividend payment fund is formed after the need for the formation of own financial resources, ensuring the full implementation of the Company’s investment opportunities, has been satisfied at the expense of profit.

The calculation of the amount of dividends is made based on the amount of the Company’s net profit reflected in the Company’s financial statements, the reliability of which is confirmed by an independent audit organization.

The following principles are observed when calculating the amount of dividends:

- ▶ transparency of the mechanism for determining the amount of dividends;
- ▶ balancing the short-term (income generation) and long-term (development of the Company) interests of shareholders;
- ▶ aimed at increasing the investment attractiveness and capitalization level of the Company.

The amount of dividends on common shares depends on the results of the financial and economic activities of the Company for the reporting period. The amount of dividends on preferred shares is determined in accordance with the Company’s charter and, in the event of insufficient net profit of the Company, is paid from the reserve fund.

AMOUNT OF DIVIDENDS ACTUALLY PAID IN 2021-2023

	2021	2022	2023
Total dividends paid on common shares, billion UZS	179.3	1,330.1	905.2
Total dividends paid on preferred shares, billion UZS	2.2	1.7	1.8
Total	181.5	1,331.8	906.9

GOVERNANCE BODIES

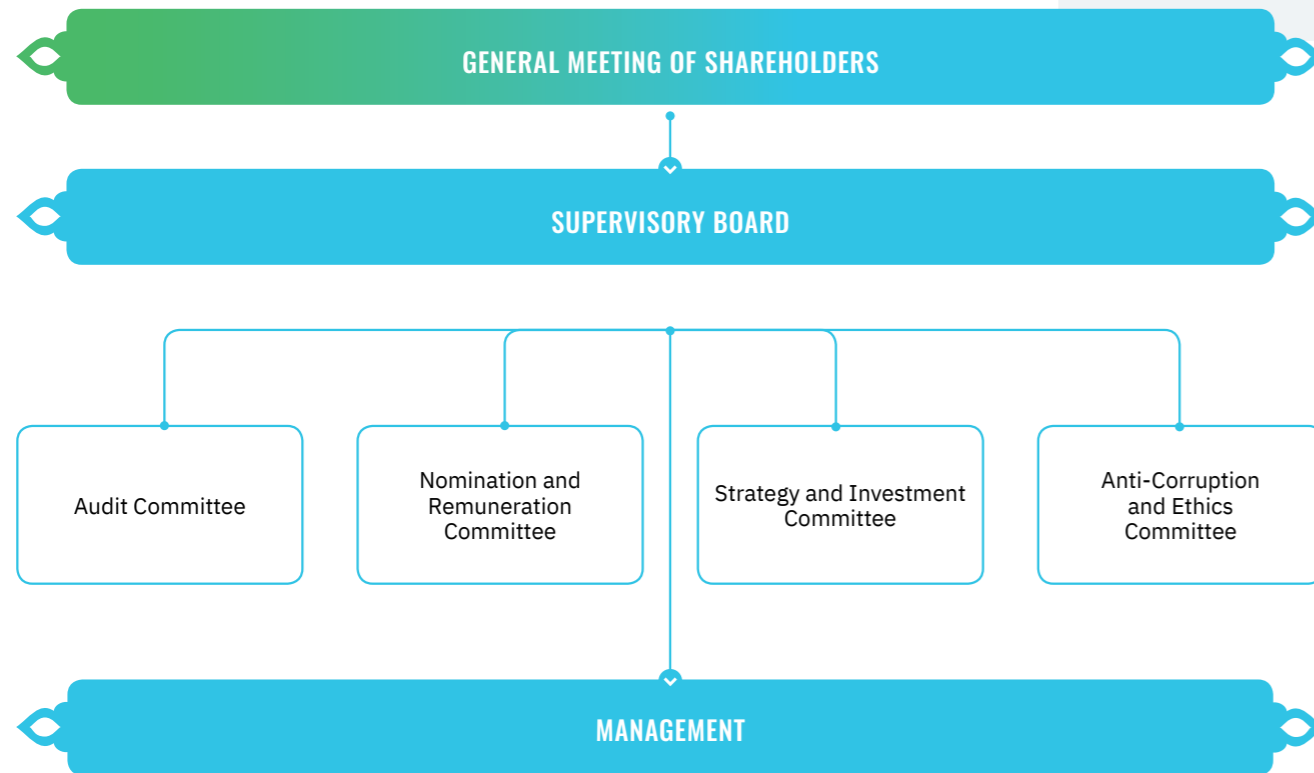
GRI 2-9, GRI 2-10, GRI 2-11

The Company's management bodies are:

- ▶ The General Meeting of Shareholders is the highest governance body;
- ▶ The Supervisory Board is a management body;
- ▶ The Board is the executive body.

The competence of the Company's management bodies is delimited and enshrined in the Charter of Uzbekneftegaz JSC and internal documents.

GOVERNANCE BODIES OF UZBEKNEFTEGAZ JSC



GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest governance body of the Company.

In 2023, the sole owner of the Company's common shares made 14 decisions on 25 issues (in 2022 – 12 decisions on 27 issues, in 2021 – 6 decisions on 13 issues), including:

- ▶ approval of the Company's charter in a new version;
- ▶ election of members of the Supervisory Board of the Company;

- ▶ extension of powers of members of the Company's Management Board;
- ▶ approval of the regulations on the Supervisory Board in a new edition;
- ▶ approval of the regulations on the Company's Management Board in a new edition.

SUPERVISORY BOARD

GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-17

Supervisory Board of Uzbekneftegaz plays a key role in ensuring the sustainable development of the company, performing the functions of strategic oversight and monitoring compliance with the principles of environmental, social and management responsibility. Members of the Supervisory Board are responsible for developing and approving long-term strategies that are aimed at improving the company's performance in the field of ecology, social policy and corporate governance.

The decisions of the Supervisory Board are made in the manner determined by the legislation of the Republic of Uzbekistan and the Charter. In 2023, the Supervisory Board held 8 meetings, at which 34 issues were considered on the following topics:

- ▶ adoption of internal regulatory documents (question 2);
- ▶ affiliated and major transactions (5 questions);
- ▶ quarterly reports of the Board (4 questions);
- ▶ questions of appointment (4 questions);
- ▶ issues related to the issue of securities (1 question);
- ▶ assessment of the corporate governance system (1 question);
- ▶ participation in the authorized capital of other legal entities (4 questions);
- ▶ procurement (4 questions);
- ▶ provision of sponsorship assistance (1 question);
- ▶ other questions (8 questions).



COMPOSITION OF THE SUPERVISORY BOARD



**UMURZAKOV
SARDOR UKTAMOVICH**

Chairman of the Supervisory Board, Advisor to the President of the Republic of Uzbekistan on special assignments

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent State University of Economics (2001), Republic of Uzbekistan.
- ▶ University of Reading, Master of Banking (2003), UK.

Experience:

Sardor Umurzakov has over 20 years of experience in the financial and public sector. He held key positions at the National Bank of Uzbekistan, the Ministry of Finance, and the European Bank for Reconstruction and Development. In 2019, he became the Minister of Investments and Foreign Trade of the Republic of Uzbekistan.

Since 2021, he has held the post of Deputy Prime Minister.



**VAFAEV
SHUKHRAT ABDUSHARIFOVICH**

Member of the Supervisory Board, Executive Director of the Fund for Reconstruction and Development of the Republic of Uzbekistan

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Moscow Civil Engineering Institute.
- ▶ Tashkent State University of Economics.
- ▶ Johns Hopkins University.

Experience:

Shukhrat Vafayev has extensive experience in government and international structures. He began his career at the Central Bank of Uzbekistan, where he went from being a specialist to being a department director. He worked as an adviser to the executive director of the World Bank and the International Monetary Fund. Later, he headed various departments of the Ministry of Finance.

Since 2010, he has been the executive director of the Fund for Reconstruction and Development of Uzbekistan. In 2019, he became Deputy Minister of Investments and Foreign Trade, and since 2022, he has headed the Agency for Strategic Reforms under the President of Uzbekistan.



**TASHKULOV
AKBAR DJURABAEVICH**

Member of the Supervisory Board, Minister of Justice of the Republic of Uzbekistan

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent State Law Institute, specialty "Jurisprudence" (1994), Republic of Uzbekistan.

Experience:

Akbar Tashkulov has over 25 years of experience in the legal field. His career began at the Ministry of Justice of Uzbekistan, where he held various positions, including senior consultant and Head of the Justice Department of the Surkhandarya region. In 2019, he became Deputy Minister of Justice.

Since 2022, he has held the post of Minister of Justice of the Republic of Uzbekistan.



**OLLOYOROV
MANSURBEK POLVONZODA**

Member of the Supervisory Board, Advisor to the President of the Republic of Uzbekistan on social protection issues – Director of the National Agency of Social Protection under the President of the Republic of Uzbekistan

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent State University of Economics, Republic of Uzbekistan.
- ▶ National Institute of Policy Studies, Japan.

Experience:

Has over 20 years of experience in government agencies, including the Ministry of Finance, the Accounts Chamber and the Administration of the President of Uzbekistan.



ORTIKOV AKMALKHON ZHURAKHONOVICH

Member of the Supervisory Board, Director of the Agency for Management of State Assets of the Republic of Uzbekistan

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent State University of Economics (2001), Republic of Uzbekistan.

Experience:

Has 20 years of experience in government agencies, including: Financial Department of the Khokimiyat of Namangan Region (Head), Financial Department of the Khokimiyat of Fergana Region (Head), Ministry of Economy for Demography, Development of the Social Sphere and Improving the Standard of Living of the Population (Deputy Minister), Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan (First Deputy Minister).

Currently he is the Director of the Agency for Management of State Assets of the Republic of Uzbekistan.



MIRZAMAKHMUDOV JURABEK TURSUNPULATOVICH

Member of the Supervisory Board, Minister of Energy of the Republic of Uzbekistan

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent Institute of Chemical Technology (1999), Republic of Uzbekistan.
- ▶ University of Alabama (2001), USA.

Experience:

Has over 20 years of experience in the energy and industrial sectors of Uzbekistan. He began his career as an engineer at the Bukhara Oil Refinery and in O'zlitineftgaz JSC. Later he held the position of Deputy Minister of Economy and Industry. In 2019, he was appointed First Deputy Minister of Energy.

Since 2022, he has headed the Ministry of Energy of the Republic of Uzbekistan. Jurabek Mirzamaxmudov's experience covers key positions in the energy sector and industry, including participation in major government projects.



SULTANOV DILSHOD SHUKHRATOVICH

Member of the Supervisory Board

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent Institute of Railway Engineers, specialty "Economics of industries" (2002), Republic of Uzbekistan;

Experience:

Since 2006, he has held senior positions in the financial public sector of Uzbekistan.

Since 2018, he has been Deputy Minister of Finance of the Republic of Uzbekistan.

SUPERVISORY BOARD COMMITTEES

The Supervisory Board has four committees: the Audit Committee, the Strategy and Investment Committee, the Nomination and Remuneration Committee, and the Anti-Corruption and Ethics Committee (founded in 2022).

The term of office of the committees, the number of members, and the election of members are determined and carried out by the General Meeting of Shareholders.



ensures effective control over the financial and economic activities of the Company

Functions:

- ▶ control over ensuring the correctness and completeness of the preparation of accounting (financial) statements;
- ▶ control over ensuring the reliability of the internal control system and risk management measures;
- ▶ ensuring the independence and impartiality of internal and external audits;
- ▶ control over the effectiveness of the system of reporting on the unfair conduct of employees and third parties, as well as on situations where other violations of the company's activities may occur, and control over the implementation of measures taken by the company's management within the framework of such a system;
- ▶ control over the purchases carried out.

NOMINATION AND REMUNERATION COMMITTEE

carries out analysis and development of recommendations for the Supervisory Board when making decisions on appointments and remuneration

Functions:

- ▶ consideration of candidates for the Company's management bodies, determination of qualification requirements for them and formation of a personnel reserve for the management bodies;
- ▶ development of conditions for early termination of employment contracts with members of the Management Board;
- ▶ organization of retraining and advanced training of members of the Company's management bodies in order to increase their level of knowledge and study international experience;
- ▶ development of appointment and remuneration policies and submission of proposals to the Supervisory Board, as well as monitoring the implementation and compliance with these policies.

STRATEGY AND INVESTMENT COMMITTEE

develops recommendations to the Supervisory Board on issues related to the Company's strategic development, including in the area of ESG and its effective investments

Functions:

- ▶ providing recommendations on strategic and sustainable areas of the Company's activities;
- ▶ development and implementation of the Company's procurement and investment policies;
- ▶ evaluation of promising investment projects and study of their impact on increasing share price
- ▶ analysis of the concept, programs and plans for the strategic development of the Company, as well as offering recommendations on them.

ANTI-CORRUPTION AND ETHICS COMMITTEE

Functions:

- ▶ development of recommendations to the Supervisory Board on issues of conflicts of interest, control over combating corruption, compliance with the requirements of legislation and internal acts of the Company and assistance in resolving ethical situations.

MANAGEMENT

The Management Board manages the Company's day-to-day operations, approves policies and internal documents, and makes strategic decisions, with the exception of making decisions on issues within the competence of the General Meeting of Shareholders and the Supervisory Board. The Management Board strives to adhere to the highest standards of corporate governance, ethics and transparency, which is essential to maintain the trust of stakeholders and achieve long-term success in the oil and gas industry. The competence of the Board is defined by the Charter and the Regulation "On the Board of Uzbekneftegaz JSC".

The election of the Chairman and members of the Management Board, as well as the extension/termination of the powers of the Management Board, are carried out by the General Meeting of Shareholders based on proposals from the Supervisory Board with the corresponding recommendation of the Nomination and Remuneration Committee.

The remuneration of the members of the Management Board is directly dependent on the key performance indicators of the Company.

In order to ensure continuous control over the Company's current activities, meetings of the Management Board are held on a regular basis. The Management Board regularly submits reports on financial and economic activities, progress in implementing the annual business plan, and achieving the set goals to the General Meeting of Shareholders and the Supervisory Board within the established timeframes.



BOARD OF DIRECTORS

The Board consists of experienced specialists with various work experience in the oil and gas industry, economics and finance, management and public administration. This diversity provides the Board with the necessary knowledge and experience to address the complex challenges of sustainable development specific to the oil and gas sector.



**SIDIKOV
BAKHODIRJON BAKHROMOVICH**

Chairman of the Board

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent Institute of Finance (2000), Republic of Uzbekistan;
- ▶ Tashkent State Technical University (2005, Master's degree), Republic of Uzbekistan.

Experience:

Has over 17 years of experience in management:

- ▶ Previously held positions as Head of Department at O'zlitineftgaz JSC and "Uztyazneftegazkhimproekt". Later worked as Director of Neftegazinvest subsidiary.
- ▶ At Uzbekistan GTL LLC, he held roles including Deputy Director for Corporate Affairs, Director of Corporate Affairs, and Chief Financial Officer.
- ▶ Served as Deputy Head of the Main Department for Forecasting and Investment Programs at Uzbekneftegaz JSC and as Director of Neftegazinvest LLC.
- ▶ At Uzbekneftegaz JSC, he also served as Head of the Department for Strategic Development and Investments and Deputy Chairman of the Management Board for Strategic Development and Investments.
- ▶ Also led the Information and Analytical Department for Geology, the Fuel and Energy Complex, the Chemical and Metallurgical Industries in the Cabinet of Ministers of the Republic of Uzbekistan.
- ▶ Served as Chief Specialist and Director of the Project Office for Reforming the Oil and Gas Industry under the Ministry of Energy of the Republic of Uzbekistan. Additionally, he was the Director of the Project Office for the implementation of the investment project Development of the Yoshlik 1 Deposit at Almalyk Mining and Metallurgical Complex JSC.
- ▶ Subsequently, he held the position of Deputy Chairman of the Management Board for Geology at Uzbekneftegaz JSC.
- ▶ Currently, he serves as Chairman of the Management Board at Uzbekneftegaz JSC.



**USMANOV
BEKHZOD BOBUROVICH**

First Deputy Chairman of the Management Board for Transformation Issues

Citizenship: Republic of Uzbekistan
Year of appointment: 2022

Education:

- ▶ Tashkent State University of Law (1999), Republic of Uzbekistan;
- ▶ University of Manchester (2001), UK;
- ▶ Tashkent Institute of Chemical Technology (2016), Republic of Uzbekistan.

Experience:

Has over 16 years of experience in management:

- ▶ in 2007-2010 he held the position of Head of the Legal Department at "Coca Cola Bottlers Uzbekistan Ltd" LLC;
- ▶ For 10 years, he worked as a legal adviser, head of the legal department, acting general director, commercial director, and business development director at Uzbekistan GTL LLC;
- ▶ In 2020, he was appointed Head of the Transformation and Operational Efficiency Department of Uzbekneftegaz JSC.



**ALIRIZAEV
SHAHZOD SHUKHRATOVICH**

First Deputy Chairman of the Board for Localization and Cooperation

Citizenship: Republic of Uzbekistan
Year of appointment: 2019

Education:

- ▶ Tashkent State University of Economics (2009), Republic of Uzbekistan;
- ▶ Tashkent State University of Economics (2011), Republic of Uzbekistan.

Experience:

Has more than 10 years of experience in the field of management:

- ▶ at Eriell Corporation S.R.O. he held the position of Head of the tender group;
- ▶ at Neftegazinvest LLC, he was the interim Director, as well as the chief specialist of the Business Development Department of E.G. Management B.V. (the Netherlands).



SHEROV RUSTAM CHULIEVICH

Deputy Chairman of the Management Board for Production

Citizenship: Republic of Uzbekistan
Year of appointment: 2022

Education:

- ▶ Tashkent State Technical University (2000), Republic of Uzbekistan;
- ▶ Tashkent State Technical University (2002), Republic of Uzbekistan.

Work experience:

Has more than 23 years of management experience:

Previously, he held the positions of Head of the geological service of the Kokdumalak field of UE Muborakneftgaz, Deputy Head of Oil and Gas Production of Uzgeoburgnftefgazdobycha, Head of the Oil and Gas Production and Gas Processing Department of Uzneftegazgazdobycha JSC, Deputy Head of the Central Production and dispatch service, Chief Engineer – First Deputy Chairman of the Board of Uzneftegazgazdobycha JSC, Deputy Chairman The Production Board of Uzneftgazdobycha JSC, Acting Chairman of the Board of Uzneftgazdobycha JSC, Head of the Mubarek OGPD, Director of the Mubarek OGPD, Deputy Chairman of the Production Board of Uzbekneftgaz JSC, Deputy Chairman of the Production and Processing Board of Uzneftgazdobycha JSC.



TEMIROV ODIL SHUKUROVICH

Deputy Chairman of the Board for Processing

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ Tashkent Institute of Chemical Technology (1999), Republic of Uzbekistan.
- ▶ Tashkent Institute of Chemical Technology (2005), Republic of Uzbekistan.

Work experience:

He has more than 11 years of experience in the field of management:

Odil Temirov held the positions of Deputy Technical Manager of Uzbekistan GTL LLC, Director of the unitary subsidiary of Shurtan Gas Chemical Complex, Deputy Chairman of the Board for Deep Processing, Chairman of the Board of JSC Uzkimesanoat, First Deputy Chairman of the Board of Uzkimesanoat for production, localization, expansion of cooperation in the field of industry and information technology.



KHAKIMOV KAHRAMON NORBUTA UGLI

Deputy Chairman of the Board for Regime and Personnel

Citizenship: Republic of Uzbekistan
Year of appointment: 2023

Education:

- ▶ National University of Uzbekistan named after M. Ulugbek (2001), Republic of Uzbekistan.

Work experience:

From 2021 to 2023, he held the position of Deputy Director of the Agency for State Asset Management of the Republic of Uzbekistan.



ABDURAHIMOV AMIN NAYIMOVICH

Head of Legal Department – Member of the Board

Citizenship: Republic of Uzbekistan
Year of appointment: 2020

Education:

- ▶ Tashkent State University of Law (2004), Republic of Uzbekistan;
- ▶ Tashkent State University of Economics (2009), Republic of Uzbekistan.

Work experience:

Since 2004, he has held various positions in the legal department of Uzbekneftgaz JSC.

PAYMENT OF REWARDS

GRI 2-19, GRI 2-20, GRI 2-21

The procedure for paying remuneration to members of the Supervisory Board is determined by the Regulation “On the Supervisory Board” of Uzbekneftegaz JSC and members of the Management Board in accordance with the Procedure for remuneration of the Management Board of Uzbekneftegaz JSC. At the same time, in the short-term strategy (business plan) of the Company, approved by the Supervisory Board of Uzbekneftegaz JSC, annual amounts of remuneration for members of the Management Board are determined, depending on the key performance indicators of the Company.

The terms and amounts of bonuses for members of the Management Board are approved by the Supervisory Board on the recommendation of the Nomination

and Remuneration Committee. The amounts of remuneration for members of the Supervisory Board are approved by the decision of the sole shareholder. Third-party consultants do not participate in this process.

For work on the Supervisory Board of the Company, the Chairman of the Supervisory Board receives a quarterly remuneration in the amount of 17.5 minimum wages (hereinafter referred to as the MRW), and its members – 16 MRWs. In the event of a “high” assessment of the corporate governance system based on the results of the reporting year and its value is not less than the assessment of the previous year, the Chairman and members of the Supervisory Board receive a one-time remuneration in the amount of 5 MRWs each.



BUSINESS ETHICS

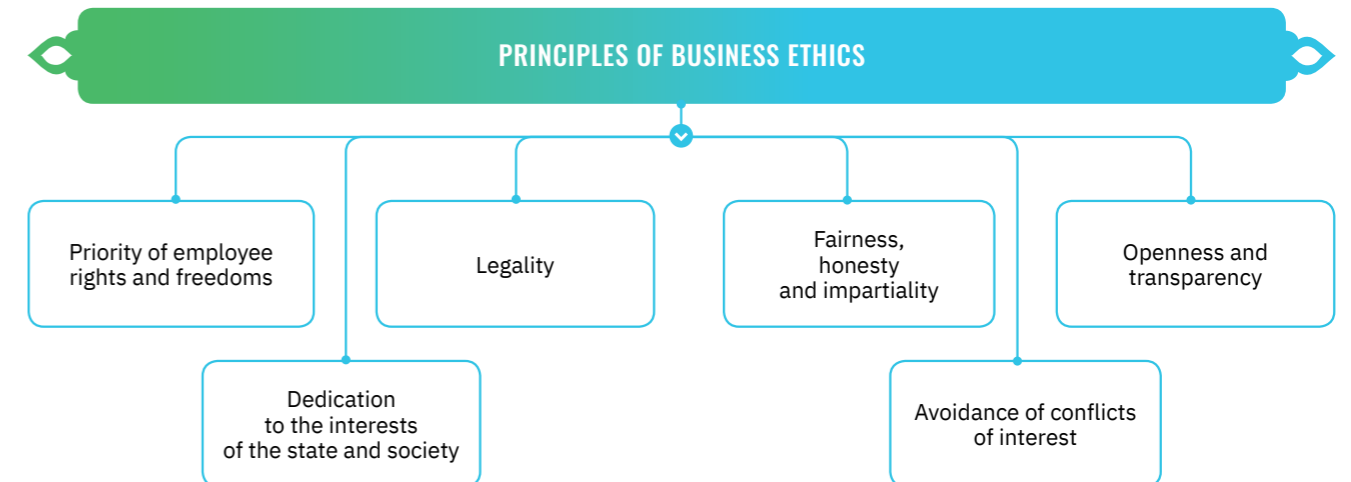
GRI 2-26

SUPPORT OF THE LEGAL MECHANISM BASED ON THE IMPLEMENTATION OF ALL LEGAL AND ETHICAL STANDARDS IN THE COMPANY IS ONE OF THE IMPORTANT AND SIGNIFICANT ELEMENTS THAT REQUIRE STRICT ADHERENCE TO INTERNAL STANDARDS OF CORPORATE ETHICS AND A RESPONSIBLE APPROACH ON THE PART OF BOTH THE MANAGEMENT AND EMPLOYEES OF THE COMPANY.

Current Code of Corporate Ethics of Uzbekneftegaz JSC (hereinafter referred to as the Code of Corporate Ethics) was approved on October 12, 2020 by the decision of the sole owner of common shares of Uzbekneftegaz JSC. The Code is based on the requirements of the legislation of the Republic of Uzbekistan and local regulations of the Company, as well as the goals and values that the Company follows in its activities. According to the Code, responsibility for compliance with the principles and

rules of internal etiquette and internal charters extends not only to all divisions of the Company, but also to all interested parties, including contractors, counterparties, when managing conflicts of interest, and when resolving controversial issues.

The Company has defined its own principles of business ethics, which are mandatory for all employees, regardless of job responsibilities. Their priority and importance for the Company are equal.



Upon applying for a job, each employee is familiarized with the norms and principles of business communication as part of a mandatory training for employees organized by the HR Department and the Department of Financial and Compliance Control.

COMPLIANCE CONTROL AND CONFLICT OF INTEREST MANAGEMENT

GRI 2-15, GRI 2-16, GRI 2-26, GRI 2-27

UZBEKNEFTEGAZ JSC STRIVES TO MAINTAIN HIGH STANDARDS OF ETHICS, INTEGRITY AND TRANSPARENCY IN ALL ITS ACTIVITIES. MANAGING CONFLICTS OF INTEREST AND ENSURING COMPLIANCE WITH LAWS, REGULATIONS AND INTERNAL POLICIES ARE FUNDAMENTAL ELEMENTS OF THE CORPORATE GOVERNANCE SYSTEM.

The Company has a Code of Corporate Ethics and a Conflict of Interest Policy, which prohibits the unlawful conclusion of contracts in procurement or other activities, the provision of employment assistance to close relatives or the abuse of official powers in favor of one of the parties when resolving a conflict of interest. According to the prescribed procedure, an employee completes a declaration of conflict of interest, after which the information provided is reviewed by the Ethics Committee. This policy requires all participants to disclose any personal, financial or other interests that may influence their judgments or decisions related to the Company's activities.

In Uzbekneftegaz JSC through the compliance control system, any manifestations of corruption are prevented, factors that generate corruption in the industry are elim-

inated, necessary measures are taken in cases of corruption that are identified, and compliance with industry regulations is ensured. The role of regional compliance inspectors is important in this.

As of the end of the reporting year, 5,291 employees of Uzbekneftegaz JSC and its subsidiaries have submitted a declaration of conflict of interest. When a conflict of interest is identified, the company implements strategies to manage or resolve it, such as refusing to participate in decision-making processes, redistributing responsibilities, or refusing to participate in transactions involving a conflict of interest.

In 2023, the Company actively worked to increase awareness of compliance at production facilities. In particular,

TRAINING OF COMPANY EMPLOYEES ON COMPLIANCE ISSUES

	Subsidiary enterprises	Control	Oil depots
Total number of employees trained on compliance issues	6,299	3,796	8,710
Percentage of employees who have completed compliance training	10%	25%	100%

regional compliance inspectors conducted 250 seminars and trainings for 18,805 employees of the Company and its subsidiaries to explain the content and purpose of internal regulatory documents aimed at reducing corruption risks.

The regulatory environment and stakeholder expectations are constantly changing. To ensure that conflict of interest management and compliance practices remain effective, the Company works to regularly update policies, enhance training programs, and use new technologies to improve compliance monitoring and reporting.



ANTI-CORRUPTION MEASURES

GRI 3-3, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3

IN ITS ACTIVITIES, THE COMPANY FOLLOWS THE PRINCIPLES OF INTOLERANCE OF CORRUPTION IN ANY FORM AND MANIFESTATION. THE COMPANY HAS DEVELOPED AND ADOPTED AN ANTI-CORRUPTION POLICY IN ACCORDANCE WITH THE REQUIREMENTS OF THE ANTI-CORRUPTION LEGISLATION OF THE REPUBLIC OF UZBEKISTAN, THE CODE OF BUSINESS OF ETHICS UZBEKNEFTEGAZ JSC AND THE CHARTER OF UZBEKNEFTEGAZ JSC, AS WELL AS THE REQUIREMENTS OF INTERNATIONAL CONVENTIONS AND STANDARDS.

A Memorandum of Cooperation was signed between the Anti-Corruption Agency of the Republic of Uzbekistan and Uzbekneftegaz JSC. The anti-corruption policy covers all aspects of the Company’s activities, including interactions with government officials, business partners, suppliers and contractors. It also applies to gifts, hospitality, charitable donations and sponsorship, ensuring that these actions are carried out transparently and do not serve as a means of corruption.

At 18 factories and oil depots that are part of Uzbekneftegaz JSC , successfully conducted an audit by leading

foreign certification bodies in accordance with the international standard ISO 37001:2016 “Anti-corruption management system” and received the relevant certificates. Employees of the Department of Financial and Compliance Control completed a training course and received a certificate for ISO 37001, and also took part in training seminars organized by the development program and the Anti-Corruption Agency of the Republic of Uzbekistan on the topic “Implementation of a rating system and assessment of the effectiveness of anti-corruption measures.”



Anti-corruption activities include:

- ▶ informing employees and interested parties about measures to prevent corruption;
- ▶ responsible compliance with the principles of the Anti-Corruption Policy;
- ▶ familiarization with measures to minimize corruption risks and their subsequent application.



Key elements of the anti-corruption system:

- ▶ example of a guide;
- ▶ regular analysis of corruption risks;
- ▶ availability of fundamental documents on combating corruption;
- ▶ systemic and proportionate anti-corruption procedures to the identified risk;
- ▶ activities of officials and departments responsible for combating corruption;
- ▶ information, training and consulting;
- ▶ availability of effective channels for reporting violations;
- ▶ monitoring, control and reporting on combating corruption.



The official website of the Company contains a section “Anti-corruption”, which contains the following information:

- ▶ Address by the Chairman of the Board of Uzbekneftegaz JSC;
- ▶ Local regulatory documents;
- ▶ Communication channels;
- ▶ Frequently asked questions;
- ▶ Form for participation in an anonymous survey on combating corruption;
- ▶ Reports on the functioning of the anti-corruption compliance system.

Appeals and cases of corruption and conflict of interest are considered and investigated by the Department of Financial and Compliance Control of Uzbekneftegaz JSC. The received messages are confidential. No cases of corruption were found during the reporting year.

SUBSIDIARIES AND AFFILIATES ASSESSED FOR CORRUPTION RISKS

	2021	2022	2023
Total number of subsidiaries and affiliates for which corruption risks were assessed	24	24	23
Share of subsidiaries and affiliates for which corruption-related risks were assessed	46%	46%	60%

As one of the preventive measures to combat corruption, the Company has developed Methodological Guidelines for organizing anti-corruption training in the form of recommendations and instructions for the Company’s employees. The main principles in training employees are:

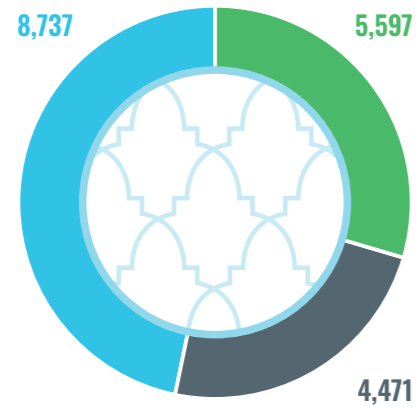
- ▶ objectivity and scientificity;
- ▶ practicality;
- ▶ consistency and systematicity;
- ▶ availability;
- ▶ differentiated approach;
- ▶ continuous improvement of teaching methods and forms.

The share of enterprises for which risk assessment was carried out in the reporting year was

60%

EMPLOYEES TRAINED IN ANTI-CORRUPTION ISSUES

- Oil depots
- Factories, enterprises
- Management



IN 2023, 18,805 EMPLOYEES RECEIVED ANTI-CORRUPTION TRAINING, WHICH IS 58% OF THE TOTAL NUMBER OF EMPLOYEES.

The Company annually holds a round table on issues of improving the anti-corruption compliance control system, which is attended by representatives of the Accounts Chamber of the Republic of Uzbekistan, the United Nations Development Programme and international consultants. Uzbekneftegaz JSC strives to implement effective compliance control measures at its enterprises, which is in line with the country's overall agenda in the fight against corruption.

The survey aimed at identifying cases of corruption offenses was completed by

25,248
EMPLOYEES

In order to explain the content and essence of internal regulatory documents aimed at reducing corruption risks, regional compliance inspectors organized 250 training seminars with the participation of 18,805 employees of the department, plants, enterprises and oil depots. During the trainings, round tables were held on the topics of "Anti-corruption policy", "Corporate Ethics Code", "Conflict of Interest Management", "Charitable and sponsorship assistance", "Business gifts and entertainment expenses", "Counterparty verification", etc.

The Company regularly assesses corruption risks. This process includes an analysis of the nature of the activities of subsidiaries, the regions in which the Company operates, and interactions with external parties. In order to further improve the effectiveness of anti-corruption procedures, as well as as a result of studying local regulations (regulations, job descriptions, etc.) and business processes at the Group's system enterprises, a list of 870 corruption risks was compiled (including 444 high, 304 medium and 122 low levels). 394 corruption risks were identified in the system's departments, factories and enterprises 169 divisions and 287 corresponding measures to reduce them were identified. 476 corruption risks were identified in 326 divisions at oil depots and 390 measures to reduce them.

The Department of Financial and Compliance Control of Uzbekneftegaz JSC launched an anonymous survey aimed at identifying cases of corruption offenses. 25,248 (84%) employees of Uzbekneftegaz JSC and system enterprises participated in the survey, of which 18,081 (72%) employees participated in the survey in electronic format.

The survey in electronic format was completed by

18,081
EMPLOYEES

ANTI-CORRUPTION PROCEDURES IMPLEMENTED IN 2023

MANAGING CONFLICTS OF INTEREST

5,291 employees of Uzbekneftegaz JSC filled out a declaration of conflict of interest. The study revealed 823 cases of kinship, in 13 cases the relationships of the Company's employees with other enterprises were revealed, in 18 cases close relatives of the Company's employees worked for contractors and competing enterprises.

ANTI-CORRUPTION CLAUSE

During the reporting period, the anti-corruption clause was included in 6,977 contracts concluded by the Company and its enterprises.

CHECKING COUNTERPARTIES

During the verification of counterparties of Uzbekneftegaz JSC and system enterprises 157 out of 169 verified counterparties received positive feedback and 12 counterparties received negative feedback due to shortcomings, conflicts of interest and other factors.

SCREENING JOB CANDIDATES

During the reporting period, 445 applications for verification of job candidates were received by the companies and enterprises of the system, of which 403 candidates were provided with positive conclusions and 42 candidates were provided with negative conclusions due to deficiencies, conflicts of interest and other factors.

RECEIVING GIFTS

In total, in 2023, the Department of Financial and Compliance Control and regional compliance inspectors studied the appropriateness of all business gifts provided.

CHARITY AND SPONSORSHIP ACTIVITIES

In Uzbekneftegaz JSC, charitable and sponsorship assistance is controlled by the Department of Financial and Compliance Control.

In order to effectively combat corruption, promptly take measures and eliminate shortcomings in Uzbekneftegaz JSC, in 2023, a "Hotline" was launched, available to citizens across the entire Republic.

FEEDBACK CHANNELS

GRI 2-16, GRI 2-26

In order for all interested parties to have the opportunity to express their complaints and suggestions, feedback channels have been created in Uzbekneftegaz JSC to register requests from employees and third parties related to ethical, anti-corruption and legal issues. The Department for Work with the Management Apparatus and the Department of Financial and Compliance Control are responsible for recording requests and monitoring their processing. Contacts and Form of address are available on the Company's website.

In its work on handling appeals of Uzbekneftegaz JSC is guided by the following documents:

- ▶ Constitution of the Republic of Uzbekistan;
- ▶ Law "On Appeals of Individuals and Legal Entities" of the Republic of Uzbekistan;
- ▶ Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 341 "On approval of the Model Regulation on the procedure for handling appeals from individuals and legal entities in government agencies, government institutions and organizations with state participation" dated May 7, 2018;
- ▶ Resolution No. 33 of June 1, 2020 "Regulations on handling appeals from individuals and legal entities" of Uzbekneftegaz JSC.

AVAILABLE FEEDBACK CHANNELS:



Anonymous questionnaires on the website according to the Regulations for the reception and processing of messages received via communication channels of Uzbekneftegaz JSC, when considering applications, their category is determined (for example, messages related to employment, labor protection violations, violations in the field of ethics, etc.). Messages are considered within 15 to 30 days from the date of receipt, depending on the degree of urgency assigned to them. Following the review, the responsible employee of the Department of Financial and Compliance Control officially notifies the applicant of the results of the review of his message.

The Department of Complaints and Appeals of Individuals and Legal Entities quarterly generates a report

on the messages received and sends it to the Chairman of the Board. Statistics on the number of appeals are disclosed on the official website Uzbekneftegaz JSC.

During the reporting period Uzbekneftegaz JSC received in total 961 requests, including 884 from individuals and 77 from legal entities. The number of requests decreased by 22% compared to 2022. Based on the results of the review, 182 requests were satisfied, and legal clarifications were provided for 751 requests. The majority of requests were resolved at the Company's Central Management Office. 21 requests were rejected for objective reasons, 7 requests were under consideration as of the end of the reporting year. Responses and explanations were promptly provided to 1,544 requests via the "Online Consultant" on the official website, for 2,786 calls via the Hotline.

STATISTICS OF APPEALS IN 2023

FORM OF APPEALS

583 (61%)
are electronic

292 (31%)
are in written form

86 (8%)
are oral appeals

MEASURES TAKEN

182
were satisfied

for **751** appeals
legal explanations were given

21
were rejected

7
are in the process of being finalised

CATEGORIES OF PERSONS

884 (92%)
appeals from individuals

77 (8%)
from legal entities

RISK MANAGEMENT

IN THE OIL AND GAS INDUSTRY, WHERE OPERATIONS ARE INHERENTLY COMPLEX AND SUBJECT TO A WIDE RANGE OF RISKS, INCLUDING ENVIRONMENTAL, SOCIAL, ECONOMIC AND REGULATORY, IT IS ESSENTIAL TO PROACTIVELY IDENTIFY, ASSESS AND MANAGE THESE RISKS. A ROBUST RISK MANAGEMENT SYSTEM ENABLES UZBEKNEFTEGAZ JSC TO MINIMIZE POTENTIAL NEGATIVE IMPACTS, SEIZE OPPORTUNITIES AND ENSURE BUSINESS SUSTAINABILITY.

On March 1, 2023, by the Resolution of the Chairman of the Management Board, a new version of the Regulation on the Risk Management System was issued – this is a fundamental document regulating risk management in the Company, which determines the procedure for taking measures to reduce and prevent possible risks in the production and economic sphere. The Risk Management Department of the Company's Prospective Business Development Department is responsible for coordinating the implementation of risk management principles at enterprises.

The Company has implemented a Unified Risk Management System, the responsibility for improving which lies with the Risk Management Committee, which reports to the Chairman of the Management Board. The functions of this body also include the implementation of activities within the framework of the risk management business process, including:

- ▶ assessment of identified risks;
- ▶ development and implementation of the Company's risk measures, including employee training, qualitative and quantitative risk assessment;
- ▶ ensuring that senior management of the Company and organizations is informed;
- ▶ risk accounting.

The risk assessment process includes identifying potential risks, assessing their probability and potential impact, and classifying them based on their significance level ("high", "medium" or "low"). To determine the parameters, scale and potential impact of risks on the Company's operations, each division develops and enters into the register a list of potential risks on a monthly basis according to the approved matrix, assigning a significance level to the risks. Only the highest category risks are included in the register. The risk register is reviewed collectively once every three months. The level of impact of risks on the financial and operational activities of the Company, the nature of their occurrence and measures to minimize them are analyzed. As of the end of 2023, 58 business process risks and 8 operational risks were included in the register.

The Company regularly conducts risk monitoring. The purpose of monitoring is to track the progress of the implementation of adopted measures, as well as timely informing the risk team and responsible persons about emerging risks.

In the reporting year, seminars were held for employees of Uzbekneftegaz JSC and its enterprises with the aim of improving the risk culture. Risk coordinators were

also appointed from among the employees of the company's structural divisions. One of the achievements in the field of risk management in 2023 was the development of a special electronic platform for digitizing the process of entering, storing, exchanging and summarizing risk management information and creating all the necessary opportunities for risk managers and risk coordinators to connect and use it. The consulting company Ernst&Young organized a seminar to deepen the knowledge of risk managers and issued accredited certificates.

Measures to improve the Unified Risk Management System (URMS) planned for 2024:

- ▶ Conducting seminars to improve the risk culture of the Company's employees;
- ▶ Formation of a risk register, as well as the develop-

- ment of appropriate measures to minimize them;
- ▶ Collecting information on existing risks and measures to minimize them, analyzing them, providing consolidated quarterly data to the Risk Committee;
- ▶ Provision by the Risk Committee of reports on the current state of the risk management system to the Supervisory Board and the General Meeting of Shareholders of Uzbekneftegaz JSC;
- ▶ Development and implementation of a program for the exchange of experience of specialists and experts in the field of risk management in cooperation with foreign oil and gas companies;
- ▶ Development of a plan and mechanisms for the implementation of a risk management system in accordance with the requirements of COSO;
- ▶ Development of a plan and mechanisms for the transformation of the risk management system at Uzbekneftegaz JSC into ISO standards.



APPENDICES

ABOUT THE REPORT

GRI 2-3

Sustainability Report of Uzbekneftegaz JSC (hereinafter referred to as the Report) is the third report disclosing environmental, economic and social indicators in the field of sustainable development for 2023. The Report presents the Company's activities for the period from 01.01.2023 to 31.12.2023. The Report was prepared in accordance with the sustainability reporting standards of the Global Reporting Initiative (hereinafter referred to as GRI). This Report is published in Russian and English. All Company reports are available on the corporate website of Uzbekneftegaz JSC.

The process of preparing the Report and disclosing material topics was coordinated by the Company's ESG Implementation Department with the active participation of all interested structural subdivisions and responsible departments. The Supervisory Board reviews and gives final approval to the Report.

Reporting limits

GRI 2-2

The information on sustainable development presented in the Report relates to the activities of the following business units and subsidiaries of Uzbekneftegaz JSC. In cases where the reporting boundaries for certain indicators differ from those described above, information about the divisions included in the reporting boundaries is provided in the text of the Report additionally.

GRI 2-4

There were changes in the GRI 302 and GRI 305 indicators due to the inclusion of the listed service units in the recalculation:

- ▶ Uzbek Militarized Unit for Prevention and Elimination of Open Oil and Gas Wells;
- ▶ Uzneftegaskuduktamirlash JSC;
- ▶ Uzbekneftegaz Drilling Works LLC;
- ▶ Muborakneftegaz-Suvta'minot UE;
- ▶ Makhsusenergogaz JSC.

GRI 2-5

The Report has not been externally verified. However, the Company recognises the importance of external verification of sustainability information and is considering the possibility of verifying non-financial data in the future.

N°	Name of the unit
1	Central Office of Uzbekneftegaz JSC
2	Mubarek Oil and Gas Production Department
3	Shurtan Oil and Gas Production Department
4	Ustyurt Gas Production Department
5	Gazli Oil and Gas Production Department
6	Vodiy Oil and Gas Production Department
7	Mubarek Gas Processing Plant
8	Shurtan Gas Chemical Complex LLC
9	Bukhara Oil Refinery LLC
10	Chinaz Oil Refinery LLC (excluded from Uzbekneftegaz JSC in November 2023)
11	Uzbekistan GTL LLC
12	Maxsusenergogaz JSC
13	Tahiatash Oil Depot LLC
14	Andijan Oil Depot LLC
15	Bukhara Oil Depot LLC
16	Jizzakh Oil Depot LLC
17	Karshi Oil Depot LLC
18	Navoi Oil Depot LLC
19	Turakurgan Oil Depot LLC
20	Samarkand Oil Depot LLC
21	Termez Oil Depot LLC
22	Gulistan Oil Depot LLC
23	Chinabad Oil Depot LLC
24	Kuchluk Oil Depot LLC
25	Fergana Oil Depot LLC
26	Urgench Oil Depot LLC
27	UNG Petro LLC (excluded from Uzbekneftegaz JSC in November 2023)
28	O'zlineftegaz JSC
29	Oil and Gas Journal LLC
30	Branch of Gubkin Russian State University of Oil and Gas
31	Bukhara Professional College of Oil and Gas Industry
32	Fergana Professional College of Oil and Gas Industry
33	UNG Training LLC
34	Uzbek Militarized Unit for the Prevention and Elimination of Open Oil and Gas Blowouts
35	Uzneftegaz Kudukta'mirlash JSC
36	Neft Gaz Bino Inshoot LLC
37	Uzneftgazburgulash ishlari LLC
38	Muboraksuvta'minot UP

CONTACT INFORMATION

GRI 2-3


UZBEKNEFTEGAZ

UZBEKNEFTEGAZ JOINT STOCK COMPANY

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FOR ALL QUESTIONS, COMMENTS AND SUGGESTIONS REGARDING THE REPORT, AS WELL AS TO RECEIVE A HARD COPY OF THE REPORT, PLEASE CONTACT THE ESG IMPLEMENTATION DEPARTMENT OF UZBEKNEFTEGAZ JOINT STOCK COMPANY:

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PROJECT MANAGER

DONYOROVA ZARIMA ZOKIRJONOVNA

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GRI INDEX

Indicator	Disclosure	Report Section/Comment	Report Pages
GRI 1: Basics (2021)			
GRI 2: General Information (2021)			
2-1	Information about the organization	Profile of Uzbekneftegaz JSC	16
2-2	Entities included in the organization's sustainability reporting	Appendices. Reporting Boundaries	76
2-3	Reporting period, frequency and contacts	Appendices. About the Report Applications. Contact information	76, 152
2-4	Reviewing information	Appendices. About the Report	150
2-5	External assurance	No external assurance was carried out during the reporting year.	
2-6	The Company's activities, value chain and other business relationships	Company Development Strategy Geography and scale of activities Operational activities of Uzbekneftegaz JSC	22-23
2-7	Employees	Caring for people (S aspect). Workers and Employment	92-93
2-8	Workers who are not employees	The Company does not have any part-time employees.	
2-9	Governance structure and composition	Corporate governance. Corporate governance system Corporate governance. Governance bodies	126
2-10	Nomination and selection of the highest governance body	Corporate governance. Governance bodies	126-127
2-11	Chair of the highest governance body	Corporate governance. Governance bodies	126-127
2-12	The role of the highest governance body in overseeing impact management	Sustainable development. Sustainable Development Management Governance bodies	127
2-13	Delegation of responsibility for impact management	Sustainable Development. Sustainable Development Management Governance bodies	127
2-14	The role of the highest governance body in sustainability reporting	Appendices. About the report	127
2-15	Conflicts of interest	Compliance control and conflict of interest management	140-141
2-16	Keeping senior management informed about critical issues	Compliance control and conflict of interest management Anti-corruption. Feedback channels Risk management	140-141
2-17	Collective knowledge of the highest governance body	Governance bodies. Supervisory board	127
2-18	Evaluation of the performance of the highest governance body	No assessment was carried out during the reporting period.	
2-19	Remuneration policies	Governance bodies. Payment of rewards	138
2-20	Process to determine remuneration	Governance bodies. Payment of rewards	138

Indicator	Disclosure	Report Section/Comment	Report Pages
2-21	Annual coefficient total reward	Governance bodies. Payment of rewards	138
2-22	Statement of Sustainable Development Strategy	Address by the Chairman of the Board	4-5
2-23	Commitment to politicians	Environmental responsibility (E aspect). Approach to environmental management Caring for people (S aspect). Production safety Corporate Governance (G aspect). Corporate Governance System	66, 106, 122
2-24	Fulfilment of the undertaken obligations	Environmental responsibility (E aspect). Approach to environmental management Caring for people (S aspect). Production safety Corporate Governance (G aspect). Corporate Governance System	66, 106, 122
2-25	Eliminating negative impacts	In 2023, no cases of significant negative impact on the ecology and social environment were recorded.	
2-26	Mechanisms for consultation and expression of concerns	Corporate Governance (G aspect). Business Ethics Corporate Governance (G aspect). Compliance control and conflict of interest management Corporate governance (G aspect). Anti-corruption. Feedback channels	139, 142, 146
2-27	Compliance with the law	Environmental responsibility (E aspect). Approach to environmental management	68, 140, 142
2-28	Membership in associations	The company is not a member of any industry associations.	
2-29	Stakeholder Engagement Approach	Sustainable Development. Interaction with stakeholders	48-49
2-30	Collective agreements	Caring for people (S aspect). Social support. Collective agreement	96
GRI 3: Material Topics (2021)			
3-1	The process of identifying material topics	Sustainable Development. Material Topics	46-47
3-2	List of material topics	Sustainable Development. Material Topics	46-47
GRI 201: Economic Indicators (2016)			
3-3	Management of material topics	Financial and economic indicators	30
201-1	Direct economic value created and distributed	Financial and economic indicators. Direct economic value created and distributed	31
201-2	Financial impact and other risks and opportunities from climate change	No climate impact assessment has been conducted for projects funded by the organization.	
201-3	Defined benefit and other pension plan obligations	All employees of the Company are covered by the state pension system and pay mandatory pension contributions.	

Indicator	Disclosure	Report Section/Comment	Report Pages
201-4	Financial assistance received from the government	During the reporting period, the Company did not receive financial assistance from the government.	
GRI 203: Indirect Economic Impacts (2016)			
203-1	Supported investments in infrastructure and services	Caring for people (S aspect). Contribution to the socio-economic development of the regions of presence	114-115
203-2	Significant indirect economic impact	Caring for people (S aspect). Contribution to the socio-economic development of the regions of presence Financial and economic indicators. Procurement practices and localization	114-115
GRI 205: Anti-Corruption (2016)			
3-3	Management of material topics	Corporate governance. Anti-corruption	142
205-1	Transactions assessed for corruption risks	Corporate governance. Anti-corruption	143
205-2	Information and training on anti-corruption policies and procedures	Corporate governance. Anti-corruption	144
205-3	Confirmed cases of corruption and actions taken	Corporate governance. Anti-corruption	143
GRI 207: Tax (2016)			
207-1	Approach to tax strategy	Financial and economic indicators. Taxation The Company does not operate in low-tax jurisdictions and refrains from using aggressive tax planning methods, remaining committed to the principles of transparency and compliance with the law.	33
207-2	Tax management, control and associated risks	Financial and economic indicators. Taxation	33
207-3	Stakeholder engagement and tax management	Financial and economic indicators. Taxation	33
GRI 302: Energy (2016)			
3-3	Management of material topics	Environmental responsibility (E aspect). Energy consumption	70
302-1	Energy consumption within the organization	Environmental responsibility (E aspect). Energy consumption	70
302-2	Energy consumption outside the organization	No evaluation was conducted.	
302-3	Energy intensity	In 2023, the Company did not maintain statistics for calculating the energy intensity indicator.	
302-4	Reduction of energy consumption	Environmental responsibility (E aspect). Energy consumption	73
302-5	Reductions in energy requirements of products and services	The standard is not applicable to the Company's activities.	

Indicator	Disclosure	Report Section/Comment	Report Pages
GRI 303: Water and Wastewater (2018)			
3-3	Management of material topics	Environmental responsibility (E aspect). Water resources	80
303-1	Interactions with water as a shared resource	Environmental responsibility (E aspect). Water resources	80
303-2	Management of water discharge related impacts	Environmental responsibility (E aspect). Water resources	80
303-3	Water withdrawal	Environmental responsibility (E aspect). Water resources	81
303-4	Water discharge	Environmental responsibility (E aspect). Water resources	82
303-5	Water consumption	Environmental responsibility (E aspect). Water resources	83
GRI 304: Biodiversity (2016)			
3-3	Management of material topics	Environmental responsibility (E aspect). Preservation of biodiversity	84
304-1	Production sites owned, leased or managed by the organization and located within or adjacent to protected natural areas and areas of high biodiversity value outside their boundaries	Environmental responsibility (E aspect). Preservation of biodiversity	84
304-2	Description of the significant impacts of activities, products and	Environmental responsibility (E aspect). Preservation of biodiversity	84-85
304-3	Protected or restored habitats	Environmental responsibility (E aspect). Preservation of biodiversity	84
304-4	IUCN Red List species and national conservation list species whose habitats are located in areas affected by the organization's activities	Environmental responsibility (E aspect). Preservation of biodiversity	84
GRI 305: Emissions (2016)			
3-3	Management of material topics	Environmental responsibility (E aspect). Climate change	74
305-1	Direct greenhouse gas emissions (Scope 1)	Environmental responsibility (E aspect). Climate change	74-75
305-2	Indirect greenhouse gas emissions (Scope 2)	Environmental responsibility (E aspect). Climate change	75
305-3	Other indirect greenhouse gas emissions (Scope 3)	Accounting for greenhouse gas emissions (Scope 3) is not conducted.	
305-4	GHG emissions intensity	Environmental responsibility (E aspect). Climate change	77
305-5	Reduction of GHG emissions	Environmental responsibility (E aspect). Climate change	77
305-6	Emissions of ozone-depleting substances into the atmosphere	The Company's activities do not involve emissions of ozone-depleting substances.	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental responsibility (E aspect). Climate change	78

Indicator	Disclosure	Report Section/Comment	Report Pages
GRI 306: Waste (2020)			
3-3	Management of material topics	Environmental responsibility (E aspect). Waste management	86
306-1	Waste generation and significant impacts associated with waste	Environmental responsibility (E aspect). Waste management	86
306-2	Management of significant impacts associated with waste	Environmental responsibility (E aspect). Waste management	86
306-3	Waste generated	Environmental responsibility (E aspect). Waste management	86
306-4	Waste diverted from disposal	Environmental responsibility (E aspect). Waste management	87
306-5	Waste directed to disposal	Environmental responsibility (E aspect). Waste management	87
GRI 401: Employment (2016)			
3-3	Management of material topics	Caring for People (S aspect) Management Approach	92
401-1	Recruitment and turnover	Caring for People (S aspect). Workers and Employment	93
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Caring for people (S aspect). Social support	96
401-3	Parental leave (maternity leave)	Caring for People (S aspect). Workers and Employment	95
GRI 402: Labor/Management Relations (2016)			
402-1	Minimum notice periods for changes in working conditions	Caring for people (S aspect). Social support	96
GRI 403: Occupational Health and Safety (2018)			
3-3	Management of material topics	Caring for people (S aspect). Production safety	106
403-1	Occupational Health and Safety Management System	Caring for people (S aspect). Production safety	106
403-2	Identification of hazardous situations, risk assessment and investigation of emerging cases	Caring for people (S aspect). Production safety. Injury rates	107
403-3	Occupational safety services	Caring for people (S aspect). Production safety. Injury rates	110-111
403-4	Employee participation, consultation and information on occupational health and safety issues	Caring for people (S aspect). Production safety. Injury rates	110-111
403-5	Training of employees on occupational health and safety issues	Caring for people (S aspect). Production safety. Injury rates	111
403-6	Improving the health of workers	Caring for people (S aspect). Production safety. Injury rates	110-111
403-7	Preventing and mitigating health and safety impacts directly related to business relationships	Caring for people (S aspect). Production safety. Injury rates	110-111
403-8	Workers covered by the occupational health and safety management system	Caring for people (S aspect). Production safety. Injury rates	106-107
403-9	Occupational injuries	Caring for people (S aspect). Production safety. Injury rates	112

Indicator	Disclosure	Report Section/Comment	Report Pages
403-10	Poor health status related to work activities	During the reporting year, there were no cases of occupational diseases recorded in the Company.	
GRI 404: Training and Education 2016			
3-3	Management of material topics	Caring for people (S aspect). Training and development of personnel	102
404-1	Average number of training hours per year per employee	Caring for people (S aspect). Training and development of personnel	102
404-2	Employee development and transition assistance programs	Caring for people (S aspect). Training and development of personnel	102
GRI 405: Diversity and Equal Opportunity (2016)			
3-3	Management of material topics	Caring for People (S aspect). Gender Equality and Inclusive Opportunities	92-93
405-1	Diversity of governance bodies and staff	Caring for People (S aspect). Workers and Employment Gender equality and inclusive opportunities 100% of the governance bodies are men between the ages of 30 and 50.	93, 95
405-2	Ratio of basic wages for women and men	Caring for People (S aspect). Workers and Employment Gender equality and inclusive opportunities	94
GRI 406: Non-discrimination (2016)			
406-1	Cases of discrimination and measures taken to correct the situation	Caring for People (S Dimension). Gender Equality and Inclusive Opportunities	94
GRI 413: Local Communities (2016)			
3-3	Management of material topics	Caring for people (S aspect). Contribution to the socio-economic development of the regions of presence	114-115
413-1	Community-based operations, impact assessment and development programmes	Caring for people (S aspect). Contribution to the socio-economic development of the regions of presence	114-115
413-2	Operations with actual or potential negative impacts on local communities	There were no cases of negative impact on local communities recorded in the reporting year.	

GLOSSARY

ESG	Environmental, Social and Corporate Governance
ERP	Enterprise Resource Planning
GRI	Global Reporting initiative
GTL	Gas-to-Liquid
IPO	Initial Public Offering
ISO	International Organization for Standardization
LTIF	Lost Time Incident Frequency
JSC	Joint stock company
JV	Joint Venture
ASCUE	Automated System for Commercial Accounting of Electricity
GJ	Gigajoule
GOGPD	Gazli Oil and Gas Production Department
GOST	Interstate Standard
GPD	Gas production department
GCC	Gas chemical complex
USIS, LP and EM	Unified System for Industrial Safety, Labor Protection and Ecology Management
URMS	Unified Risk Management System
IT	Information technologies
CGC	Corporate Governance Code
KPI	Key performance indicators
MGPD	Mubarek Gas Production Department
MOGPD	Mubarek Oil and Gas Production Department
IUCN	International Union for Conservation of Nature
IFRS	International Financial Reporting Standards
OGPD	Oil and gas production department
OR	Oil Refinery
SB	Supervisory Board
PC	Petrochemical company
LLC	Limited Liability Company
UN	United Nations
GMS	General meeting of shareholders
GHG	Greenhouse gases
MPE	Maximum permissible emissions
MPC	Maximum permissible concentrations
MPD	Maximum permissible discharges
ERP	Emergency Response Plan
TUO	Trade union organization
PSA	Production Sharing Agreement
USA	United States of America
UGPD	Ustyurt Gas Production Department
UP	Unitary enterprise
WCS	Wellhead compressor stations
SDG	Sustainable Development Goals
SOGPD	Shurtan Oil and Gas Production Department

