



**NAVOIYURAN**  
STATE-OWNED ENTERPRISE

# PURE ENERGY TO THE WORLD



SUSTAINABLE DEVELOPMENT REPORT FOR 2022

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PURE ENERGY  
TO THE WORLD

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The 2022 Sustainability Report of the State Owned Enterprise "Navoiyuran" is available in electronic format on the company's website

OUR GOAL IS TO UNITE PEOPLE AND RESOURCES  
TO BUILD A BETTER WORLD

# STATEMENT OF THE GENERAL DIRECTOR



GRI 2-22

## Dear partners, colleagues, and stakeholders!

Navoiyuran State Owned Enterprise (hereinafter – Navoiyuran SOE or the Company), founded in 2022, since its establishment «has been striving» to promote sustainable development and implementation of best practices in uranium mining and also endeavours to be guided by the principles of openness and transparency concerning to its stakeholders. We present to you the Company's Sustainability Report for 2022. This Report discloses information about the Company's approaches, undertaken actions and plans in the field of sustainable development.

In accordance with the Decree of the President of the Republic of Uzbekistan No. DP-319 dated 14 July 2022, aimed at increasing the volumes

of uranium mining and processing at the Navoiyuran SOE from 2022 to 2030, the Company actively carried out the process of transforming its current operations and methodologies in 2022, as well as establishing new departments and functional blocks. We are committed to achieving our strategic sustainable development goals and have concentrated our efforts on three key areas: environmental responsibility, social well-being, and economic sustainability. These efforts will help reduce our operating costs and emphasise our commitment to being responsible, reducing our environmental impact and building a sustainable future. Our diligence reflects our deep commitment to eco-friendly practices and long-term sustainability. Our team continues to work in this direction, focused on further improving energy efficiency and achieving exceptional results in this vital area.

Despite the transformation process in 2022, the Company achieved positive operational and financial results, maintaining its status as a responsible manufacturer. I want to acknowledge, with great admiration, the well-coordinated work of all employees of Navoiyuran SOE, that have made it possible for the Company to extract and sell 3,545 tonnes of uranium dioxide-uranium trioxide in 2022. Net profit in 2022 was USD 188 million and the Company has paid USD 86 million of taxes to the national budget, thereby making a significant contribution to the socio-economic development of the country as a whole and the regions where it operates. Economic sustainability remains the cornerstone of our success. We consider not only current performance, but also long-term outlook.

Our investment in innovation and strengthening our financial position enables us to guarantee stability and growth.

We have been active in promoting social responsibility. Investing in our people, supporting education and healthcare in the regions in which we operate are just some of the areas we actively support. Our goal is to create an enabling environment where everyone feels important and valued. The Company's employees all are covered by a collective agreement, which provides significant advantages and social benefits for our colleagues and their families. The Company provides support to kindergartens and schools, universities

and vocational schools, hospitals, and charity organisations. In 2022, the Company donated USD 0.4 million to charity and provided sponsorship in the amount of USD 0.4 million.

The company attaches high importance to occupational safety issues and deeply respects the work of its employees, recognizing its importance for successful operations. Safety is a fundamental principle within our corporate culture and we are actively committed to providing a safe working environment for our employees. As part of this commitment, training programs are regularly conducted and guidelines are regularly provided to enhance safety awareness among employees. There were no workplace fatalities in 2022.

To promote research and development and innovation activities, the Company has established the Department of Innovative Development and adopted the Navoiyuran SOE Innovative Development Programme. Launching 18 innovative projects under this programme will improve the efficiency of uranium mining and processing, reduce production costs, and expand the range of export-oriented products. In this regard, the Company invested USD 1.2 million in 2022.

Navoiyuran SOE is responsible for the environmental impact resulting from its activities: mining and processing of uranium ores, as well as the active development of new deposits.

The Company has been continuously developing and improving its approach to reducing the adverse impact on the environment and society. Thus, in 2022, the Company carried out work to introduce an Environmental Management System (EMS) in accordance with the requirements of international standards ISO 14001:2015 Environmental Management, ISO 9001:2015 Quality Management and ISO 45001 Ensuring Occupational Health and Safety at Work. Also, it had undertaken the work, preparing for passing the IMS certification procedure by an internationally recognized body for assessing the conformity of management systems. Taking into account the requirements, the developed integrated management system is aimed at compliance with the IMS Policy, achieving goals in the field of quality, ecology, health and safety, and continuous improvement.

The prudent use of natural resources always remains an important aspect of activities of Navoiyuran SOE. In 2022, the Company for the first time has estimated greenhouse gas emissions to the atmosphere (Scope 1), using international techniques. Total greenhouse gas

emissions from the Company's activities were 65,103 tonnes of CO<sub>2</sub>-eq. As part of the Yashil Makon (Eng. Green Space) project, the Company has planted 3,210 trees.

As one of the major industrial enterprises of the Republic of Uzbekistan, the Company realises of the relevance of the sustainable development agenda and builds its approach to doing business, focusing on the sustainable development goals adopted by the United Nations General Assembly ("UN") in 2015, as well as the best national ESG-practices.

As a full-fledged member of the United Nations, the Republic of Uzbekistan actively engages in the activities of the International Atomic Energy Agency (hereinafter – the IAEA), striving to implement treaties, agreements, and conventions aimed at ensuring nuclear security guarantees. Navoiyuran SOE with its status as a state owned enterprise, fulfills its obligations in accordance with state agreements and bears full responsibility for its actions regarding nuclear safety.

We possess significant capabilities to pursue the strategic priorities outlined by our Company. Our commitment to high environmental, social, and managerial standards is an integral part of our success in the foreseeable future. These principles occupy a central place in our goals and values.

We make every effort to earn trust and enhance credibility in the eyes of all our stakeholders, ranging from local communities to global partners and investors. On behalf of the Company, I thank every employee and partner for their enormous contribution to our success on the sustainable development journey!

*Best regards,*  
**General Director**  
**Faizullaev Jamal Sabakhanovich**

## ABOUT THE COMPANY

GRI 2-1, 2-2, 2-28

Navoiyuran State Owned Enterprise (hereinafter – Navoiyuran SOE or the Company) was founded as a result of the transformation of the State-Owned Enterprise Navoiy Mining and Metallurgical Company and as an independent enterprise had begun its operations on 1 January 2022 in Navoiy, Republic of Uzbekistan.

In 2022 the founder of the Company was the Agency of State Assets Management of the Republic of Uzbekistan.

The main units:

- Uchkuduk Production Site located in the Northern part of Navoiy region;
- Zafarabad Mining Plant located in Navoiy and Bukhara regions;
- Nurabad Production Site located in the Samarkand region;
- Navoiyuran SOE Administration and the Uranium Production Plant are located in Navoiy, Navoiy region.

The primary goal of establishing Navoiyuran SOE is the extraction of natural uranium in the Kyzylkum region of the Republic of Uzbekistan and the export of uranium oxide.

The development of uranium deposits in the Central Kyzylkum region began in 1958. The Uchkuduk deposit was the first to be mined using the open-pit underground mining technique. Driven by the further development of the industry, the in-situ leaching method (also known as in-situ recovery) was introduced in hydrogenous sandstone deposits. Thus, since 1994, all the uranium mined in the Republic of Uzbekistan has been extracted using the in-situ recovery method. Currently, the Company has been developing 18 uranium deposits and plans to develop 4 more deposits in 2022–2026.

Navoiyuran SOE is the sole natural uranium mining company in the Republic of Uzbekistan and is considered as one of the largest uranium producers in the world. At the same time, the produced raw materials are not used in the Republic of Uzbekistan and are exported in full abroad to major processing companies all over the world.

To date, the main proven, estimated and probable uranium reserves are concentrated in the Central Kyzylkum and Ziyavutdin-Zirabulak regions.



A stable increase in uranium prices enables the development of unconventional deposits contained in ancient bedrock and rich in rare-earth-metal complexes in addition to uranium.

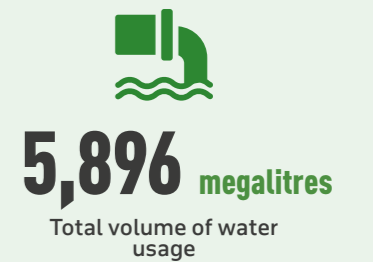
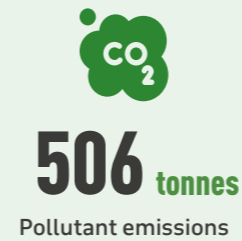
The Republic of Uzbekistan is a member of the World Nuclear Association and the IAEA and in this regard, Navoiyuran SOE plays its full part under the State agreement. Currently, the Company supplies the finished product in the form of uranium oxide to such corporations as Itochu (Japan), Marubeni (Japan), Cameco (Canada), Korea Hydro & Nuclear Power Co. Ltd. (Republic of Korea), CGNPC Uranium Resources Co. Ltd. (People's Republic of China).

The Company's core activities are as follows:

- Natural uranium mining and processing it into U<sub>3</sub>O<sub>8</sub> oxide;
- Export sales of uranium oxide U<sub>3</sub>O<sub>8</sub>;
- Associated extraction of rhenium from stripping solutions with the production of finished products of ammonium perrhenate NH<sub>4</sub>ReO<sub>4</sub> of AR-0 grade;
- Production of sulfuric acid for own needs and for enterprises of the Republic of Uzbekistan;
- Production of tubular goods from polyethylene and polyvinyl chloride for the needs of the Company and for Navoiy Mining and Metallurgical Company JSC.

## 2022 SUSTAINABILITY PERFORMANCE HIGHLIGHTS

### ENVIRONMENTAL INDICATORS



### SOCIAL INDICATORS



### CORPORATE GOVERNANCE



### ECONOMIC INDICATORS





# ABOUT NAVOIYURAN STATE OWNED ENTERPRISE



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# ABOUT NAVOIYURAN STATE OWNED ENTERPRISE

## MISSION AND STRATEGY



### OUR MISSION

Develop uranium deposits, creating long-term value for all stakeholders of the Company, in accordance with the principles of sustainable development and ensuring the elimination of adverse environmental impact, as well as upholding high standards in the field of occupational health and safety.



### OUR STRATEGIC GOALS



Focus on core activities



Streamline production, processing and sales volumes based on market conditions



Apply best business practices



Develop a corporate culture appropriate to the status of the industry leader

Modernisation of production facilities, technical and technological upgrades in terms of equipment and vehicles, as well as the expansion of existing uranium complex production facilities, which are planned to be implemented before 2030 have been started. In addition, the Company intends to expand the mining complex at operating fields. To accomplish these plans, in the period from 2022 to 2030, investment projects will be implemented for the construction of mining and processing complexes with infrastructure at new uranium deposits and promising sandstone-type areas.



# GEOGRAPHY OF OPERATIONS

GRI 2-2

The Company is a key player in the uranium mining industry of the Republic of Uzbekistan, operating in notable regions of the country – Navoiy, Samarkand and Bukhara regions. The unique structure of the Company encompasses not only uranium mining activities, but also includes research and design areas.



| MAIN DIVISIONS           | DEPOSITS                           | LOCATION                                     | MINING/FINISHED PRODUCTS, TONNES            |
|--------------------------|------------------------------------|--|---|
| ZAFARABAD MINING PLANT   | Shimoliy Kenimekh deposit          | Navoiy region, Republic of Uzbekistan        | 493.9                                       |
|                          | Shimoliy Bukinai deposit           | Navoiy region, Republic of Uzbekistan        | 132.1                                       |
|                          | Zhanubiy Bukinai deposit           | Navoiy region, Republic of Uzbekistan        | 476.2                                       |
|                          | Aulbek deposit                     | Navoiy region, Republic of Uzbekistan        | 358.7                                       |
|                          | Kuhnur deposit                     | Bukhara region, Republic of Uzbekistan       | 185.5                                       |
|                          | Istiklol deposit                   | Navoiy region, Republic of Uzbekistan        | 14.6  |
|                          | Zhingeldy deposit                  | Bukhara region, Republic of Uzbekistan       | 210.8                                       |
|                          | Terikuduk deposit                  | Navoiy region, Republic of Uzbekistan        | 175.2                                       |
|                          | Sugrali deposit                    | Navoiy region, the Republic of Uzbekistan    | 731.4                                       |
|                          | Zhanubiy Sugrali deposit           | Navoiy region, Republic of Uzbekistan        | 79.2  |
|                          | Lavliken deposit                   | Navoiy region, Republic of Uzbekistan        | 8.0   |
|                          | Aksai field                        | Samarkand region, Republic of Uzbekistan     | 2.3   |
|                          | Egdu deposit                       | Navoiy region, Republic of Uzbekistan        | 19.1  |
|                          | Ketmonchi deposit                  | Navoiy region, Republic of Uzbekistan        | 34.7  |
|                          | Moibulok deposit                   | Samarkand region, The Republic of Uzbekistan | 12.6  |
| UCHKUDUK PRODUCTION SITE | Uchkuduk deposit                   | Navoiy region, Republic of Uzbekistan        | 210.6 + 18.1 (reclamation of deposit sites) |
|                          | Meilisay deposit                   | Navoiy region, Republic of Uzbekistan        | 332.5                                       |
|                          | Kindik-tyube deposit               | Navoiy region, Republic of Uzbekistan        | -   |
| NURABAD PRODUCTION SITE  | Vostochnyi (Eastern) Agron Deposit | Samarkand region, Republic of Uzbekistan     | 3.5   |
|                          | Sabirsoy deposit                   | Samarkand region, Republic of Uzbekistan     | 219.7                                       |
|                          | Ulus deposit                       | Samarkand region, Republic of Uzbekistan     | 2.3   |
|                          | Ingichki deposit                   | Samarkand region, Republic of Uzbekistan     | 126.7                                       |

## URANIUM PRODUCTION PLANT



The Uranium Production Plant located in Navoiy City is the sole plant in the Republic of Uzbekistan that has been producing uranium oxide and shipping it to consumers since 1964.

The production of uranium oxide is achieved by processing productive solutions (sulphuric acid salts) produced by uranium mining using the in-situ leaching method at the geotechnological mines of Navoiyuran SOE. Finished products in the form of uranium oxide, the quality of which conforms to international standards, are exported to various countries worldwide. The competitiveness of products and the reliability of their delivery made it possible for the Company to enter the world uranium market during the years of independence of Uzbekistan, and today the country ranks fifth in the world in uranium production.

In 2021, operations were launched at the plant to extract rhenium from uranium stripping solutions. Improvement of technical and technological production, as well as intensive modernisation enabled the enterprise to increase the production of uranium oxide by more than 5 times compared to the production volumes of the country's first years of independence.

## ZAFARABAD MINING PLANT ADMINISTRATION



Zafarabad Mining Plant Administration, the main division/business-unit of Navoiyuran SOE was established in 1971. The mining plant administration is located on the territory of the Navoi and Bukhara regions. The mining plant administration comprises geotechnological mines No. 1, 2, 3, 4, a mechanical repair shop, a central physical and chemical laboratory, an electrical network, and substations shop, a vehicle fleet

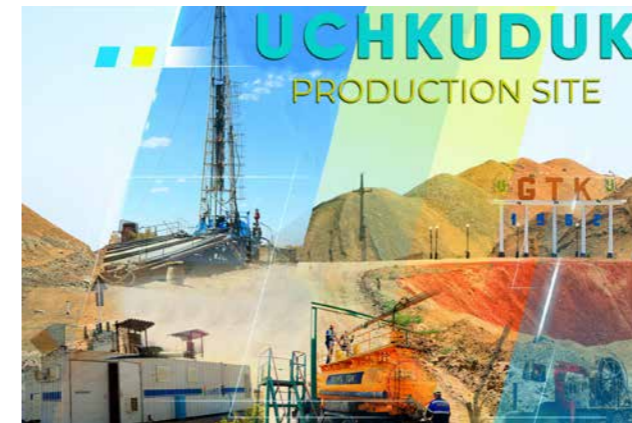
depot No. 6, a technical control service and a maintenance and construction department.

Mining operations are being conducted at the Shimoliy Kenimekh, Zhanubiy Bukinai, Aulbek, Kukhnur, Zhingeldy, Terikuduk, Sugrali, and Zhanubiy Sugrali deposits.

To date, the Mining Plant Administration is a modern industrial enterprise that combines mining and processing complexes, auxiliary units that fully cover all production needs, contributing to the development of infrastructure, as well as social facilities.

Under the State Programme to Increase the Volume of Export-Oriented Goods, the Mining Plant Administration carried out a set of research and scientific-practical activities, which ultimately made it possible to increase by 4 or more times the production of ammonium perrenate, the second most important product, co-extracted from technological solutions of the core operations.

## UCHKUDUK PRODUCTION SITE



The Uchkuduk Production Site is located in the Northern part of the Navoiy region.

It is noteworthy that uranium mining using the in-situ leaching method began for the first time in the history of the Republic of Uzbekistan at this site in 1962. Today,

mining operations are being conducted at three fields expanding constantly to new territories: Uchkuduk, Meilisay, and Kindik-tyube. The structure includes a geotechnological mine and a shop for the production of sulphuric acid.

In recent years, due to the modernisation and introduction of new equipment and technologies at the geotechnological mine, earthwork quantities and production of finished products have increased significantly. As a result, the workforce is successful in implementing the national plan for uranium mining.

Currently, in recognition of scientific and technological advances, localisation and import substitution programmes, technical measures are constantly being implemented to improve the quality of work on modernisation and automation of the control system for technological processes of uranium mining and processing, which play an important role in reducing production costs and fulfilling national plans.

## NURABAD PRODUCTION SITE



The development of the Sabirsoy uranium deposit at the Nurabad site began in 1964 using the underground technique.

Since 2000, with the introduction of new technologies for mining carbonate ores and as a result of the modernisation of the process and auxiliary equipment, the geotechnological mine has been final extraction of reserves of the Sabirsoy deposit (recovery of losses). Thus, since gaining independence, minefields No. 2, 3, 4, 5, 8 of the Sabirsoy deposit were re-involved in mining, and the Shark, Ulus, Zhar-kuduk, Agron, Nurbulak and Ingichki sites were put into operation. Currently, off-balance reserves of mine fields are involved in development; pilot operations are being conducted at the Zapadnyi (Western) Agron and Vostochnyi (Eastern) Agron deposits.

Each employee of the division (business-unit) is doing their fair share to improve and increase the production of the strategic metal, contributing to the attainment of high results in the uranium industry, and therefore further strengthening the economy of the Republic of Uzbekistan.



## URANIUM MARKET OVERVIEW

### LARGEST PARTICIPANTS IN THE NATURAL URANIUM MARKET IN 2022



- NAC Kazatomprom JSC
- Rosatom State Corporation
- Orano
- Cameco
- CGN
- Navoiy MMC
- CNNG
- BHP
- Other

Source: company reports, UxC

In 2022, uranium production in the world increased by 6% and was 50.4 thousand tonnes. About 85% of global production was provided by 9 major companies – NAC Kazatomprom (Kazakhstan), CNNC and CGN (China), Atomredmetzoloto JSC, and Uranium One, a part of the State-Owned Corporation Rosatom, Orano (France), Cameco (Canada), Navoiyuran SOE (Uzbekistan) and BHP (Australia-UK). Since 2010, NAC Kazatomprom has been the largest uranium mining company in the world (23% of global production in 2022). Based on the results of 2022, Navoiyuran SOE ranks fifth in the world in uranium production.

Supplies from secondary sources (warehouse stocks of energy companies and some States, re-enrichment of depleted uranium hexafluoride, regenerated uranium, etc.) in 2022 are estimated at 24 thousand tonnes in natural uranium equivalent.

According to the UxC forecast, in 2023, global uranium mining will be 56.0 thousand tonnes. By 2030, global natural uranium mining is expected to increase due to rising demand for it. The volume of supply from secondary sources in 2030 is expected to be 7 thousand tonnes in natural uranium equivalent.

## FACTORS DRIVING THE INTERNATIONAL MARKET FOR NATURAL URANIUM

There are four price categories for uranium deposits in the world, valued at the cost of production: up to USD 40, USD 80, USD 130 and USD 260 per kilogramme. The first category (up to USD 40 per kilogramme) is becoming less relevant, excluding Canada and Kazakhstan, where such deposits can still be found. It is forecasted that by 2030, large and accessible deposits with a cost of production of up to USD 80 per kilogramme will be developed in full, and the development of hard-to-reach deposits with a higher cost of production of more than USD 130 per kilogramme will begin.

A drastic increase in uranium production in the Republic of Kazakhstan since the late 2000 has played an important role in providing energy companies with uranium. However, since 2010, due to the increase in offshore gas production in the United States, the competitiveness of nuclear energy in the country has decreased.

The crisis in the global nuclear energy sector was aggravated by the accident at the Fukushima NPP

in 2011. The disaster caused a reduction in the share of nuclear energy in the energy policies of Japan, Germany, Switzerland, and other countries. The revival of the natural uranium market has slowed, and the sector has been under considerable pressure since then.

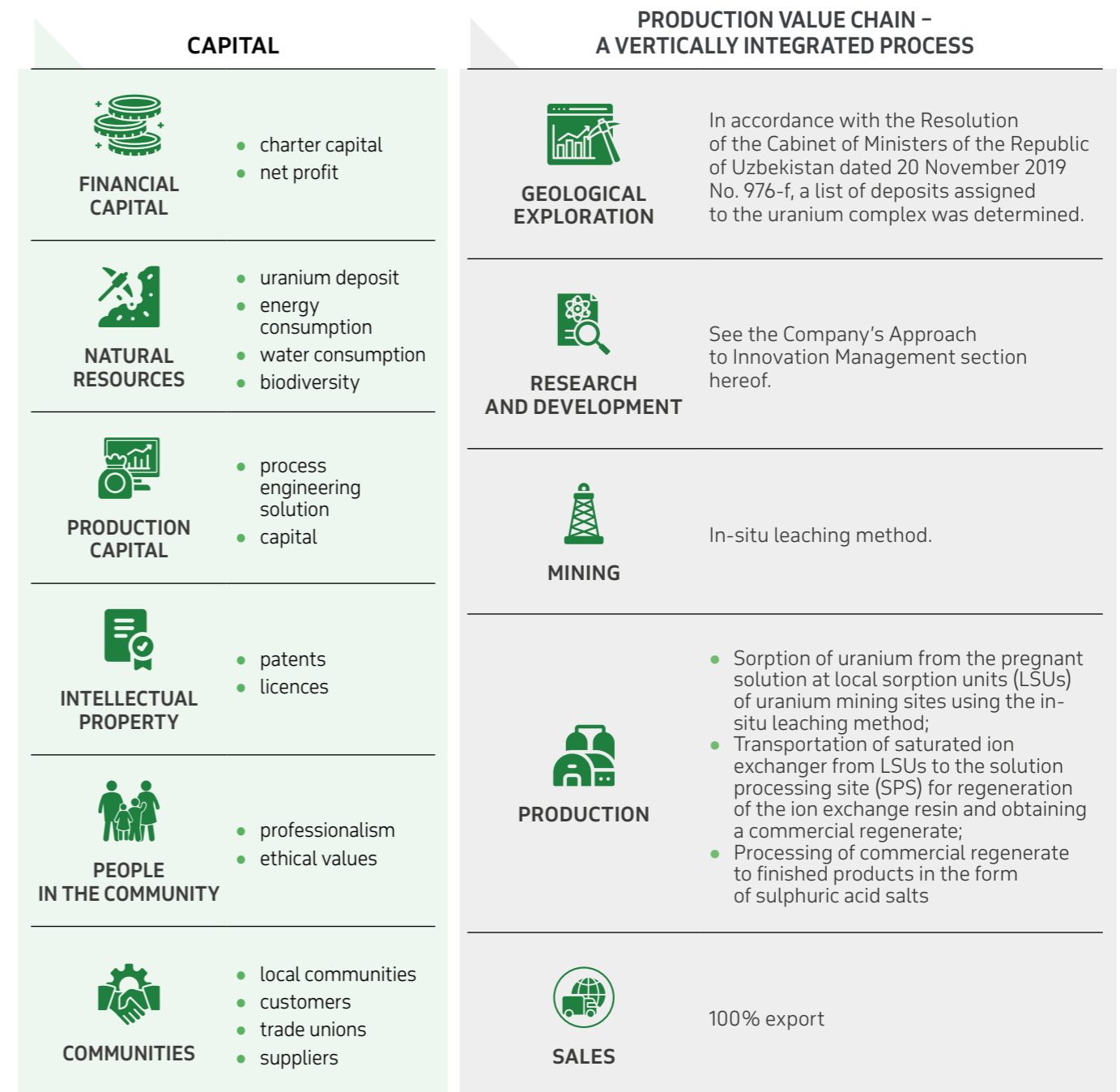
China has a large fleet of nuclear power plants and plays a key role in the global uranium market. There are currently 53 reactors operating in the country, 19 are under construction and 34 more reactors are planned to be built. The balance between supply and demand is important to maintain stability in the market.

In the coming years, uranium supplies from secondary sources are expected to be reduced, which should balance the market situation. However, the uranium market remains sensitive to any changes in the political, economic, and technology-related (man-made) spheres that affect its stability.

## BUSINESS-MODEL

While realising the importance of its activities for the economy and society, Navoiyuran SOE sets the business sustainable development as its main goal, including by increasing its total value for the Company and a wide range of stakeholders. The concept of “value” does not imply only uranium production and financial performance, but a combination of the economic, social, and environmental impact of Navoiyuran SOE on stakeholders, society as a whole and the environment.

The business model is based on the long-term strategy of Navoiyuran SOE.



# OVERVIEW OF FINANCIAL PERFORMANCE

GRI 201-1

## GUIDING DOCUMENTS VALID IN 2022:

- National Accounting Standards of the Republic of Uzbekistan (NAS).
- Decree of the President of the Republic of Uzbekistan dated 24 February 2020 No. DP-4611 On Additional Measures for the Transition to International Financial Reporting Standards.

Navoiyuran SOE has been actively promoting the socio-economic development of the regions where it operates. It creates jobs, replenishes regional budgets by paying taxes, and supports local entrepreneurs, in particular, suppliers and contractors.

At meetings of the Supervisory Board of Navoiyuran SOE, discussions on issues related to the key aspects of the Company's activities take place, including economic aspects and strategic priorities of the Company. To implement economically significant and infrastructure projects, the Company's Supervisory Board reviews and approves a business plan for the next financial year. The final decision on the implementation of key projects is made at the level of the Cabinet of Ministers of the Republic of Uzbekistan.

### KEY INDICATORS FOR 2022

| Production output, tonnes | Total sales, tonnes | Selling price, USD per kg | Revenue from sales of uranium oxide, USD million | Net profit, USD million | Income tax expense, USD million | Capital expenditure, USD million |
|---------------------------|---------------------|---------------------------|--|-------------------------|---------------------------------|----------------------------------|
| 3,545                     | 3,545               | 100                       | USD 446  | USD 188                 | USD 35                          | 32.7                             |

In 2022, the Company aimed to produce 3,545 tonnes of uranium dioxide-uranium trioxide. Actual production was 3,545 tonnes, with no deviations from the target planned.

Factors that have a considerable impact on ensuring the growth rate of production volumes and key process performance are the organisation of timely exploration and preparation of reserves, as well as the implementation of a set of measures to commission mining processing complexes, with the introduction

of modern effective technologies for extracting uranium from the subsoil.

In 2022, capital expenditures were aimed at the construction, modernisation and reconstruction of uranium deposits. Details are provided in the "Investment and Innovation Activities" section of this Report.

# TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

At the time of issuing this Report, the Company was in the process of preparing its first financial statements in accordance with IFRS. The expected date for the release of the first financial statements in accordance with

IFRS which was agreed to by the Ministry of Justice of the Republic of Uzbekistan, is December 2024.

In this Report, all financial and tax indicators are indicated in accordance with NAS, unless otherwise stated.

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED FOR 2022

Economic performance demonstrates what value the Company was able to generate for stakeholders based on the results of its work. Direct economic value represents the value that the Company generates through its activities, and which is then distributed among all stakeholders. The Company uses part

of retained earnings for further business development, modernisation and expansion of production facilities. Investments in new projects and in improving operational efficiency create the necessary conditions to ensure the Company's sustainability over the long run.

### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED FOR 2022

|   | Amount, USD million |
|---|---------------------|
| Income  | 446                 |
| Direct economic value distributed, including:     |                     |
| Production costs                                  | (160)               |
| Period expenses                                   | (63)                |
| Income tax expense                                | (35)                |
| Retained economic value (net profit for the year) | 189                 |

Expenses comprise of the following main expenses: payroll, taxes other than income tax, social expenses (investments in local communities), depreciation of property, plant and equipment and intangible assets.

During 2022, no dividends were declared and, accordingly, were not paid.



## TAX POLICY

GRI 207-1, 201-4

### GUIDING DOCUMENTS VALID IN 2022:

- The Tax Code of the Republic of Uzbekistan dated 30 December 2019 No. ZRU-599.
- The Law On the State Tax Service dated 29 August 1997 No. 474-I.
- The Resolution of the Legislative Chamber of the Oliy Majlis of the Republic of Uzbekistan On the State Budget of the Republic of Uzbekistan, the Budgets of State Special-Purpose Funds and the Main Areas of Tax and Budget Policy for 2019 dated 17 November 2018 No. 2119-III.
- Regulations on the State Tax Committee of the Republic of Uzbekistan approved by Appendix No. 1 to the Resolution of the Cabinet of Ministers dated 17 April 2019 No. 320.
- The Presidential Decree of the Republic of Uzbekistan On the Concept of Improving the Tax Policy of the Republic of Uzbekistan dated 29 June 2018, No. UP-5468.
- The Presidential Decree of the Republic of Uzbekistan On the Projection of the Main Macroeconomic Indicators and Parameters of the State Budget of the Republic of Uzbekistan for 2019 and Budget Targets for 2020–2021 dated 26 December 2018, No. DP-4086.
- The Presidential Decree of the Republic of Uzbekistan On Measures to Further Improve the Tax Policy of the Republic of Uzbekistan dated 26 September 2019, No. UP-5837.

Navoiyuran SOE is one of the major taxpayers of the Republic of Uzbekistan. The Company strictly adheres to legal taxation requirements and substantially contributes to the socio-economic development of the country and its regions through, inter alia, the fulfilment of its tax obligations to the State and the regional authorities.

The Company's Accounting Department is responsible for calculating and paying taxes to the relevant tax authorities in the regions where it operates.

### TAXES ASSESSED AND PAID IN 2022

| Tax type  | Calculated, USD million | Paid, USD million |
|---|-------------------------|-------------------|
| Income tax  | 35.3                    | 36.9              |
| Personal income tax (including IPISA)               | 7.2                     | 7.2               |
| Value added tax *                                   | (22.1)                  | 0                 |
| Subsoil use tax                                     | 34.4                    | 32.8              |
| Water resource tax                                  | 0.3                     | 0.2               |
| Property tax for legal entities                     | 0.4                     | 0.4               |
| Land tax for legal entities                         | 1.4                     | 1.4               |
| Social tax  | 7.1                     | 7.1               |
| Fees to the local budgets                           | 0.0                     | 0.0               |
| Total amount of payments to the budget, USD million | 64                      | 86                |

\* According to Article 260 of the Tax Code of the Republic of Uzbekistan, the Company is exempt from paying value-added tax.

### PREPAYMENTS AND TAX LIABILITIES AS OF 31 DECEMBER 2022

| Balance sheet item   | Asset/ (Liability) USD million |
|--|--------------------------------|
| Prepayments on taxes and other obligatory payments to the budget | 13                             |
| Tax liabilities to the budget                                    | (1.7)                          |
| Tax liabilities to the State special-purpose funds               | (0.03)                         |

The Company calculates and pays taxes in accordance with the guiding documents specified above. The main taxes paid in 2022 were Income Tax and Subsoil Use Tax, which comprised about 81% of taxes paid.

# INVESTMENT AND INNOVATION ACTIVITIES

## MANAGEMENT OF INVESTMENT ACTIVITIES

In accordance with the Presidential Decree of the Republic of Uzbekistan dated 30 December 2021 No. DP-72 On Approval of the Investment Programme of the Republic of Uzbekistan for 2022 – 2026 and the Introduction of New Approaches and Mechanisms for Managing Investment Projects, the Company has defined parameters for the implementation of investment projects.

Given the importance and need to increase product output and, consequently, increase the Company's

export potential, investment projects have been identified. The implementation of these projects will provide prospects for development at the main stages of the Company's technological process.

Management of investment activities in the Company is carried out both at the level of the Supervisory Board and directly by the Investment Department under the Capital Construction Management.

### ORGANISATIONAL STRUCTURE FOR MANAGING INVESTMENT ACTIVITIES

| Body  | Role details  |
|---|---|
| Supervisory Board   | Approval of the investment project.   |
| Investment Department under the Capital Construction Management | <ul style="list-style-type: none"> <li>Drafting project documentation.</li> <li>Preparation of a preliminary opinion (report) for the Supervisory Board on the feasibility of implementing the investment project.</li> <li>Coordination of the development of design documentation and construction and assembling operations, as well as project management until commissioning.</li> <li>Studying the project and making decisions on the feasibility of implementing the project and choosing technologies (for large projects worth over USD 5 million).</li> <li>Management and coordination of the entire cycle of implementation of investment projects.</li> <li>Project and post-project monitoring.</li> </ul> |

In carrying out its activities, the Investment Department under the Capital Construction Management engages with such stakeholders as follows:

- Ministry of Investment, Industry and Trade of the Republic of Uzbekistan;
- Ministry of Economy and Finance of the Republic of Uzbekistan;
- Expert Review Panel under the Ministry of Economy and Finance of the Republic of Uzbekistan;
- Ministry of Mining Industry and Geology of the Republic of Uzbekistan.

The key goal of stakeholder engagement is the timely implementation of investment projects included in the State Programmes of the Republic of Uzbekistan.



### KEY INVESTMENT PROJECTS IN 2022

| Nº                               | Subject   | Amount spent, USD million |
|----------------------------------|---|---------------------------|
| New construction operations      |   |                           |
| 1                                | Construction of a mining site at the promising areas of Zhingeldy   | 1.5                       |
| 2                                | Construction of a mining site at the Aktau field  | 2.5                       |
| <b>Total</b>                     |   | <b>4.0</b>                |
| Modernisation and reconstruction |   |                           |
| 3                                | Technical and technological upgrading of mining and processing plants of uranium production of Uchkuduk Production Site | 6.0                       |
| 4                                | Technical and technological upgrading of the mining and processing complex of Nurabad Production Site                   | 3.0                       |
| 5                                | Technical and technological upgrading of the main and auxiliary production of mining shop No. 5                         | 15.4                      |
| 6                                | Expanding the main fleet of process and transport equipment   | 4.3                       |
| <b>Total</b>                     |   | <b>28.7</b>               |
| <b>TOTAL</b>                     |   | <b>32.7</b>               |

In 2022, new construction operations were represented due to the development of new promising uranium deposits Zhingeldy and Aktau. Modernisation and reconstruction are represented mainly by technical and technological upgrading of existing uranium deposits.

## INNOVATION AND PROGRESS

Technical upgrading of existing production facilities, the construction of new production facilities, as well as the introduction of the latest scientific and technical developments that significantly increase production efficiency have a major impact on achieving stable growth in production volumes.

The experience gained in the design, construction and operation of mining and processing enterprises has shown that the right decisions in matters of construction, choice of technology and mode of technological processes significantly influence the economic efficiency of the enterprise.

We realise that we need an innovative approach to meet these challenges.

To implement the principles of involving new upgraded technologies in the production process, introducing, and using intellectual property and know-how, the enterprise has drawn-up an Innovative Development Programme for 2022. The Programme contains a set of interrelated activities aimed at the development and implementation of new technologies that meet world standards, as well as at creating favourable conditions for the innovative development of the enterprise.

The Innovative Development Programme for 2022 consists of 18 scientific research projects, including 5 innovative projects:

- Introduction of an unmanned aerial vehicle to inspect utility lines;
- Introduction of solar power units for hot water supply to facilities;
- Introduction of desalination units at Zhingeldy and Aulbek geotechnological sites;
- Introduction of local skid-mounted steam generators for the technological needs of the Uranium Production Plant;
- Introduction of an automatic control and metering system for electricity.

The projected indicators for investment projects for the years 2023–2026 are described in the Mission and Strategy disclosure of this Report.

### The main areas of innovative development of Navoiyuran SOE:

- Geological exploration;
- Mining operations;
- Processing and enrichment;
- Transport;
- Energy;
- Automation and information and communication technologies;
- Occupational health and safety;
- Ecology and environmental protection.

### Introduction of the innovative developments enables solving the following issues:

- Reduction of costs for mining operations, materials and reagents, energy and fuel costs, vehicle maintenance;
- Environmental protection and completeness of mineral raw-material base;
- Additional extraction of uranium and rare earth elements;
- Localization of process equipment units and spare parts;
- Increasing the durability and safety of production equipment;
- Increasing the level of organisational management of production processes;
- Increasing the range of export-oriented products.

### Navoiyuran SOE has been effectively collaborating with the following leading universities and scientific institutions of the country:

- Navoi State University of Mining and Technology;
- Arifov Institute of Ion-Plasma and Laser Technologies of Uzbekistan Academy of Sciences;
- Institute of Nuclear Physics;
- Tashkent State Technical University named after Islam Karimov;
- and others

Navoiyuran SOE has patents for 20 inventions and utility models issued by the Intellectual Property Agency of the Republic of Uzbekistan.

## RESEARCH AND DEVELOPMENT ACTIVITIES OF THE COMPANY FOR 2022

| No.                   | Subject   | Amount actually spent, USD million |
|-----------------------|---|------------------------------------|
| <b>URANIUM MINING</b> |   |                                    |
| 1                     | Development of a technology to extract metallic rhenium from ammonium perrhenate produced by Zafarabad Mining Plant Administration                | 0.01                               |
| 2                     | Development of a technique to prevent complete absorption of drilling fluid when drilling geotechnological wells of uranium deposits (Stage 1)    | 0.01                               |
| 3                     | Development of a technique to oxidise over-pressured ore horizons with technical oxygen at the Aulbek mine, Zafarabad Mining Plant Administration | 0.2                                |
| 4                     | Development of technologies at Zafarabad Mining Plant Administration, Moybulok field for conducting pilot tests                                   | 0.1                                |
| 5                     | Conducting pilot tests to determine the operating technology at Zafarabad Mining Plant Administration, Aktau field                                | 0.1                                |
| 6                     | Conducting pilot tests to develop a technology for extracting uranium and related elements from black shale ores using heap leaching method       | 0.1                                |
|                       | Total   | 0.5                                |
| <b>ENERGY</b>         |   |                                    |
| 7                     | Introduction of solar devices to provide hot water to the facilities of Navoiyuran SOE  | 0.1                                |
| 8                     | Introduction of photovoltaic stations for the use of renewable energy sources at the facilities of Navoiyuran SOE                                 | 0.5                                |
| 9                     | Introduction of local block skid-mounted steam generators for the technological needs of the Uranium Production Plant.                            | 0.1                                |
|                       | <b>Total</b>  | <b>0.7</b>                         |
|                       | <b>TOTAL</b>  | <b>1.2</b>                         |

All the above activities are comprehensive efforts aimed at increasing production efficiency and compliance with world best practices.

## PROCUREMENT PRACTICES

GRI 2-6, 204-1

Building and maintaining a sustainable supply chain is one of the priorities for the Company. Important principles in pursuit of this priority are the forging of strong and mutually beneficial partnerships with contractors who share corporate principles and conduct business responsibly, as well as ensuring transparency in the procurement process.

The following structures are involved in managing the procurement process of the Company:

- Procurement Planning and Localization Department;
- Equipment and Materials Procurement Department;
- Transportation Procurement Department;
- Customs Cargo Declaration and Certification Department.

Principles of procurement activities:

- Legitimate manner;
- Patriotism and devotion to duty;
- Loyalty to the interests of Navoiyuran SOE;
- Rationality, cost-effectiveness and efficiency of use of financial resources;
- Information openness and transparency of procurement;
- Equal treatment, fair play, lack of discrimination and unjustified limitation of competition with regard to procurement participants;
- Targeted and prudent spending of funds for the purchase of goods, works and services for production needs, implementation of measures aimed at cost reduction;
- Preventing corruption and other abuse.

Employees of the Company responsible for organising and conducting public procurement, based on the principles described above, from 2022 have started to:

- Strictly comply with the requirements established by the Law of the Republic of Uzbekistan "On Public Procurement" and other regulatory instruments, as well as the Code of Conduct regulating the procurement of goods, works and services for the needs of Navoiyuran SOE;
- Not to exert pressure or give preference to any person, group or organisation, be independent of their influence, take into account the rights, obligations and legitimate interests of entrepreneurs and avoid discrimination;
- Refrain from acts that would raise doubts about performance of one's official duties in good faith, as well as from conflict situations that may harm one's reputation;
- Do not use official position to exert illegal influence on the activities of Navoiyuran SOE;
- Fight against corruption cases and actively support their prevention;
- In all cases of individuals contacting the head of Navoiyuran SOE and the immediate manager of the Anti-Corruption Agency of the Republic of Uzbekistan or law enforcement agencies to involve them in committing crimes, as well as employees of Navoiyuran SOE to report cases of violations, which comes to their attention;
- Take all measures to ensure the security and confidentiality of available information – bear responsibility for its disclosure in the manner established by the law;
- Take timely measures to prevent conflicts of interest and address them.

The Company reports on the results of procurement activities to government bodies: the Ministry of Economic Development and Poverty Reduction, the Ministry of Finance and the Cabinet of Ministers of the Republic of Uzbekistan.

### GUIDING DOCUMENTS VALID IN 2022:

The Company manages the supply chain per the Procurement Regulations of Navoiyuran SOE. These regulations comply with the Law of the Republic of Uzbekistan No. ORQ-684 dated 22 April 22, 2021 "On Public Procurement" and the Presidential Decree of the Republic of Uzbekistan No. PF-6313 dated 14 September 2021. Navoiyuran SOE abides

by the Constitution of the Republic of Uzbekistan, the Civil Code of the Republic of Uzbekistan, the Law of the Republic of Uzbekistan "On Public Procurement" and other regulatory instruments, as well as the Code of Conduct for the procurement of goods, works and services for the needs of Navoiyuran SOE. The rules of the Code of Ethics are aimed at educating

employees in a way of preventing and suppressing violations in public procurement, eliminating the causes and conditions for their occurrence, strict compliance

with the Constitution of the Republic of Uzbekistan, laws and other regulatory instruments, rights, and freedoms of citizens.

## SELECTING AND EVALUATING BUSINESS PARTNERS

As part of the selection procedures, the Company evaluates potential suppliers based on a wide range of criteria as follows:

- Quality of the goods provided;
- Compliance of the offered goods and services with the terms of reference of the project; expertise and experience of a business partner;
- Compliance of the business reputation and reliability of the counterparty with the Company's requirements;
- Absence of the supplier's liabilities.

In 2023, the Company continued its efforts to improve the procedure for selecting counterparties. In the future, Environmental Requirements section will be added to each term of reference.

All types of procurement are carried out through electronic portals, such as xarid.uzex.uz, etender.uzex.uz, cooperation.uz, etc. Suppliers are selected automatically using a point-based system on the electronic exchange porta.

## PROCUREMENT AND SUPPLY CHAIN STRUCTURE

GRI 2-6

The supply chain of Navoiyuran SOE includes companies located in the Republic of Uzbekistan, the Russian Federation, the Republic of Kazakhstan, France, the United States of America, Canada, and the UK.

In the Company, purchases are made in accordance with internal procedures and policies. The main categories of purchased goods and services are as follows:

- Equipment, transportation including vehicles and the related infrastructure, as well as spare parts;
- Fuels, oils and lubricants;
- Chemical materials and reagents;
- Geological exploration.

### HIGHLIGHTS FOR 2022

| Total contract volume of purchases | Total number of suppliers | Share of imported products |
|------------------------------------|---------------------------|----------------------------|
| USD 153 million                    | 643                       | 2%                         |

## ENGAGEMENT WITH LOCAL SUPPLIERS

The Company supports local suppliers by including them in its supply chain. Thus, the Company acts as a driver for the development and maintenance of the sustainability of the economy of the Republic of Uzbekistan and the well-being of local people in major regions of its activities.



|   |    |
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## SUSTAINABLE DEVELOPMENT MANAGEMENT

GRI 2-12

### GUIDING DOCUMENTS VALID IN 2022:

- The Presidential Decree of the Republic of Uzbekistan No. PQ-319 dated 14 July 2022 On Measures to Increase Uranium Mining and Processing Volumes at the Navoiyuran SOE in 2022–2030.
- Founder's decision represented by the Agency of State Assets Management of the Republic of Uzbekistan No. 106/10-2-kr – Organisational structure development of Navoiyuran SOE, dated 22 August 2022.

An approach of Navoiyuran SOE to sustainable development management includes the design and implementation of a comprehensive strategy that brings together environmental protection, social responsibility, and economic efficiency. The strategy is based on the principles of national and regional development, compliance with regulatory and legislative requirements, consistent application of best industry practices in its activities and expansion of interaction

with stakeholders for constructive dialogue as part of the development of the Company.

Building a sustainable development management system in the Company is essential for several respects:

- Mitigating possible adverse environmental impacts associated with uranium mining (soil degradation, water pollution and biodiversity loss) this is achieved through the introduction of advanced management and environmental protection practices;
- Commitment to social responsibility, encouraging the participation of Company employees and local communities, respect for human rights, and support for regional development initiatives;
- Contributing to improved operational efficiency and cost reduction through resource optimization, waste reduction, and improved energy efficiency. This system ensures long-term sustainability by harmonising business strategies with sustainability

goals, reducing risks, and maintaining a positive reputation among stakeholders.

In the course of the Company's transformation into a separate state-owned enterprise implemented as part of a sustainable agenda arising from the Road Map approved by the President of the Republic of Uzbekistan Resolution No. 319 dated July 14, 2022, and ESG-principles based on international standards, as well as to implement requirements of the Global Reporting Initiatives (hereinafter referred to as GRI), the Company sought expert support of the McKinsey & Company consulting firm. Together with this organisation, a programme is being drawn up to improve the Development Strategy and increase the operational efficiency of the Company.

Management of sustainable development issues is coordinated by the ESG principles implementation and the Company's strategy development Department of the Company, established in 2022 to timely and with due quality perform the tasks specified in the Presidential Decree of the Republic of Uzbekistan No. PQ-319 dated 14 July 2022 On Measures to Increase Uranium Mining and Processing Volumes at the Navoiyuran SOE in 2022–2030. The department currently has four specialists, each specialist is responsible for performing tasks in various areas of strategy and introduction of the best ESG-practices in the Company's activities

in accordance with the Regulations on the Department and the corresponding job descriptions.

The objectives of the Implementation and ESG principles implementation and the Company's strategy development Department, which will be undertaken in the near future, include:

- Training the Company's relevant employees to GRI standards, as well as to ISO International Quality Standards in the area of Energy Management and Occupational Health and Safety;
- Preparing the Company to receive an ESG rating from leading rating agencies;
- identifying and assessing environmental, social and governance (ESG) risks associated with mining operations, considering factors such as public relations, environmental impact and regulatory compliance;
- Development of ESG policies and internal standards that comply with best industry practices and international frameworks such as GRI and SASB;
- Establishing robust monitoring and reporting mechanisms to track progress towards ESG goal attainment and commitments, to identify key performance indicators (KPIs) and developing a reporting system to communicate ESG results in a transparent manner;
- the Company's strategy development in cooperation with external consultants.

## SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Supporting the United Nations Sustainable Development Goals (SDGs) is essential for us as it aligns business goals with global sustainability goals, improves corporate reputation and mitigates risks. The approach of integrating the SDGs into the Company's business strategy, setting measurable goals, collaborating with stakeholders, transparent reporting and supporting innovation to address social issues will not only benefit society and the environment, but also creates value

for our Company and its stakeholders, ensuring long-term sustainable growth.

The Company understands the importance of all UN Sustainable Development Goals and seeks to play a significant role in their implementation as an integral part of its activities. In accordance with the strategic goals of Navoiyuran SOE, we have identified 12 priority UN SDGs on which the Company is concentrating its efforts to make a substantial contribution.





CONTRIBUTION TO THE UN SDGS



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

Our contribution:

- We provide all employees with occupational health and safety training meeting the highest international standards. Our goal is to ensure that all employees have access to training that meets global safety standards, thus ensuring the highest level of knowledge and skills.
- We create safe working conditions that help to minimise workplace accidents.

Main events for 2022:

- 552 employees have been trained in OH&S issues.
- **No fatal accidents.**



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

Our contribution:

- We are committed to providing training and international experience for our employees consistent with the global standards.

Main events for 2022:

- Training courses on **ISO 14001:2015, ISO 9001:2015, ISO 45001:2018, ISO 50001:2018** have been organised.
- The average annual number of training hours per employee was **17 hours.**

**2,087 employees** had received professional training as part of skills upgrading



ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

Our contribution:

- We facilitate expanding the socio-political participation of women by creating opportunities for the manifestation of their talents and abilities in various fields.

Main events for 2022:

- As part of the activities of the Trade Union, a **Commission for Gender Equality** was established.
- **62 employees** who took maternity leave have been provided with childcare benefits.



ENSURE ACCESS TO WATER AND SANITATION FOR ALL

Our contribution:

- We try to ensure timely monitoring of groundwater quality.
- We are committed to the prudent use of water resources.

Main events for 2022:

- A monitoring system for groundwater quality has been introduced.
- **Zero discharge of water** resources to open sources in 2022.

**100%** transfer of water resources for treatment



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

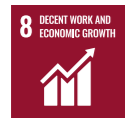
Our contribution:

- We are implementing measures to reduce electricity consumption and increase energy efficiency.
- We are expanding our ability to produce electricity using renewable energy sources.

Main events for 2022:

- Optimization of technological processes to reduce electricity consumption.
- **100% sale of steam** to third-party consumers.

**100%** consumption of own electricity for sulfuric acid production



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

**Our contribution:**

- We contribute to economic growth, inter alia, through job creation and employment of the population.
- We are trying to provide our employees with decent wages based on the principles of equity and an effective reward system.

**Main events for 2022:**

- The Company hired **1,964 newly hired employees**.
- The average monthly salary in production activities was **USD 0.06 million**.
- Vacation pay and severance pay, as well as additional work were **paid at double time** or compensated with gifts.

increase in wages of all employees of the Company **by 15%**



**BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND INNOVATION**

**Our contribution:**

- We develop new promising uranium deposits, such as Zhingeldy and Aktau.
- We modernize and reconstruct existing uranium deposits.
- We create new jobs in the regions where we operate.
- We support and cooperate with higher educational institutions of the Republic of Uzbekistan.

**Main events for 2022:**

- The Innovative Development Program for 2022 has been drawn up.
- **USD 32.7 million** spent on investment projects.
- **USD 1.2 million** spent on innovation projects.

**18 scientific research projects** have been developed, including 5 innovation projects



**REDUCE INEQUALITY WITHIN AND BETWEEN COUNTRIES**

**Our contribution:**

- We support collective health by providing and receiving free healthcare services for employees.

**Main events for 2022:**

- **USD 0.4 million** spent on health resort treatment of personnel.
- **2,791 employees** had inpatient medical treatment.
- A total of **1,015 children** were provided holiday packages for children's camps.

**corporate housing and family dormitories** have been allocated for Company employees



**ENSURE CITIES AND HUMAN SETTLEMENTS ARE INCLUSIVE, SAFE, RESILIENT, AND SUSTAINABLE**

**Our contribution:**

- We are actively engaged in landscaping our territories, by mainly planting plants that are resistant to drought and disease.
- We improve the liveability of cities and areas of our presence by providing material and technical support.

**Main events for 2022:**

- Activities are being done as part of the "Yashil Makon" national project (Eng. Green Space).

**3210 trees** were planted.



**ENSURE THE TRANSITION TO SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS**

**Our contribution:**

- We implement measures to reduce energy consumption by introducing solar panels and solar power stations.
- We transfer generated waste for recycling and support the practice of recycling.

**Main events for 2022:**

- Introducing a solar power station with a capacity of 80 kW.
- 7570 tonnes of waste were sent for disposal.

Reduced electricity consumption by **14,253 MWh**.



**TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACT**

**Our contribution:**

- We have begun analysing and reporting greenhouse gas emissions.
- We regularly carry out industrial environmental monitoring of emission sources.
- We work to increase energy consumption from RESs.

**Main events for 2022:**

- Since 2022, the Company has begun to quantify direct GHG emissions from mobile combustion sources.

Total Scope 1 greenhouse gas emissions for 2022 was **65,103 tonnes CO2 equivalent**.



**PROTECT, RESTORE, AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS**

**Our contribution:**

- We conduct an analysis of the state of the environment immediately before starting the planned activity.
- We work on the implementation of the State Programme for Reclamation of Deposits.

**Main events for 2022:**

- Projects have been developed for decontamination and technical reclamation of deposit sites.

**386 hectares** of reclaimed land.

# MATERIAL TOPICS

GRI 3-1, 3-2

We assessed the materiality of topics for Navoiyuran SOE in accordance with the best practice approach prescribed by GRI standards to focus the Report on the most significant topics from an ESG perspective (environmental, social and governance). The procedure for selecting material topics included an in-depth internal analysis to determine the importance of topics and identifying a list of material topics.

Assessing material topics against benchmarks of industry peers is important for several reasons:

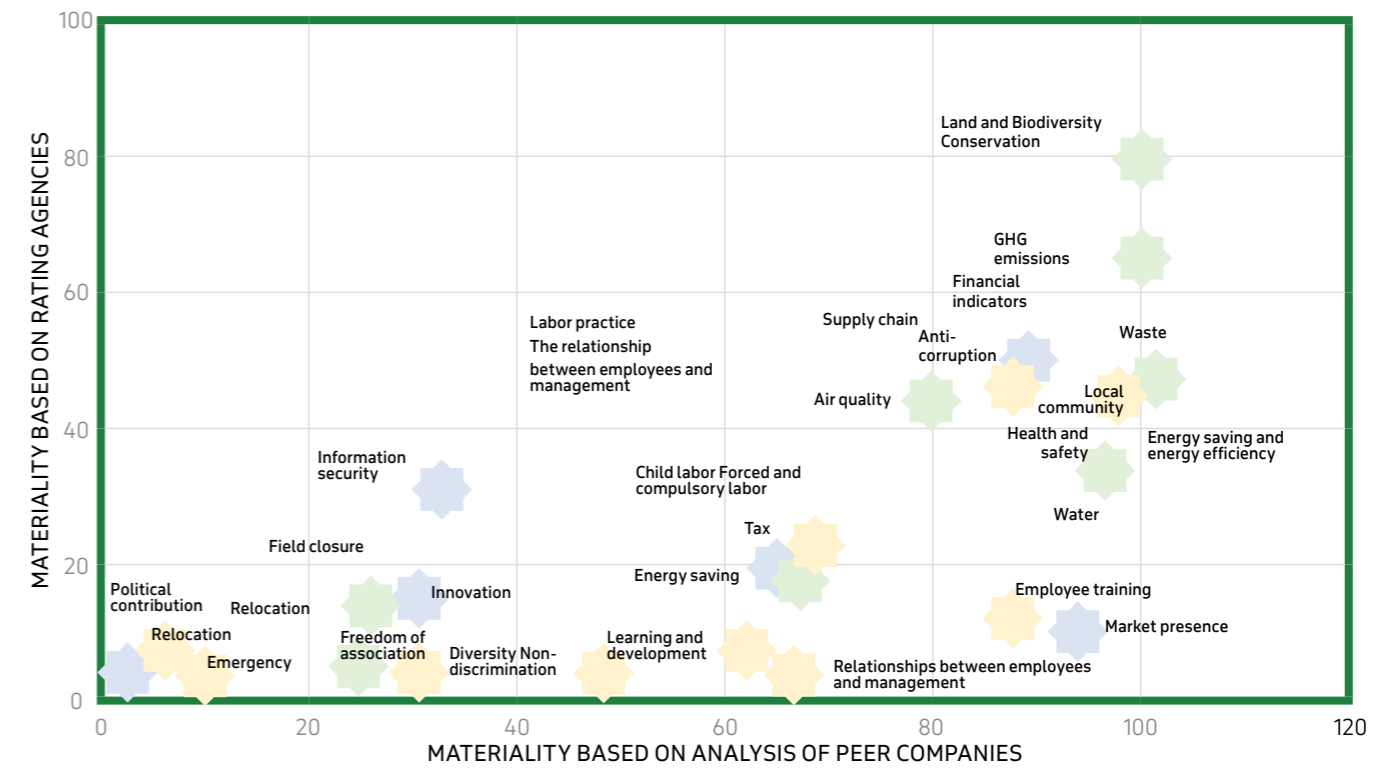
- Industry relevance: comparison of material topics with industry benchmarks ensures that the issues identified are relevant and meaningful in the specific industry context;
- Industry standards and best practices: benchmarking with peers enables companies to understand industry standards and best practices related to material topics;
- Stakeholders, including investors, customers, employees and communities, often compare

companies in the same industry when evaluating performance;

- Competitive advantage: comparing material topics with industry peers can provide insights into areas where a company has a competitive advantage or where it lags behind competitors;
- Transparency and information disclosure. Many industry sustainability reporting frameworks and standards, such as GRI and SASB, require companies to compare their performance with industry peers.

Based on the results, the Company selected 28 topics for disclosure in this Report, which is reflected in the materiality matrix presented below, depending on the analysis performed. In the upcoming reporting periods, the Company intends to improve the process, develop a materiality matrix by conducting a thorough survey and involving stakeholders after preparing and approving the Company's stakeholder map.

## MATERIALITY MATRIX











# STAKEHOLDER ENGAGEMENT

GRI 2-29, 413-1

Stakeholder engagement is an integral part of the Company's sustainable development strategy. The Company recognises the importance of open and transparent communication with various groups, including employees, clients, suppliers, public organisations, the MM, and its sole founder and owner.

The Company regards effective stakeholder engagement as a key factor in achieving overall strategic goals and objectives company-wide, and the development of the uranium industry as a whole.

| Stakeholder group  | Mechanisms of engagement  |
|--|---|
|  <b>SOLE FOUNDER AND OWNER</b>        | <ul style="list-style-type: none"> <li>providing regular reporting for consideration by a Sole founder</li> <li>representing interests through members of the Supervisory Board – representatives of the State</li> <li>posting information and reports on public portals and the corporate website</li> <li>monitoring the implementation of the tasks set by the founder</li> </ul>   |
|  <b>SUPPLIERS AND PARTNERS</b>        | <ul style="list-style-type: none"> <li>posting up-to-date information and news on the corporate website</li> <li>conducting negotiations, business meetings and official correspondence</li> <li>entering into contracts and agreements</li> </ul>  |
|  <b>MANAGEMENT AND STAFF</b>          | <ul style="list-style-type: none"> <li>informing about the Company's current activities through internal communication channels</li> <li>holding meetings of top management and that of business -units</li> <li>corporate events and forums</li> <li>labour agreements and acts of the employer</li> <li>posting up-to-date information and news on the corporate website</li> </ul>   |
|  <b>GOVERNMENT BODIES</b>            | <ul style="list-style-type: none"> <li>providing regular reporting through government reporting portals</li> <li>representing interests through members of the Supervisory Board – representatives of the State</li> <li>processing incoming requests from government bodies</li> <li>monitoring changes in legislation</li> <li>posting up-to-date information and news on the corporate website</li> </ul>                    |
|  <b>TRADE UNIONS</b>                | <ul style="list-style-type: none"> <li>corporate events and forums</li> <li>labour agreements and acts of the employer</li> <li>processing incoming requests from the representatives of the labour collective</li> <li>annual reporting on employee benefits payments</li> <li>posting up-to-date information and news on the corporate website</li> </ul>   |
|  <b>MM</b>                          | <ul style="list-style-type: none"> <li>providing materials for publication</li> <li>posting up-to-date information and news on the corporate website</li> <li>processing incoming requests from the MM</li> <li>participating in interviews and broadcasts by representatives of the Company</li> <li>informing about important events through open portals</li> </ul>  |
|  <b>LOCAL POPULATION</b>            | <ul style="list-style-type: none"> <li>meetings with the population and leaders of public organisations</li> <li>participating in public hearings by representatives of the Company</li> <li>implementation of government orders to support regions where the Company operates</li> <li>participation in charity events across the regions</li> <li>posting up-to-date information and news on the corporate website</li> </ul> |
|  <b>INTERNATIONAL ORGANISATIONS</b> | <ul style="list-style-type: none"> <li>signing memoranda and agreements</li> <li>participation in open communications platforms and international conferences by representatives of the Company</li> <li>posting on the corporate website relevant public information about the Company as it becomes available</li> <li>conducting negotiations, business meetings and official correspondence</li> </ul>                      |

When engaging with stakeholders, the Company is trying to be guided by the principles of openness, transparency, cooperation, and respect, providing support with full consideration for the interests of all parties. To comply with these principles, the Company seeks to responsibly fulfil its

obligations, inform about material aspects of its activities, and become more actively involved in the activities of the State, the population, the MM, partners, and others.

# MEMBERSHIP ASSOCIATIONS

GRI 2-28

To achieve its goals quickly and effectively for the development of best practices, Navoiyuran SOE participates in national and international associations, joining forces based on common goals and interests. In connection with acquiring the status of an independent enterprise on 1 January 2022, Navoiyuran SOE automatically assumed responsibility to members of the IAEA and joined the World Nuclear Association.

The Company adheres to the principles of openness, constructive interaction and responsibility when working with government bodies and other stakeholders, which, in turn, are the building blocks for creating the economic value of the Company, as well as promoting the principles of sustainable development.

## COOPERATION WITH THE IAEA

As a full-fledged member of the UN, the Republic of Uzbekistan joined the IAEA on 26 January 1994, being largely involved in the implementation of treaties, agreements and conventions aimed at ensuring nuclear safety and safeguards.

IAEA specialists and technical experts have repeatedly visited Navoiyuran SOE enterprises, and as a result, are fully aware of the Company's environmental system and have all the necessary information.

In accordance with the Law of On Accession of the Republic of Uzbekistan to the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management dated 11 November 2008 No. ZRU-186, our country acceded to this important agreement.

As part of the close cooperation supported by the IAEA Technical Cooperation Programme, international meetings, conferences, hands-on training events and courses are regularly held.

Pursuant to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 31 December 2015 No. 379, the State Committee for Industrial Safety of the Republic of Uzbekistan was appointed as the authorised body to ensure delivering on the commitment of the country under the Joint Convention on the Safety of Spent Fuel and Radioactive Waste Management, as well as for the preparation and submission of national reports to the IAEA on this issue.

Cooperation also includes internships with the participation of the Company's specialists in the field of radiation and nuclear safety, where international organisations and experts take part. The IAEA programme also requires providing practical assistance in equipping the enterprise with modern high-tech equipment for radiation and dosimetry monitoring, helping to strengthen its material and technical facilities.



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# CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-18, 2-19, 2-20, 2-21, 205-2, 405-1

## GUIDING DOCUMENTS VALID IN 2022:

- Resolution of the Agency for State Assets management On the founding of SOE Navoiyuranium dated 28 December 2022 No. 130/08-kr;
- Presidential Decree of the Republic of Uzbekistan On Measures to Reform the State-Owned Enterprise Navoiy Mining and Metallurgical Company dated 6 March 2020;
- Code of Corporate Governance of the Republic of Uzbekistan. The Corporate Governance Code of the Republic of Uzbekistan, approved by the protocol of the meeting of the Commission for Increasing the Efficiency of the Activities of Joint Stock Companies and Improving the Corporate Governance System on 31 December 2015, №9;
- Charter of Navoiyuran SOE dated 9 February 2022;
- Regulations on the Supervisory Board dated 14 January 2022;
- Regulations on the Committees;
- Regulations on the Executive Body dated 15 October 2022;

As part of the Company transformation following its separation from the NMMC SE, tasks were set to develop a strategy and program to enhance operational efficiency, for the implementation of which the international organisation «McKinsey & Company» was engaged, comprising 15 highly qualified specialists.

The transformation of the corporate governance system has been identified as one of the key components for enhancing the Company's efficiency. As part of this effort, the Company Charter has been developed and implemented in a new edition, along with the Regulations on the Supervisory Board and its committees, and the Regulations on the Executive Body of the Enterprise. Additionally, all management bodies have been allocated within the organisational structure of the Enterprise with a clear delineation of authorities and functions.

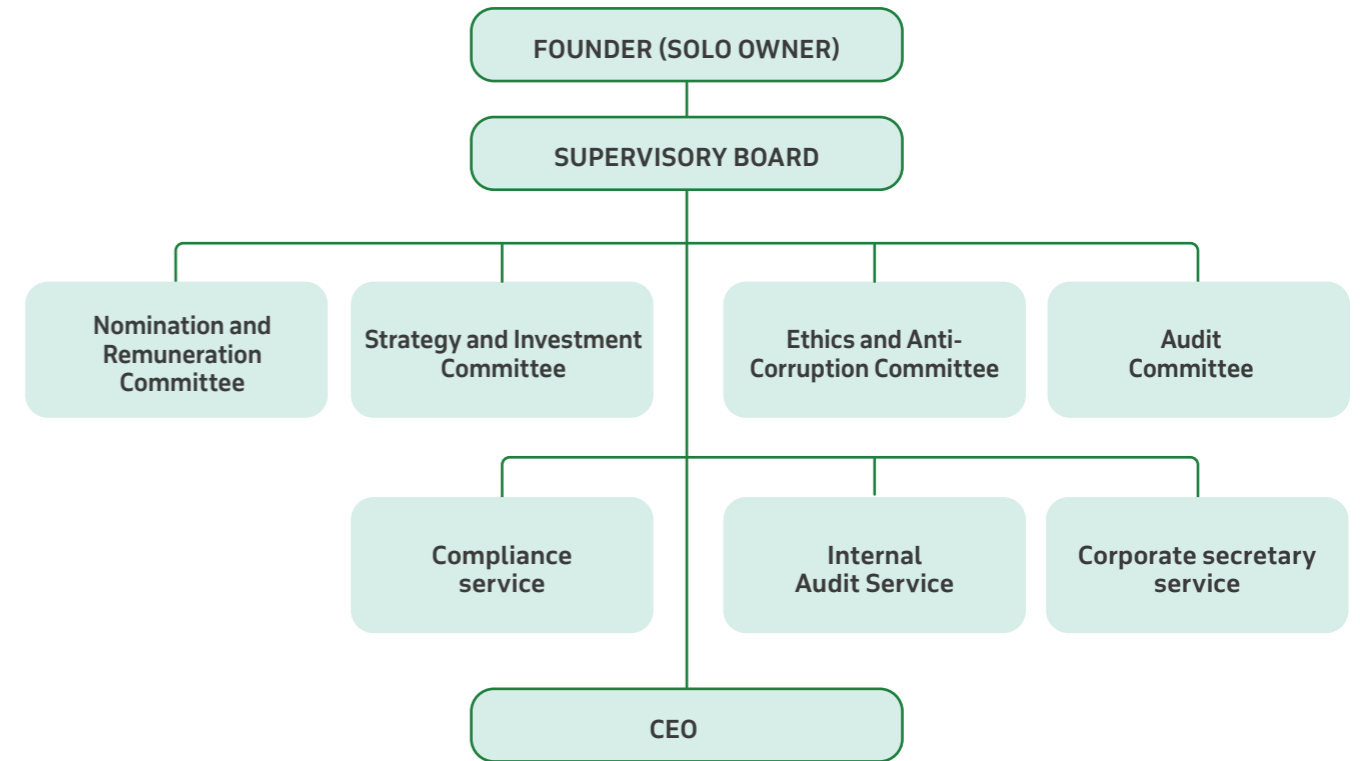
Another important step towards the establishment of a corporate governance system in line with international standards was the conclusion of a contract for an independent audit of financial statements for 2022–2023 by the international auditing company Deloitte. This move will contribute to ensuring transparency



and openness of the Company's financial activities to its founder and stakeholders.

One of the initiatives to improve information disclosure and transparency mechanisms is the preparation and publication of this report in the field of sustainable development, focusing on the Corporate Governance section. In order to implement recommendations following the results of the assessment of the corporate governance system and further improve activities, a separate business-unit has been established in the Company, the Department of Corporate Governance Relations and Transformation.

For the effective distribution of functions and separation of powers, the Company has approved a governance structure that complies with legal requirements and international standards in the field of corporate governance:



## SOLE FOUNDER AND OWNER

Since Navoiyuran SOE is strategic in its nature for the Republic of Uzbekistan ensuring the sustainable and financial development of the country, the Sole founder and owner of the Company is the State represented by the Agency of State Assets Management of the Republic of Uzbekistan, which owned 100% of the Company in 2022.

The Sole founder and owner bears responsibility to the State and society for the effective management and utilisation of the Company's resources, as well as for achieving its goals and objectives. In turn, to safeguard the interests of the Company, the Founder establishes the basic provisions and principles of operation of the Company by approving its charter and amending it if necessary, has the right to appoint and approve members of the Supervisory Board and the Executive Body, exercises control and supervision over the Company's implementation of its functions, statutory compliance, as well as the effective utilisation of resources by hearing regular reports and requesting other information, and also has the right to make strategic decisions and draw

up a development policy for the Company by setting development priorities and key decisions on its activities.

During 2022, the Sole founder and owner made a number of decisions regarding strategic and operational issues:

- Approval of the Company's Charter and organisational structure;
- Approval of the composition of the Company's Supervisory Board;
- Approval of an Action Plan for 2022 to reduce the environmental impact;
- Approval of the Company's Business Plan for 2022;
- On the inclusion of an independent member in the Supervisory Board to improve the efficiency of the Board's activities.

## SUPERVISORY BOARD

The Company's Supervisory Board is the body that monitors and exercises control over the activities of the Executive Body and is responsible for maintaining transparency and improving the level of corporate governance and observance of the rights and interests of the Sole founder and owner and stakeholders. In addition, the Supervisory Board is involved in the drawing up of the Company's development strategy and policy, monitors their implementation and makes key management decisions. The task of the members of the Supervisory Board is to bring a diversity of opinions and experience into the decision-making process, as well as to provide advice on strategic issues to the Executive Body and other stakeholders.

Following the formation of the Company's structure, the composition of the Supervisory Board and the Executive Body of the Company was approved in January 2022. During 2022, the Supervisory Board was composed of 7 members including one independent member. The other members are representatives of government bodies and represent the interests of the Sole founder and owner. The current composition of the Supervisory Board was approved by decision of the Agency of State Assets Management of the Republic of Uzbekistan No. 02-10-kr dated 14 January 2022.

### COMPOSITION OF THE SUPERVISORY BOARD



**NASRITDINKHODJAEV OMONULLO ZABIHULLAEVICH**

Member of the Supervisory Board

**Year of appointment:** 2022

**Education:**

- Tashkent State University (International Economics and Finance)
- SDA Bocconi Business School (Italy)
- Harvard Business School (USA)

**Place of work:**

First Deputy Minister of Finance

**Citizenship:**

Republic of Uzbekistan



**NORKULOV ILKHOM IBROKHIMOVICH**

Member of the Supervisory Board

**Year of appointment:** 2022

**Education:**

- Tashkent State University of Economics (Finance and Economics)
- University of Glasgow (UK)

**Place of work:**

First Deputy Minister of Economic Development and Poverty Reduction

**Citizenship:**

Republic of Uzbekistan



**MELIYEV KHUDAYOR KHURRAMOVICH**

Member of the Supervisory Board

**Year of appointment:** 2022

**Education:**

- Tashkent State University of Law (Advocacy)

**Place of work:**

Deputy Minister of Justice

**Citizenship:**

Republic of Uzbekistan



**USMONOV BEKZOD SHAVKAT UGLI**

Member of the Supervisory Board

**Year of appointment:** 2022

**Education:**

- Tashkent Institute of Finance (Finance and Economics)

**Place of work:**

Deputy Head of the Centre for the Rational Use of State Property under the Agency of State Assets Management

**Citizenship:**

Republic of Uzbekistan



**ZHUMAEV SARDOR NURMAKHMATOVICH**

Member of Supervisory Board Independent member

**Year of appointment:** 2022

**Education:**

- Tashkent State Economic University

**Place of work:**

Deputy Head of the Department at the Agency of State Assets Management

**Citizenship:**

Republic of Uzbekistan



**KHOLDJURAEV AZIZBEK SALIMJON UGLI**

Member of Supervisory Board Independent member

**Year of appointment:** 2022

**Education:**

- Fergana Polytechnic Institute (Economics)
- Academy of Banking and Finance of the Republic of Uzbekistan (Public Finance Management)

**Place of work:**

Deputy Chief of the Department at the Ministry of Finance

**Citizenship:**

Republic of Uzbekistan



**FAIZULLAEV JAMAL SABAKHANOVICH**

Member of Supervisory Board

**Year of appointment:** 2022

**Education:**

- Tashkent State Technical University named after Islam Karimov (electromechanics)
- Moscow State Institute of Steel And Alloys (metallurgy)

**Place of work:**

Head of the Department for the Development of Geology, Energy, Industry and Its Basic Sectors of the Cabinet of Ministers of the Republic of Uzbekistan.

**Citizenship:**

Republic of Uzbekistan

In 2022, the Supervisory Board held 13 meetings and considered 34 issues, including:

- Approval of the Plan of Activities of the Supervisory Board for 2022;
- Hearing a report on the results of the activities of the Executive Body;
- Approval of internal documents in corporate governance – Regulations on governing bodies, on Committees, the Compliance Department, on providing charity assistance by the Company, on the approval of remuneration for members of the Supervisory Board and others;

- Approval of the Company's Business Plan for 2022;
- Hearing reports prepared by the Executive Body on the results of financial and economic activities;
- Approval of the Company's Code of Conduct;
- Implementation of the provisions of the nationwide Corporate Governance Code in the Company;
- Discussion of the procedure for digitization of the minutes of the Supervisory Board;
- Approval of the Compliance Service Roadmap;
- Approval of the Methodology for Identifying and Assessing Corruption Risks



## REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD

Remuneration of members of the Supervisory Board of the Company is paid in accordance with the internal Regulations on the Procedure for Paying Remuneration to the Supervisory Board of Navoiyuran SOE and (or) Covering Expenses Associated with the Performance of their Functions.

In line with the Regulations, the criteria for paying remuneration to members of the Supervisory Board are as follows:

- Timely fulfilling the functions by members of the Supervisory Board;

- Prompt and legitimate implementation of the Founder's instructions and orders;
- Complete and high-quality fulfilment of the commitments provided for by the Charter and the Regulations "On the Supervisory Board".

At the same time, the size of remuneration is determined by the decision of the Founder depending on the financial standing of the Company, performance indicators, as well as the timely solution of tasks assigned to the Company and the Supervisory Board in particular. Thus, in 2022, the total amount of remuneration for 7 members of the Supervisory Board was USD 0.1 mln.

## COMMITTEES UNDER THE SUPERVISORY BOARD

Per the standards and best practices of corporate governance, the Committees under the Supervisory Board play an important role in ensuring the effective functioning of the Company and monitoring its activities. Each committee specialises in key areas that require detailed consideration and involvement of members of the Supervisory Board, which enables a more in-depth and effective consideration of issues related to this area.

To this end, 4 committees were established under the Supervisory Board:

- 1) Nomination and Remuneration Committee;
- 2) Strategy and Investment Committee;
- 3) Anti-Corruption and Corporate Ethics Committee;
- 4) Audit Committee.

Each committee, within the scope of its competence, preliminary considers issues that would be further submitted for approval by the Supervisory Board. This approach enables them to identify shortcomings in advance and address them before presenting to a meeting of the Supervisory Board, thereby increasing the efficiency of their activities, and optimising time resources.

## FUNCTIONS AND TASKS OF THE COMMITTEES

|   |   |
|---|---|
| <b>NOMINATION AND REMUNERATION COMMITTEE</b>          | <ul style="list-style-type: none"> <li>• Drawing up and improving the human resource policy and organisational structure of the Company</li> <li>• Assessment of the effectiveness of the Executive Body and current HR policies</li> </ul>   |
| <b>STRATEGY AND INVESTMENT COMMITTEE</b>              | <ul style="list-style-type: none"> <li>• Defining the Company's strategic areas and initiatives</li> <li>• Approving key investment projects</li> </ul>   |
| <b>ANTI-CORRUPTION AND CORPORATE ETHICS COMMITTEE</b> | <ul style="list-style-type: none"> <li>• Coordinating activities to implement measures to combat and prevent corruption</li> <li>• Control over compliance with the legislation on anti-money laundering, public procurement</li> <li>• Participating in the development and improvement of the regulatory framework in the field of internal control and control over expenses of the Company</li> </ul> |
| <b>AUDIT COMMITTEE</b>                                | <ul style="list-style-type: none"> <li>• Consideration and approval of the external financial auditor, interaction on the preparation of financial statements</li> <li>• Consideration of reports on internal control and approval of policies/procedures on these issues</li> </ul>  |

During the period of 2022, the Committees held no meetings.

## EXECUTIVE BODY



The Company's Executive Body is composed of 7 members, including the General Director and his deputies in relevant areas. The executive body is represented by the General Director of the Enterprise based on sole leadership.

General Director Jahangir Tolibovich Hasanov has professional qualifications and extensive experience in management and production. Jahangir Tolibovich's professional experience encompasses the fields of metallurgy, atomic and energy industries, geology, and engineering.

The Executive Body is trying to underpin the successful functioning of the Company by implementing the development strategy, ensuring its competitiveness and sustainability in the market. The functions of the Executive Body also include management of all aspects of the Company's activities, including production, operational and financial activities, procurement management, supply chain and other areas. In addition, the Executive Body plays an essential role in moulding corporate culture, managing personnel and creating conditions for business development. Its activities are aimed at achieving high results and sustainable growth of the Company in the long term.

To effectively manage the operational activities of the Enterprise, the organisational structure also includes Deputy General Directors for priority areas of activity, such as the First Deputy General Director – Chief Engineer, economics and finance, transformation, commercial activities, and security (by regime). Each of the appointed deputies also has extensive experience in their respective areas and supervises the implementation of instructions from the sole founder and the Supervisory Board regarding their activities.



**THE COMPOSITION OF THE EXECUTIVE BODY UNDER THE LEADERSHIP OF THE GENERAL DIRECTOR OF THE ENTERPRISE, JAHANGIR TOLIBOVICH HASANOV, INCLUDES:**



**JAHANGIR TOLIBOVICH HASANOV**

General Director

Year of appointment: 2022

**Education:**

- Navoiy State Mining Institute (Metallurgy)

**Experience**

Jahangir Tolibovich Hasanov held the position of Economist at the Bureau of Remuneration and Planning at the Nitron Plant. He then held positions such as Economist for the Repair-Mechanical Workshop Planning, Head of the Planning and Economics Bureau at the Joint Stock Company "Navoiyazot," Economist of the 1st category in the Planning Department, Deputy Head of the Planning and Economic Department, Acting Head of the Economic and Financial Department at the Joint Stock Company "Navoiyazot" from 2000 to 2010.

**From 2010 to 2016,** he served as the Head of the Planning and Economic Department of the Financial and Economic Management of the State Owned Enterprise "Navoiy Mining and Metallurgical Company" (hereinafter referred to as NGMK).

**From 2016 to 2021,** he was the Head of the Financial and Economic Department of the State Owned Enterprise "Navoiy Mining and Metallurgical Company."

**Since 2022,** he has been holding the position of General Director of Navoiyuran SOE.



**NAZAROV VALIJON FAIZULLAEVICH**

First Deputy General Director

Year of appointment: 2022

**Education:**

- Navoiy State Mining Institute (Metallurgy)
- Navoiy State Mining Institute (Metallurgy of non-ferrous metals)

**Experience**

Valijon Fayzullaevich has professional qualifications in mining. He began his career at the Navoiy Mining and Metallurgical Company as a specialist and within 13 years reached senior positions. He held the positions of Chief Engineer, Deputy Chief Engineer for the hydrometallurgical complex, Director of the Mining Plant Administration. Since the establishment of the enterprise, he was appointed as the First Deputy General Director and successfully carries out activities in this role.



**RUZIYEV UMRIDIN BAZARBAEVICH**

Deputy General Director for Economics and Finance

Year of appointment: 2022

**Education:**

- Tashkent State University of Economics (Economics)
- Banking and Finance Academy of the Republic of Uzbekistan (Investment Management)

**Experience**

Mr. Ruziyev graduated from the Tashkent State University of Economics in 2008 and since the graduation he has worked at the Navoiy Mining and Metallurgical Company JSC (the "NMMC"). He started as an engineer in the Geological Exploration Department for Organising and Rationing Labour, an economist in planning, since 2019 he has been Deputy Head of Planning and Economics, then since the creation of Navoiyuran SOE he has been Deputy General Director for Economics and Finance.



**HAYDAROV HASAN TOLIBOVICH**

Deputy General Director for Coordination of Transformation Processes

Year of appointment: 2022

**Education:**

- Tashkent State Technical University named after Islam Karimov
- Ritsumeikan University

**Experience**

Hasan Tolibovich is a professional in the field of Economics and Finance. He began his career in 2004 as a Chief Accountant, Chief Economist in government bodies, then moved to the Ministry of Finance of the Republic of Uzbekistan and in the period from 2007 to 2016 he received a significant promotion from the position of Chief Economist to the Head of Department. In the period from 2016 to 2017, he was head of the Department for the Targeted and Effective Use of Funds under the Employment Promotion Fund of the Ministry of Employment and Labor Relations. Since 2017, Mr. Haydarov has begun working in commercial structures. He was the Head of the Department of Financing and Control of Cash Flows, Deputy Chairman of the Board of Uzbekhydroenergo JSC, later in January 2022 he began his career in the Navoiyuran SOE as Deputy General Director for Coordination of Transformation Processes.



**KHAMIDOV LATIFJON ABDUMUMINOVICH**

Deputy General Director for Commercial Affairs

Year of appointment: 2022

**Education:**

- Tashkent State Technical University named after Islam Karimov (Mechanical Engineering Technology, Equipment and Automation of Mechanical Engineering Production);
- Navoiy State Mining Institute (Metallurgy of Non-Ferrous Metals)

**Experience**

Latifjon Abdumuminovich has a broad experience in the field of commerce. Throughout his career he held the positions of department expert, Deputy Head, Head of the Commodity Market Situation Department. From 2015 to 2021 he was Deputy Director for Commercial Issues. Since January 2022, he has been Deputy General Director for Commercial Affairs of Navoiyuran SOE.



**OLTINOV AZIZ IKROMOVICH**

Deputy General Director for HR and Administrative Issues

Year of appointment: 2022

**Education:**

- Navoiy State Pedagogical Institute (History, Foundations of the State and Law)

**Experience**

Mr. Oltinov began his career in government bodies as a Lead Specialist at the governor's office of the Navoiy region, then moved to the position of Head of the HR Department at NMMC, where over the years he held various senior positions in the field of personnel management. Considering the experience gained, in January 2022 he was appointed Deputy General Director for HR and Administrative Affairs.

In 2022, the Executive Body held 5 meetings. Since the Company was founded recently, the meetings were devoted to the agenda of forming the structure of the Company, the election of the Chairman of the Supervisory Board, Activity Plans for 2022, as well as the approval of policies and regulations governing the internal activities of the Company.

During 2022, the Executive Body considered the following key issues:

- Renaming the State-Owned Enterprise NMMC to Navoiyuran SOE;
- Adoption of the updated Charter and organisational structure of Navoiyuran SOE;
- Establishing a Project Office to fully implement transformation processes in the organisational

structure of Navoiyuran SOE, headed by the Deputy General Director for Coordination of Transformation Processes, Head of the Project Office and Deputy for Science and Innovative Development;

- Review and approval of the Business Plan;
- Consideration and proposal to include Kevin Gwangil Kim in the Supervisory Board as an independent member

## BUSINESS ETHICS

GRI 2-15, 2-16, 2-26, 2-27, 205-1, 206-1, 408-1, 409-1, 415-1

### GUIDING DOCUMENTS VALID IN 2022:

- International Standard ISO 37001:2016 Anti-bribery management systems;
- Law of the Republic of Uzbekistan dated 11 September 2017 On Appeals from Individuals and Legal Entities;
- Resolution of the Cabinet of Ministers No. 341 dated 7 May 2018;
- The Law of the Republic of Uzbekistan On Combating Corruption;
- The Presidential Decree of the Republic of Uzbekistan On Measures to Combat Corruption;
- The Presidential Decree of the Republic of Uzbekistan On Measures to Create an Environment of Intolerant Attitude against Corruption, to reduce Corruption Factors in State and Community Management, and to Expand Public Participation;
- The Presidential Decree of the Republic of Uzbekistan On Measures to Improve Mechanisms for Eliminating Corruption Risks in the Field of Public Administration and to Expand Public Participation in this Area;
- Ethical Conduct Policy;
- Regulations on the Compliance Service;
- Compliance Service Roadmap for 2022–2023;
- A Risk and Opportunity Register approved by the order of the General Director of Navoiyuran SOE №443 dated 30 December 2022.

The Company's main requirements in business ethics are refraining from actions that may harm the Company's reputation, a high level of professionalism, ensuring a healthy atmosphere in the team and equal respectful treatment regardless of social, national, economic status and other factors, as well as providing reciprocal support, maintaining trust-based relationships, and fostering patriotism and high moral qualities by employees within their families and outside the Company.

In view of ensuring adherence to the approved principles and standards, the Compliance Control and Anti-Corruption Department has been established and approved in the organisational structure of the Company. The department operates in accordance with the provisions of the Constitution of the Republic of Uzbekistan, national regulations, the Charter, and internal documents of the Company, as well as Regulations on the Department, approved by the decision of the Supervisory Board dated 9 February 2022. The Compliance Control and Countermeasures Department directly reports to the Supervisory Board of the Company and the Anti-Corruption Agency of the Republic of Uzbekistan, which ensures the independence and impartiality of its activities.

The Compliance Department aims and plans to introduce and develop the system under the requirements of the international standard ISO 37001:2016 on Anti-Bribery Management, monitoring and early detection of cases of corruption, their causes and conditions, eliminating conditions, preventing the commission of corrupt acts, increasing the legal awareness and culture of the Company's employees to form an intolerant attitude towards corruption, organise preventive

Upholding the principles of business ethics and compliance standards is a key factor in the Company's activities. The Ethical Conduct Policy of Navoiyuran SOE, approved by the decision of the Supervisory Board on 9 February 2022, sets high standards for the ethical conduct of employees and management of the Company, as well as for intolerance of any violations of ethical principles.

measures against corruption, ensure compliance with internal standards and norms, as well as compliance with the requirements of legislation and international standards in the field of compliance and anti-corruption.

By the instructions of the President of the Republic of Uzbekistan regarding the reorganisation of the system

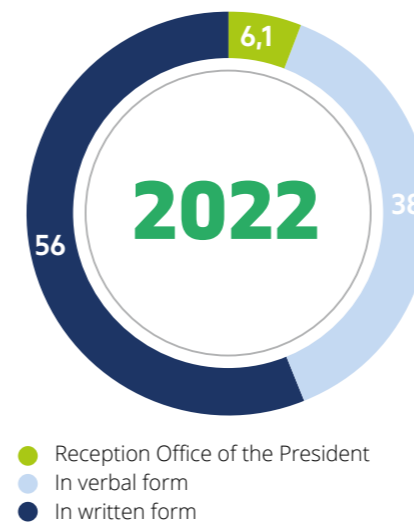
## THE APPEALS SYSTEM

For the appeals system to function effectively, the Company has various channels, including a hotline and email, the relevant information is provided on the Company's corporate website, and the possibility of verbal appeal to representatives of the Company, as well as the Reception Office of the President of the Republic of Uzbekistan.

The mechanisms for filing complaints and appeals (enquiries) to the Company are regulated in accordance with the Law of the Republic of Uzbekistan dated 11 September 2017 On Appeals from Individuals and Legal Entities and Resolution of the Cabinet of Ministers No. 341 dated 7 May 2018.

Thus, for 2022, a total of 806 appeals were received in the following form:

### APPEALS RECEIVED, %



of appeals from individuals and legal entities, the Company will analyse appeals on an annual basis and pay special attention to the careful consideration of all incoming complaints and appeals, both from employees and from external stakeholders.

Upon review of the results of considered appeals, 186 (23.3%) appeals were resolved in a positive manner, 184 (23%) appeals were addressed with the provision of legal explanations, on 427 (53.4%) appeals clarifications were provided, 7 appeals are under consideration due to the deadline of submission. Also, 1 appeal was rejected and consideration of another one was terminated in accordance with the established procedure.

Navoiyuran SOE values its business reputation and strictly follows all legal requirements and internal policies; during the reporting period, no external investigations against the Company or fines for violation of legal requirements were identified in the Company.

Procedures for regulating anti-monopoly and anti-competitive practices have not been introduced in the Company, since Navoiyuran SOE is the only enterprise engaged in uranium mining and processing in the Republic of Uzbekistan.

## ANTI-CORRUPTION

GRI 205-2, 205-1

Navoiyuran SOE strictly abides by the requirements of the anti-corruption legislation of the Republic of Uzbekistan and international standards to maintain the sustainability of business and the State and supports the United Nations Convention against Corruption. The Company demonstrates respect for legal standards and recognizes anti-corruption as a key factor in building trusting relationships with the State, the Founder, and stakeholders.

In fulfilment of the national anti-corruption policy, the Company is guided by the Law of the Republic of Uzbekistan On Combating Corruption, Presidential Decrees of the Republic of Uzbekistan On Measures to Combat Corruption, On Measures to Create an Environment of Intolerant Attitude towards Corruption, to Radically Reduce Corruption Factors in State and Public Administration, as well as to Widely Involve the Public in this Process, On Measures to Improve Mechanisms for Eliminating Corruption Risks in Public Administration and Expanding Public Participation in this Area and other statutory and regulatory requirements. In accordance with the above-accepted standards, the Company's management takes measures to introduce a system of zero tolerance for corruption, implements measures to prevent corruption risks in all aspects of its activities and strives to ensure the timely identification and elimination of violations. To this end, the Company implements explanatory and preventive measures, programmes for promoting legal literacy and ensuring control over the implementation of approved standards and rules.

Thus, by the decision of the Supervisory Board dated 15 October 2022, the Roadmap of the Compliance Service was approved, including measures in the field of anti-corruption activities, as well as the Methodology for Identifying and Assessing Corruption Risks.

The roadmap has been developed for the 2022-2023 period and includes several measures to prevent and combat corruption in all current and potential business processes of the Company in the areas as follows:

- Transparency of the processes of selection and promotion of employees – the Company, in particularly, the Compliance Department, shall conduct testing for employees when hiring, getting

them familiarised with the Company's anti-corruption standards, monitoring the risks of conflicts of interest;

- Procurement system – to prevent corruption, the Company carries out all procurements based on tender procedures and on a competitive basis through open platforms, per the legislation of the Republic of Uzbekistan. At the same time, the task of the Compliance Department is to conduct pre-qualification of potential suppliers and to include an anti-corruption clause in standard contracts with suppliers, as well as to conduct regular analysis of the effectiveness of the procurement system, and draft proposals for its improvement;
- Charity activities, giving and receiving gifts – the Company has planned activities to carry out awareness-raising work regarding the giving and receiving of gifts by employees and management of the Company, as well as the principles of providing charity and sponsorship assistance from the Company. Further, to consolidate standards and regulations, by the end of 2023 it is planned to draw up internal documents, roadmaps, codes and other regulatory documents in this regard;
- Coverage of activities – the Company recognizes the effectiveness and paramount importance of covering information about anti-corruption activities; in this regard, it is planned to strengthen engagement with the MM, participate in round tables, improve the Company's website, and regularly post information about ongoing events. The Company also plans to carry out such internal events as anonymous surveys on the state of corruption and developing the necessary measures based on the survey results.

The above measures are based on international standards ISO 37000:2016, the Law on Public Procurement of the Republic of Uzbekistan No. 684, the Presidential Decree of the Republic of Uzbekistan PK-5177 dated 6 July 2021 On Additional Measures for the Effective Organization of Anti-Corruption and other regulations to ensure compliance of Navoiyuran SOE to legal and international requirements.

## NON-DISCRIMINATION

Non-discrimination, both internally and externally, is a key principle and requirement of the Company. This principle is strictly enshrined in paragraph 7 of the Policy on Ethical Conduct of Employees, whereby the Company's employees shall refrain from measures of influence and actions (omissions to act) that lead to discrimination based on gender, race, ethnicity, citizenship, language, religion, social origin, faith, personal and social status of workers in the workplace. The Company continuously monitors compliance with this principle and combats any manifestations of discrimination within the staff. As a result of those efforts, the Company creates an open and supportive environment where everyone feels valued and respected.

Navoiyuran SOE also holds steadfastly to the principles of combating child labour as a form of exploitation that is unacceptable in modern society. The Company strictly follows the UN policy, which prohibits the use of child labour and does not allow such cases in its own production processes and in the activities of suppliers. However, the Company is making every effort to ensure that the products and services provided by the Company do not involve child labour and continues to strive to provide a safe and ethical work environment for everyone.



However, the Company is not engaged in the financing of political parties, candidates, or political campaigns, as the Company's focus is solely on our business goals and commitments to society, and we adhere to this principle in all aspects of our activities. We strongly believe that our efforts to prevent discrimination and child labour, and refrain from making political contributions, not only meet high standards of corporate responsibility, but also promotes our shared commitment to sustainable development and prosperity.

## RISK MANAGEMENT

Navoiyuran SOE is aware that adequate risk management is an essential factor for the continuous operation and sustainable development of the Company, since an effective risk management system helps to identify, assess, and manage potential threats and opportunities that the Company faces in its activities. In addition, the risk management system facilitates the increase in transparency of the Company's activities to stakeholders. In this regard, in the 4<sup>th</sup> quarter of 2022, the Company embarked on a course of implementing a risk management system:

- a Risk and Opportunity Register, covering all production and business processes of the Company was developed and approved by order of the General Director dated 30 December 2022;
- hazard and risk matrices have been developed and approved at the level of each subsidiary;

- taking into account the critical importance of environmental and industrial safety, a Risk Management Procedure in the Field of Professional and Environmental Safety was developed and approved.

From early 2023, it is planned to introduce approved procedures and regulations into the Company's activities at the level of each enterprise and structural unit.



|  |    |                              |    |
|--|----|------------------------------|----|
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## ENVIRONMENTAL RESPONSIBILITY

### GUIDING DOCUMENTS VALID IN 2022:

- The Law of the Republic of Uzbekistan On Environmental Control;
- The Law of the Republic of Uzbekistan dated 9 December 1992 No. 754-XII On Nature Protection;
- Resolution of the Cabinet of Ministers of the RoU dated 12 April 2021 No. 202 On Further Improvement of Economic Mechanisms for Environmental Protection in the Territory of the Republic of Uzbekistan;
- The Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 14 dated 21 January 2014 About Approval of the Regulations on the Procedure for Developing and Coordinating Environmental Draft Standards;
- Sanitary Rules for the Liquidation, Conservation, Conversion of Enterprises for the Extraction, Processing of Uranium and Pregnant Solutions (SP LKP – 2007);
- Radiation Safety Standards (RSS –2006);
- Law of the Republic of Uzbekistan On Rational Use of Energy;
- Environmental Protection Policy of Navoiyuran SOE;
- Regulations on the Environmental Protection Service;
- Regulations on the Office of the Chief Power Engineer.

### HIGHLIGHTS FOR 2022:

- **USD 0,19 million** – total amount of compensation payments for environmental pollution
- **386 hectares** of reclaimed land

## ENVIRONMENTAL MANAGEMENT SYSTEM

GRI 3-3

Environmental responsibility is an integral component of our sustainable development strategy. The very basis of the Company’s key principles is not only strict compliance with the requirements of environmental legislation, but also active efforts to reduce the adverse impact on the environment. In this context, the Company aims to draft and maintain effective measures and initiatives that guarantee a balance between business processes and the conservation of natural resources.

The Company recognises its significant environmental responsibility arising from its key activities, including the mining, processing and sale of natural uranium and rare metals.

Responsibility for managing environmental issues in the Company is assigned to the Environmental Protection Service (the EPS). The EPS reports to the First Deputy General Director. In the field of environmental activities, the EPS is guided by the current legislation of the Republic of Uzbekistan, Presidential Decrees of the Republic of Uzbekistan, resolutions of the Cabinet of Ministers of the Republic of Uzbekistan, directives and documents of higher authorities, the Charter of the Company, the Collective Agreement of the Company, orders, and instructions of the management of the Company, as well as the Regulations on the Environmental Protection Service.

The main objectives of the EPS are:

- Ensuring a favourable environmental condition in the areas of operations of the enterprise’s business-units;
- Organisation of work to mitigate the harmful impact of the production activities of the enterprise’s business-units on the environment in accordance with environmental quality standards based on compliance with approved technologies;
- Compliance with environmental standards and regulations by the Company;
- Compliance with environmental quality standards based on compliance with approved technologies, introduction of environmentally friendly technologies and production.

In 2022, Navoiyuran SOE developed and adopted a long-term Environmental Protection Policy, reflecting

the Company’s commitment to high standards of respect for the environment. This Policy encompasses careful adherence to all requirements of legislation in the field of ecology and environmental protection of the Republic of Uzbekistan, emphasising our responsibility and desire to create an environmentally sustainable business.

The Environmental Protection Policy approves goals to mitigate the impact on the environment, as well as to improve environmental safety:

- Compliance with regulatory documents and other requirements in the field of environmental protection, occupational health and safety;
- Preventing environmental pollution, injuries and diseases of employees and the population, reducing the negative impact of production and other activities on the environment, mitigating production risks;
- Prudent use of natural and energy resources, introduction of modern waste management technologies;
- Continuous improvement of activities in the field of occupational health, environmental and industrial safety, implementation and maintenance of international standards ISO 14001:2015 Environmental Management, ISO 9001:2015 Quality Management and ISO 45001 Ensuring Occupational Health and Safety at Workplace and improving the integrated management system developed considering the requirements.
- Monitoring compliance of contractors’ activities with the requirements of the Company’s policy in the field of environmental protection, occupational health and safety;
- Ensuring safe working conditions to reduce work-related accidents and diseases;
- Increasing the competence, knowledge and responsibility of the employees of the Company and its enterprises in the field of environmental protection, occupational health and safety;
- Conducting public hearings to assess the impact of planned activities on the environment, regularly informing stakeholders about planned and ongoing activities by posting materials in the media, corporate newspaper and on the enterprise website;
- Providing social support to the local population in the places where the enterprise operates.

## ENVIRONMENTAL COMPLIANCE

The Company strictly complies with environmental standards set out by the legislation of the Republic of Uzbekistan. The Company's activities in environmental protection and prudent use of natural resources are carried out in accordance with the approved Environmental

Protection Policy, Presidential Decrees of the Republic of Uzbekistan, laws, and other statutory instruments in the field of environmental protection and prudent use of natural resources.

### LIST OF ENGAGEMENT WITH GOVERNMENT BODIES AND SPECIALISED ORGANISATIONS OF THE ENVIRONMENTAL DEPARTMENT IN THE FIELD OF ENVIRONMENTAL PROTECTION

Environmental Protection Service

- Obtaining a report from the Environmental Expert Review Panel for relevant projects:
  - Environmental impact statement (hereinafter – the EIS);
  - Statement of environmental effects (hereinafter – the SEE);
  - Environmental Impact Assessment (hereinafter – the EIA);
  - Maximum permissible emissions (hereinafter – the MPE);
  - Maximum permissible discharges (hereinafter – the MPD);
  - Waste generation and disposal standards (hereinafter – the MPW);
- Agreement upon the calculation of compensation payments.
- Advanced training of environmental protection specialists.
- Providing 1-ECO statistical report on indicators in the field of environmental protection.
- Submitting of plans for environmental protection measures for approval.
- Obtaining permission for special water use or water consumption from natural reservoirs.



An essential component of the Company's activities is its impact on the environment. To confirm that the requirements established by the legislation of the Republic of Uzbekistan are being complied with, government bodies regularly conduct mandatory assessments of our activities. This process includes an analysis of all environmental impacts, considering standards and regulations.

Key projects in 2022 for environmental compliance are as follows:

- Projects of Environmental Impact Assessments (EIA) for the Severniy (Northern) Bukinoy and Janubiy (Southern) Bukinoy uranium mines have been approved by the State Environmental Expert Review Panel.
- The planned activities for the use of the Nurkon, Baymen, Egdu and Kukhunur uranium deposits within the framework of Zafarabad mining administration and the geology of the Omad, Mingboy and Sahoba uranium deposits will be implemented, which is confirmed by the positive conclusions of the State Environmental Expert Review Panel on EIA projects required to begin construction work.
- Draft environmental standards for waste generation and disposal (MPW) for the Zafarabad Mining Combine have been developed and submitted for examination to the State Environmental Expert Review Panel; positive opinions from the Expert Review Panel were received.
- A State environmental Expert Review Panel was organised based on a resolution of the Cabinet of Ministers of the Republic of Uzbekistan and an order of the President of the Republic of Uzbekistan at the Navoiyuran SOE for the construction

of the experimental industrial mine Meilisoy 8-MSK, Uchkuduk mine 48-MSK and the Bahaly new mine, owned by Uchkuduk production site.

- A positive conclusion from the State Environmental Impact Review was received for the EIA project for the Moibulok uranium mine.
- Projects for reclamation of areas where mining operations were stopped at the Uchkuduk, Sobirsoy, Istiklol and Loliken uranium mines had been developed, and positive conclusions of the State Environmental Impact Review had been received.

#### GRI 307-1

Compliance with applicable environmental protection requirements is a priority concern for Navoiyuran SOE. Annually, the government bodies inspect the Company's facilities for compliance with environmental protection requirements.

Every year, the Company develops an Action Plan for Environmental Protection and Improvement of the Environmental Situation to improve the current state of the environment. For each structural unit/business-unit, the Company developed and approved a plan for 2022, which was agreed upon with the Departments of Ecology and Environmental Protection of Navoiy, Bukhara and Samarkand regions. This document includes measures aimed at improving the current environmental situation, as well as partially reducing the adverse impact during the Company's activities.

During the reporting period, no significant environmental incidents occurred, and no claims were made against Navoiyuran SOE.

## RESPONSIBLE APPROACH TO THE EXPLOITATION OF DEPOSITS

The Company's activities in the exploitation of uranium deposits using the in-situ leaching method, through a system of wells, significantly reduce the adverse impact on the environment compared to open-pit or underground mining techniques. The main objects of impact when exploiting deposits for uranium mining by in-situ leaching method are the subsoil, groundwater, soil cover and soils. Emergency situations associated with spills of technological solutions lead to a significant adverse impact on the soil cover. As a result, radioactive contamination halos are formed on the sites making it necessary to decontaminate and rehabilitate these sites.

In accordance with the requirements of the Regulations on State Environmental Expert Review Panel №541 from September 7, 2020, approved by a resolution of the Cabinet of Ministers of the Republic of Uzbekistan, and the list of activities for organising a State Environmental Expert Review Panel of an object, in the process of preparing and submitting materials for examination, the need to conduct a population-based survey is considered. The Department of Ecology and Environmental Protection of the Republic of Uzbekistan allows business activities only after obtaining a positive conclusion from the State Environmental Expert Review Panel based on the results of the consideration of projects.

Before starting business activities, EPS specialists ensure that they obtain a positive conclusion from the State Environmental Expert Review Panel on the selection and allocation of land plots for the development of deposits included in the Mining Plan. For this purpose, environmental impact assessment projects that are developed by third-party companies shall be considered.

Under the legislation of the Republic of Uzbekistan, upon completion of work at the field, the Company shall develop a project for the decontamination and technical reclamation of uranium mining deposit sites using the drill hole in-situ leaching method, to restore damaged areas of the soil cover. The Company adheres to all legislative norms of the Republic of Uzbekistan. In 2022, the enterprise reclaimed 386 hectares of land.

After completion of operations at the fields, the Company shall assess the remaining resources at the field and draw up a plan to dispose of used equipment and infrastructure. Pursuant to the legislation of the Republic of Uzbekistan, the Company shall develop a project for the decontamination and technical reclamation of uranium mining deposit sites using the drill hole in-situ leaching method to restore damaged areas of the soil cover.

# CLIMATE CHANGE

## HIGHLIGHTS FOR 2022:

- **1,963 thousand GJ** – total electricity consumption;
- **33,951 tonnes** – total amount of steam sold;
- **65,103 tonnes CO2-eq** – total greenhouse gas emissions (Scope 1).

# ENERGY MANAGEMENT

GRI 3-3

Sustainable use of energy is an integral and crucial component in taking action to mitigate climate change. This important area of environmental policy is aimed at optimising consumption of energy resources, minimising adverse impacts on the environment, and reducing greenhouse gas emissions.

By following this course, as one of the tasks in the field of environmental protection and increasing production efficiency, the Company is considering continuing efforts in the field of improving energy efficiency. Navoiyuran SOE consolidates and analyses data on energy consumption and energy efficiency indicators, tracks progress and identifies opportunities for improvement.

The Company has approved and established the Office of the Chief Power Engineer (hereinafter – the “OCPE”), which is a business-unit of Navoiyuran SOE Administration Office and directly reports to the First Deputy General Director – the Chief Engineer of the Company.

The main tasks of the OCPE in accordance with the Regulations on the Office of the Chief Power Engineer are:

- ensuring an uninterrupted and quality supply of all types of energy to the Company, organising technical operation and scheduled maintenance of power equipment and power plants, heat, water and gas supply systems, ensuring their trouble-free operation;
- constant improvement of the technical level of operation of energy, heat and gas facilities, water supply and sanitation systems, organisation of work on the rational use of energy, fuel and secondary resources;
- timely expansion of energy capacity and introduction of new equipment;

- organisation of the energy saving structure and management of the enterprise energy saving system.

GRI 302-1

The Company has been active in efforts to achieve its strategic goals aimed at increasing energy efficiency and expanding the share of renewable energy sources in its activities. This important corporate path involves the introduction of innovative technologies and effective solutions aimed at reducing overall energy consumption and optimising production processes.

The total electricity demand for Navoiyuran SOE is 646.7 GJ per year. Electricity to Navoiyuran SOE is supplied through the electric power networks of National Electric Grids of Uzbekistan JSC, NMMC JSC and its own networks. The Uchkuduk Production Site has its own source of electricity, a steam turbine plant (hereinafter – the STP) with a capacity of 6 MW. The plant is intended exclusively for the sale of electricity to produce sulphuric acid. The power generation of the STP depends on the volume of steam coming from the process and covers 80% of the energy needed in the production of sulphuric acid. In 2022, the Company introduced a solar power station with a capacity of 80 kW, which converts the energy of sunlight, ultraviolet light into electricity. The Company sells surplus steam produced by STP for NMMC JSC. In 2022, 33,951 tonnes of steam were supplied to NMMC JSC.

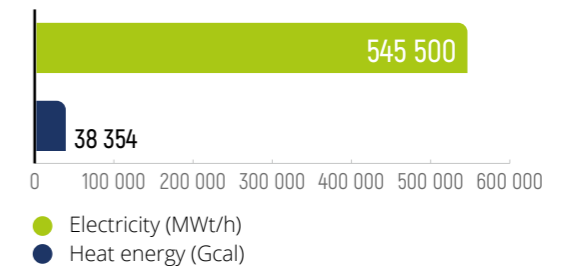
Production facilities receive electricity from the networks of NMMC JSC, while the Nurobod Mining Plant Administration is supplied with electricity from National Electric Grids of Uzbekistan JSC.



## ELECTRICITY AND HEATING POWER CONSUMPTION (302-1)

The main energy consumption in the Company is aimed at ensuring the operation of high-efficiency equipment and systems necessary for carrying out the ore mining process at deposits using the drill hole in-situ leaching method, which amounts to 87% of total energy consumption for 2022. This process requires significant energy inputs to drive pumps, provide ventilation and lighting, automate and control operations, and process and clean the ore. Consistently, uranium mining in deposits using the drill hole in-situ leaching method is becoming the main production stage of electricity consumption in the Company's energy consumption structure, emphasising the need for continuous and stable power supply as a key factor in ensuring the efficiency and productivity of this process. A relatively small portion of the Company's 2022 energy use, 0.1%, is used for drilling wells.

### CONSUMPTION OF ELECTRICITY AND HEAT ENERGY

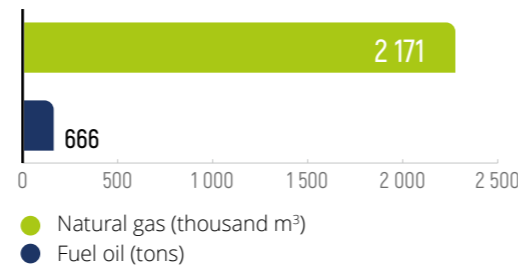


**ENERGY CONSUMPTION BY SECTION IN 2022 MWh**

| Production process                                    | MWh     |
|---|---------|
| For uranium production                                | 470 907 |
| For the production of finished goods                  | 12 954  |
| For the reclamation of the uranium mining waste dumps | 5 081   |
| For the production of ammonium perrenate              | 2 246   |
| For the production of sulfuric acid                   | 42 761  |
| For the production of tubular goods                   | 2 615   |
| For drilling  | 750     |

Currently, the Company uses non-renewable fuel sources for its production processes and for the production of electricity and heat. Within the bounds of its plan, the Company strives to increase the share of use of renewable energy sources (RES), which will reduce greenhouse gas emissions and reduce the adverse impact on the environment.

**CONSUMPTION OF NON-RENEWABLE FUELS**



**GRI 302-3**

Given the increased focus of the Company on environmental commitment, considerable attention has been devoted to energy utilisation intensity, which is not only an indicator of energy costs, but also demonstrates a measure of the efficiency of resource use in production. It is widely recognized that the higher the intensity of energy consumption, the greater the Company's impact on the environment.

Each activity aimed at reducing the intensity of energy consumption is critical both for business activities and for the environmental balance of the Company. When assessing the energy consumption intensity of Navoiyuran SOE for 2022, the following three factors were considered: the Company's headcount, the finished products output and the amount of the Company's revenue.

**ENERGY CONSUMPTION INTENSITY (302-3):**

| Indicators  | 2022  |
|---|-------|
| Energy consumption intensity, GJ / UZS million of revenue | 7.7   |
| Energy consumption intensity, GJ / (product output)       | 0.6   |
| Energy consumption intensity, GJ / per.                   | 234.6 |

**REDUCTION OF ENERGY CONSUMPTION**

**GRI 302-4**



Reducing energy consumption includes a range of measures aimed at reducing the impact of the Company's activities on the environment and decreasing operating costs. The introduction of energy-efficient technologies and streamlining of production processes will reduce energy consumption, which in turn will lead to improved environmental efficiency and increased competitiveness of the Company.

In 2022, the Company implemented several measures to streamline technological processes, which was a pivotal step in improving energy efficiency. Through these measures, it was possible to significantly reduce electricity consumption by 14.253 MWh. In addition, a power reserve of 1,290,886 MWh was allocated, providing the Company with power reserves for emergency situations or temporary increases in consumption.

Replacing obsolete equipment with more modern and energy-efficient ones enables the Company to reduce electricity consumption to 4,383 MWh in 2022 and reduce the costs of equipment maintenance and repair. The introduction of frequency converters was another important step, which made it possible to optimise energy use and save 2,236 MWh. Moreover, during the reporting period the Company began to use energy from renewable sources, which added 38,200 MWh to the overall energy balance.

In 2023, the Company is preparing for significant changes in its energy efficiency. We are planning to commission a new 0.6 MW photovoltaic power station and install 120 sets of solar collectors, optimise technological processes by replacing equipment with more energy-efficient ones, introduce frequency converters for improved energy management, and increase the use of energy generated from alternative sources. These solutions will enable Navoiyuran SOE to considerably reduce the Company's energy consumption and make processes more sustainable and environmentally oriented.

In the future, the Company is planning to implement an Energy Management System that complies with the ISO 50001:2018 standard, which is designed to manage energy consumption to increase energy efficiency and reduce energy costs.



# GREENHOUSE GAS EMISSIONS

GRI 3-3



When analysing the impact of greenhouse gas emissions on climate change, it should be noted that gases such as carbon dioxide, methane and nitrogen dioxide are the main factors of global warming. These substances trap thermal radiation in the atmosphere, which increases the temperature on Earth and causes changes in climate conditions. This leads to extreme climatic events, rising sea levels, and changes in soil fertility, which have a number of negative consequences for the environment and humanity.

Against this backdrop, reducing greenhouse gas emissions is of particular importance as part of global efforts to combat climate change.

Navoiyuran SOE realises its important role in combating the climate change problems. The Company intends to actively cooperate with international organisations in this regard, develop and then introduce a strategy on climate issues in the near future.

One of the Company's main objectives in the fight against climate change is to reduce greenhouse gas emissions, both in the medium and long term, by reducing energy consumption and increasing the energy efficiency of production.

GRI 305-1

In 2022, EPS quantified greenhouse gas emissions from the Company's activities (Scope 1). Greenhouse gas emissions were estimated from both stationary and mobile sources (including vehicle fleets) using the international methodology of the IPCC, which is a widely recognised tool for estimating greenhouse gas emissions and provides standardised approaches and methods for quantifying emissions, ensuring comparability of data between different regions and countries.

Scope 1 greenhouse gas emissions for 2022 amounted to 65.103 tonnes of CO<sub>2</sub>-eq., including:

- CO<sub>2</sub> – 64,015 t CO<sub>2</sub>- eq.
- CH<sub>4</sub> – 86 t CO<sub>2</sub>- eq.
- N<sub>2</sub>O – 1002 t CO<sub>2</sub>- eq.

In the future, the Company is planning to draw up a strategy for reducing greenhouse gas (GHG) emissions and assess climate risks following the requirements of international standards. This plan includes an assessment of greenhouse gas emissions (Scope 2).

# CARING FOR THE ENVIRONMENT

## HIGHLIGHTS FOR 2022:

- **USD 0.01 million** – total amount of compensation payments for pollutant discharges
- **506 tonnes** – total volume of emissions of pollutants into the atmosphere
- **5,896 megalitres** – total amount of water consumption

The Company's policy for mining, processing and sale of natural uranium and rare metals is based on a responsible approach to environmental protection, occupational health and safety, and safety of the local population. The Company is actively introducing and implementing environmental Action Plans aimed at improving the condition of atmospheric air, water, and soil.

In 2022, Navoiyuran SOE invested USD 0.19 million in environmental protection programmes, of which USD 0.1 million were allocated for the protection and prudent use of water resources, USD 0.05 million –



for the protection of atmospheric air, and USD 0.05 million are allocated for environmental protection from pollution by production and consumption waste.

## PROMOTING AIR QUALITY

GRI 3-3

In the era of modernity, reducing emissions of pollutants into the atmosphere is becoming essential, becoming an inseparable component of our efforts in the field of environmental protection.

For Navoiyuran SOE, one of the key aspects that the Company focuses on is preserving air quality. Considering the importance of this issue, the Company is taking active steps to reduce the negative impact of its production on the environment. Introducing technological improvements becomes a standing priority in this process.

According to the legislation of the Republic of Uzbekistan, all emissions of pollutants are strictly regulated by the Environmental Protection Department. The Company discloses annual arithmetic means based on the maximum permissible emissions of pollutants, without considering actual indicators. This approach is an important step in ensuring transparency and control of environmental impact.

When making air quality-related decisions, the Company strives to consider the interests and expectations of all stakeholders. Engagement is reached through the participation of people living in nearby settlements, governmental regulatory authorities, local executive bodies, public environmental organisations, shareholders, and business partners of the Company. This occurs by providing information about planned activities during public consultations and by involving stakeholders in the sampling process and sharing the results of analyses carried out jointly with independent laboratories.

GRI 305-7

As part of environmental control, the Environmental Protection Service of Navoiyuran SOE regularly monitors functioning facilities that affect air quality. To reduce the adverse impact on the atmospheric air, the Company is introducing new technologies and planting of trees as part of greenbelt setting for the buffer zone.

The main sources of pollutant emissions from the Company's activities are welding operations, mining operations and storage of diluted acidic solutions. The Company's total emissions of pollutants for 2022 amounted to 505.5 tonnes. When performing welding

operations, nitrogen oxides (NOx) are released, which amounted to 14.64% of total emissions in 2022, and sulphur oxides (SOx), which were the most significant part of pollutant emissions, accounting for 36.26%. They enter the atmosphere as a result of heating the metal and electrodes. Mining operations also contribute to particulate emissions from ore processing or drilling operations, with particulate matter accounting for 14.94% of total pollutant emissions in 2022. In addition, when storing diluted acidic solutions, organic compounds evaporate into the environment.

**VOLUME OF SIGNIFICANT EMISSIONS INTO THE ATMOSPHERE, TONNES (305-7)**

| Pollutant emissions         | 2022 |
|-----------------------------|------|
| NOx emissions               | 74   |
| SOx emissions               | 183  |
| Resistant organic compounds | 18   |
| Particulate matter          | 76   |
| CO emissions                | 127  |
| Volatile organic compounds  | 5    |
| Other                       | 22   |
| Total                       | 505  |

**WATER RESOURCE MANAGEMENT**

GRI 3-3

The importance of conservation and sustainable use of water resources is one of the essential principles followed by the Company. The approach to water resources management is aimed at mitigating the adverse impact on the environment and creating favourable conditions for the development of social stability and economic prosperity in the regions where the Company operates.

Navoiyuran SOE places a special focus on the effective management of water resources at all its sites as part of its environmental initiatives. The Company makes efforts to carefully assess the current situation, set goals, systematically monitor, and take necessary corrective measures in the use of water resources. The Company's Environmental Protection Service (EPS) regularly

assesses the status of water resources and quarterly monitors water quality upon discharge. The Office of the Chief Power Engineer (OCPE) of the Company is responsible for accounting and control of water resource consumption.

GRI 303-1

As part of its activities, the Company consumes water resources from two water supply sources: ground and surface water sources. In the process of mining ore from deposits using the drill hole in-situ leaching technique, groundwater extracted from wells is used. Groundwater resources play a key role in supporting production processes. Surface water obtained from

the central water supply system is used for the Company's domestic and amenity water needs.

The use of groundwater supply does not directly affect the quantity and quality of surface water. In-situ leaching, when properly managed and controlled, can be a relatively safe method of mining, mitigating adverse impacts on water resources. However, it should be noted that the impact of uranium mining on deposits using the in-situ leaching method on water resources requires special control and attention of the Company.

The Company tries to comply with the most stringent standards in the use of groundwater resources. Groundwater quality monitoring is carried out regularly, with samples taken from 35 observation wells designed to monitor pollution. The results of laboratory analysis carried out in 2022 demonstrate that the parameter values in these samples did not exceed established standards. Such monitoring is carried out every six months, which indicates systematic control and organisation of measures to ensure the safety and quality of groundwater resources.

Surface water coming from the central water supply system does not require special attention in view of pre-treatment. They are sent to municipal systems for the purification process and preparation for subsequent use or discharge.



GRI 303-2

Navoiyuran SOE exercises stringent control over the quality of wastewater generated at its facilities and does not allow its discharge into natural water bodies. These wastewaters, containing mainly organic solutes and nitrogen-based pollutants, are classified as domestic and industrial wastewaters.

GRI 303-3

In 2022, Navoiyuran SOE collected water from two sources, from groundwater resources and the central water supply system, to support its production activities. The share of intake from ground sources was 40% for 2022, 60% of the total intake was taken from the central water supply system. Differences in the use of water resources are driven by the peculiarities of the technological process of uranium ore mining and the drill hole in-situ leaching method. The Company adheres to the policy and principles of sustainable water use, not intaking water resources from regions with water scarcity.

**TOTAL WATER INTAKE, MEGALITRES (303-3)**

| Water intake by source (megalitres) | 2022           |                                |
|-------------------------------------|----------------|--------------------------------|
|                                     | In all regions | In regions with water scarcity |
| Surface water (total amount)        |                |                                |
| Fresh water                         | 2 374          | -                              |
| Surface water (total amount)        |                |                                |
| Fresh water                         | 3 522          | -                              |
| Total amount of water withdrawn     | 5 896          | -                              |

GRI 303-4

Wastewater discharge plays a key role in water resource management. This process is a key element because the discharge of untreated wastewater can negatively impact aquatic ecosystems and human health.

When using groundwater, there is no process of water discharge since full use of water resources is assumed. The Company's wastewater is discharged because of the activities of the power plant; industrial and domestic wastewater is collected and sent to the central sewer system for further treatment.

**TOTAL WATER DISCHARGE, MEGALITRES (303-4)**

| Water discharge volume (megalitres) | 2022           |                                |
|-------------------------------------|----------------|--------------------------------|
|                                     | In all regions | In regions with water scarcity |
| Water discharge by direction        |                |                                |
| Third-party water (total amount)    | 100            | -                              |
| Total amount of water discharged    | 100            | -                              |

GRI 303-5

Water consumption represents the actual volume of water resources used. In 2022, the total water

consumption at Navoiyuran SOE facilities amounted to 5.896 megalitres, the volume of water discharges into the central sewerage system amounted to 100 megalitres.

**WASTE MANAGEMENT**

GRI 306-1, 306-2, 306-3, 306-4

The operations of the Navoiyuran SOE are directly related to waste generation. Waste management in the Company is carried out in accordance with the laws of the Republic of Uzbekistan and is also regulated by internal projects (MPW), establishing standards for the maintenance and disposal of waste. The Company's Environmental Protection Service is responsible for organising and coordinating all aspects related to the storage and disposal of waste at the enterprise.

The company's waste management process is carried out in line with the following principles:

- Ensuring production control over compliance with the limits for the disposal of production and consumption waste, paying particular attention to control over the storage and disposal of waste of hazard class 1;
- Keeping records of toxic and non-toxic waste and submitting statutory statistical reporting in the prescribed manner;
- Timely calculations of compensation payments and their payment for waste disposal under the law;
- Taking measures for maximum disposal (processing) of waste with their transfer to other specialised enterprises for disposal or landfilling;

- Ensuring timely implementation of environmental measures aimed at minimising the generation of production waste;
- Implementation of focussed efforts to introduce modern and environmentally friendly methods of production waste disposal.

In accordance with the legislation of the Republic of Uzbekistan, the Company has been developing project documentation (MPW) regulating all aspects of waste management, from its generation and collection to storage and disposal. The project strictly regulates the processes of waste classification, treatment, and final management, ensuring efficient and environmentally friendly waste management. Navoiyuran SOE strictly observes the statutory instruments applicable to waste management activities.

Waste is temporarily stored in specially designated areas at the enterprise before being transferred to specialised organisations for disposal or landfilling at a solid waste landfill.

During the Company's production processes, a variety of waste is generated that require treatment and disposal. It includes waste industrial and gear oil, non-ferrous scrap metal (including copper and aluminium),

containers for paint and varnish materials, oily sawdust, construction waste, medical disposables (syringes, cotton wool, bandages), used LED lamps, worn-out clothing, municipal solid waste, oil sludge from cleaning tanks of fuel and lubricants, oily rags, slag and scale, ferrous scrap metal, metal shavings, glass waste, electrode waste, waste paper, and wood waste.

with potential negative effects on the environment. Waste categories 3, 4, 5 and 6 indicate non-hazardous waste that must be disposed of. In the Company, the largest part of the generated waste is the third category waste and amounts to 32% of the total amount at the end of 2022. The first two categories contribute the least to waste generation and amount to only 7% as of 31 December 2022.

Waste is classified into six categories, the categories 1 and 2 are hazardous wastes that have toxic properties

**TOTAL WASTE GENERATION (306-3)**

| Waste                           | Total amount of waste generated, tonnes |
|---------------------------------|---|
|                                 | 2022                                    |
| Category 1                      | 439                                     |
| Category 2                      | 92                                      |
| Category 3                      | 2,443                                   |
| Category 4                      | 2,375                                   |
| Category 5                      | 888                                     |
| Category 6                      | 1,332                                   |
| Total amount of waste generated | 7,570                                   |

The Company's solid waste landfill plays an essential role in waste management. This facility is a specially designated area where the solid waste generated during the Company's activities is collected, disposed of and processed. Having such a landfill enables the Company to manage its waste while complying more

effectively with the necessary environmental standards and regulations. In addition, having our own landfill ensures greater control and cost-efficiency in waste treatment and disposal, which contributes to a more sustainable and environmentally responsible business.

**TOTAL WEIGHT OF WASTE (TONNES) SENT FOR LANDFILLING (GRI 306-5)**

| Waste class   | 2022  |
|---------------|-------|
| Hazardous     | 531   |
| Non-hazardous | 7 039 |

Waste generated during ore processing at beneficiation (concentrating) mills has the greatest impact on the environment. This waste is transported to tailings dumps for subsequent processing and storage.

## TAILINGS MANAGEMENT

In the mining process, one of the main types of waste is tailings. They are formed as a result of crushing, grinding and processing of mined ore to extract valuable minerals. Tailings are typically a mixture of small mineral particles and water. They may be returned to quarries or mined-out underground passages as backfill or pumped into a specially designed storage facility known as a tailings dam or simply a tailings dump.

Waste generated during production processes should be adequately classified and disposed of following accepted norms and standards of the Republic of Uzbekistan.

The Company cooperates with NMMC JSC in the use of tailings dumps, which compensates for the Company's

lack of its own tailing dumps, ensuring safe and effective Waste Management. In 2022, the Company transferred 80 tonnes of tailings formed because of the processing of mined ore to the tailings dumps of NMMC JSC.

In the tailing dumps of NMMC JSC, solid radioactive waste is stored in special areas, as well as the safe storage of non-radioactive tailings using liquid processing waste. In addition, landfilling of previously disposed radioactive tails is provided for, which ensures compliance with safety standards and environmental protection.

Thus, cooperation with NMMC JSC and the Company's efforts to ensure safe waste management reflect the principles of responsible impact on the environment.

## RADIOACTIVE WASTE MANAGEMENT



The radioactive waste resulting from the Company's ore mining activities poses a considerable risk to the environment. Their processing and management require special attention and strict compliance with all necessary regulations and standards. This is a crucial area of waste management within the framework of environmental safety, where the main emphasis is on minimising the adverse impact on nature and maintaining safety for humans and the ecosystem.

In its policy on mining, processing, and selling natural uranium and rare earth metals, the Company takes a responsible approach to environmental protection, occupational health and safety, and the safety of the local population.

In accordance with the Laws of the Republic of Uzbekistan On Radiation Safety, state control in ensuring radiation safety is carried out by the State Inspection for Supervision of Geological Study of Subsoil, Safe Work Procedures in the Industry, Mining and the Household Sector under the Cabinet of Ministers of the Republic of Uzbekistan, the Ministry of Health of the Republic of Uzbekistan, the State Committee of the Republic of Uzbekistan for Nature Protection and the State Customs Committee of the Republic of Uzbekistan. Operational control in the scope of ensuring radiation safety is carried out by users of sources of ionising radiation, as well as by producers of raw materials, construction materials and mineral fertilisers containing natural radioactive elements.

Public control in the scope of ensuring radiation safety is carried out by self-governing public authorities, non-governmental non-profit organisations, and citizens.

In all facilities and establishments of Navoiyuran SOE, employees responsible for radiation safety, accounting and storage of radioactive waste, organisation of their collection, storage, and delivery, as well as for the reception, transportation and disposal of radioactive waste are appointed. As radioactive waste and radioactive scrap metal accumulate, they should be removed by specialised vehicles. Each production enterprise of the Company has drawn up internal rules that define the responsibilities of employees when working with radioactive waste.

The main responsible persons for radiation safety in Navoiyuran SOE, its enterprises, and establishments, as well as their business-units are the Chief Engineer

of the Combine, Chief Engineers, or Heads of enterprises and establishments, as well as Heads or Chief Engineers of business-units.

## BIODIVERSITY CONSERVATION

GRI 304-1, 304-2



Biodiversity conservation plays a critical role in maintaining the stability of ecosystems and their resilience to climate change and threats. Biodiversity also provides essential resources for humanity, such as food, medicine and materials. The Company is fully aware of the importance of preserving biodiversity and takes an active part in its conservation and support measures.

Issues of the impact of the Company's activities on biodiversity are considered when planning activities. The extent of the impact, potential damage and consequences of activities are assessed when drafting environmental documentation (EIA, MPE, MPD, EIS, MPW), which is subject to approval stage at public hearings with the participation of representatives of local communities and authorised state regulatory bodies.

The Company actively conducts its activities as part of the Yashil Makon (Eng. Green Space) project. It is a nationwide project of the Republic of Uzbekistan, whereby it is planned to plant at least 200 million seedlings

throughout the country. As part of the programme, the Company annually implements a tree planting plan; the total number of trees planted in 2022 amounted to 3,210 seedlings. The Company regularly holds events for landscaping and improvement of territories.

Navoiyuran SOE does not have production sites owned, leased, or managed in protected areas and areas of high biodiversity value outside protected areas and adjacent areas.

Our Company is aimed at actively participating in the protection of biodiversity, and in the near future we plan to develop and implement several environmental initiatives in this area. These measures include actively engaging with ecosystems within our operations, implementing programmes to conserve and restore natural habitats, and promoting sustainable business practices.



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## GUIDING DOCUMENTS VALID IN 2022:

- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On the organisation of activities of the SOE "Navoiyuran", JSC "NMMC" and the state institution "Navoi Mining and Metallurgical Combine Fund" No. 170 dated March 30, 2021.;
- Regulations on Rewarding Employees of Navoiyuran SOE Divisions/Business-Units Based on the Main (Current) Results of Performance and Economic activities;
- Regulations on Providing Incentives to Managers, Specialists, and Employees of the State-Owned Enterprise for the Main Results of the Production and Economic Activities of SOE "Navoiyuranium" dated 20 September 2022.;
- Labour Code of the Republic of Uzbekistan.;
- Collective Agreement Navoiyuran SOE of 2022-2024.;
- Regulations on the HR Department of Navoiyuran SOE dated 5 January 2022.

## HIGHLIGHTS FOR 2022:

- Staff turnover rate – 3.7%
- Average headcount – 7,214.8
- Total number of employees hired – 1,964 people

## EMPLOYEE WELL-BEING AND STAFF DEVELOPMENT

GRI 3-3

Employee well-being is a key priority for building sustainability in the mining industry, reflecting the complex balance between operational excellence, social responsibility, and environmental protection. In the challenging mining environment, giving high priority to employee well-being is not just a moral imperative, but also a strategic necessity.

To implement the objectives of ensuring the welfare and well-being of employees, the Company focuses on short-term and long-term goals that will facilitate the development of this agenda:

- Developing a safety culture by enabling the employees to actively participate in hazard identification, risk assessment and safety improvement initiatives, striving for Zero Harm in all operations;
- Implementing comprehensive wellness programmes that address physical, mental and emotional well-being, offering access to health services, wellness resources and support networks to improve the overall health of employees;
- Providing comprehensive training and development opportunities that meet the career aspirations of employees and the needs of the Company,

promoting the development of a culture of continuous learning and professional growth;

- Creating an inclusive work environment that encourages diversity and promotes a sense of belonging for all employees, ensuring equal opportunities for career advancement and leadership roles;
- Introducing mechanisms for constant communication, feedback and recognition so that employees feel valued, respected and motivated to make their own contributions to the Company;
- Ensuring employee engagement: developing a sense of belonging and ownership through open communication channels, feedback mechanisms and employee recognition programmes, promoting employee collaboration and motivation.

## HUMAN CAPITAL MANAGEMENT

GRI 2-7, 2-30, 401-1, 401-3, 402-1, 405-2

Navoiyuran SOE is aimed at the continuous development of human resources and the improvement of HR management processes.

By giving priority to the effective management and development of talent, the Company strives to achieve several key goals:

- Ensuring the safety and well-being of our employees;
- Recruiting and retaining the best specialists;
- Ongoing learning and development, including investment in training programmes, mentoring initiatives and leadership development opportunities.

According to the organisational structure and the Regulations on the Human Resources Department of Navoiyuran SOE dated 5 January 2022, the Human Resources Department is a functional unit of the Administration Office of Navoiyuran SOE and carries out the functions of selection and recruitment, adaptation of employees, training and development, compliance with labour law, as well as the formation of positive culture at the workplace. In total, 7 people perform their duties in the HR Department, including the Head of the Department, who reports directly to the Deputy General Director for HR and Administrative Affairs at the level of the Executive Body.

According to the Regulations, the following tasks of the Company's HR Department were defined:

## GUIDING DOCUMENTS VALID IN 2022:

The Company carries out its activities in strict accordance with the labour legislation of the Republic of Uzbekistan. It complies with decrees and resolutions of the President and the Cabinet of Ministers of the Republic of Uzbekistan. In addition, the Company's approach to human capital management is reflected in internal documents, the main documents are as follows:

- Regulations on the HR department dated January 5, 2022.;
- Collective Agreement for 2022-2024 dated November 4, 2022.;
- The Procedure for Recruitment;
- Regulations on the Labor Dispute Committee from the trade union;
- Regulations on the Procedure for Attestation of Managers, Specialists and Employees;

- Drawing up and updating of the Company's HR policy and strategy, as well as other regulatory documents;
- Forecasting the current need for personnel and sources to meet the demand based on a study of the labour market and applications for personnel training;
- Hiring staff and terminating employment contracts;
- Carrying out measures to strengthen labour discipline, reduce staff turnover, loss of working time, and other local regulations on working with personnel, monitoring their implementation.
- Monitoring the state of labour discipline in the Company's business-units and employees' compliance with internal labour regulations;
- Ensuring the rights, benefits and guarantees of employees in terms of labour and pension legislation.

Since November 2022, as part of the Transformation and Digitalization of Navoiyuran SOE, as well as Drawing up a Development Strategy and Increasing Operational Efficiency programme a Grading System was introduced for employees through the development of an internal programme Development of Capabilities of Management Personnel and the modern organisational structure of the Company. A separate Group was also established to introduce HR management and grading systems to transform the HR Department and ensure its effective functioning in the long term.

## PERSONNEL COMPOSITION

### GENDER COMPOSITION OF EMPLOYEES IN 2022

| Region   | Full-time (permanent) employees |            | Temporary employees |           |
|--|---------------------------------|------------|---------------------|-----------|
|  | Men                             | Women      | Men                 | Women     |
| Navoiy   | 310                             | 102        | 1                   | 2         |
| Zafarobod, Nurota geological survey expedition (GSE) | 4,575                           | 415        | 61                  | 41        |
| Uchkuduk, Bukantau                                   | 1,369                           | 139        | 1                   | 10        |
| Others (Nurobod, Tashkent Zirabulok)                 | 1,182                           | 164        | -                   | -         |
| <b>Total</b>   | <b>7,436</b>                    | <b>820</b> | <b>63</b>           | <b>53</b> |

According to the Company's statistics for 2022, the total number of employees was 8,372 people, of which 873 were women, men prevailed over women and amounted to 90%. Mining has historically been perpetuated as a male-dominated industry, which has created cultural and social barriers for women to become actively involved in the industry. Despite efforts to address these issues and promote gender diversity in the industry, progress continues to be gradual and systemic challenges to achieving gender balance in the mining workforce remain.

While realising the importance of both temporary and permanent employees, the Company carefully keeps records, since temporary employees perform critical roles during peak periods or specialised projects. Systematic tracking of the productivity and well-being of employees, both temporary and permanent, has become a key tool for Navoiyuran SOE in assessing overall work performance, identifying areas for improvement, and making informed decisions about resource allocation and staffing levels.

### NUMBER OF EMPLOYEES HIRED IN 2022<sup>1</sup>

| Region                              | Up to 30   |           | From 30 to 50 |            | More than 50 |           |
|-------------------------------------|------------|-----------|---------------|------------|--------------|-----------|
|                                     | Men        | Women     | Men           | Women      | Men          | Women     |
| Navoiy                              | 23         | 3         | 75            | 18         | 6            | 1         |
| Zafarobod, Nurota GSE               | 348        | 29        | 573           | 33         | 122          | 7         |
| Uchkuduk, Bukantau                  | 41         | 3         | 200           | 17         | 50           | 5         |
| Other (Nurobod, Tashkent Zirabulok) | 48         | 9         | 196           | 57         | 75           | 25        |
| <b>Total</b>                        | <b>460</b> | <b>44</b> | <b>1,044</b>  | <b>125</b> | <b>253</b>   | <b>38</b> |

In 2022, the Company hired 1,964 new employees on its staff. Of this number, 1,044 people are men aged 30 to 50 years. This is because mining activities can be physically demanding and require a certain amount of physical endurance. The recruitment of young staff is also important to renew our staff

and ensure the smooth functioning of the Company. The number of women hired as of 31 December 2022 was 207, which constitutes 11% of the total number of newly hired employees. Additionally, the Enterprise annually establishes a personnel reserve (talent pool). The formation of the personnel reserve entails

the identification and cultivation of proficient individuals within the organization exhibiting potential for future managerial or specialised roles. This procedure typically commences with an evaluation of incumbent skills, performance, and growth prospects among employees. Subsequently, individuals demonstrating exemplary efficacy, leadership aptitude, or specialised competencies are chosen to partake in developmental initiatives,

educational endeavours, and mentoring programmes aimed at augmenting their proficiency and preparing them for forthcoming responsibilities. The personnel reserve functions as a repository of aptitude from which the organization may draw to fill pivotal positions, thereby ensuring continuity, adaptability, and leadership continuity within the enterprise.

### NUMBER OF DISMISSED EMPLOYEES IN 2022, BY AGE

| Region                              | Up to 30  |           | From 30 to 50 |           | More than 50 |          |
|-------------------------------------|-----------|-----------|---------------|-----------|--------------|----------|
|                                     | Men       | Women     | Men           | Women     | Men          | Women    |
| Navoiy                              | 3         | 1         | 11            | 2         | 2            | 2        |
| Zafarobod, Nurota GSE               | 45        | 15        | 84            | 10        | 24           | 1        |
| Uchkuduk, Bukantau                  | 16        | 0         | 13            | 4         | 15           | 1        |
| Other (Nurobod, Tashkent Zirabulok) | 5         | 1         | 4             | 1         | 7            | 1        |
| <b>Total</b>                        | <b>69</b> | <b>17</b> | <b>112</b>    | <b>17</b> | <b>48</b>    | <b>5</b> |

In 2022, the Company terminated employment contracts with 268 employees, most of whom were aged from 30 to 50 years old, totalling 129 people. The Company's staff turnover rate was more than 3.7%. The Company calculated the staff turnover rate according to the following formula defined by GRI standards: Number of employees who leave the organisation voluntarily or due to dismissal, retirement, or death in service / Headcount of employees\* 100%.

Navoiyuran SOE monitors employee turnover to understand employee retention trends, identify potential problems within the organisation, manage the costs associated with employee turnover, and improve the overall satisfaction of the Company's employees.

### PLANS FOR THE FORTHCOMING PERIODS:

The Company's human capital management plans include the following initiatives aimed at effectively managing personnel to achieve business goals:

- HR Strategy Development – by developing a comprehensive HR strategy, the Company will be able to create a transparent HR management structure that will contribute to the overall success of the business, while respecting the rights and well-being of our employees;
- Conducting workforce analysis on a regular basis including assessment of the existing workforce on the subjects of demographics, skills, and competencies, among others;

- Developing a strategy for attracting and selecting top talent, including diversity and inclusion initiatives, employer branding, and recruitment practices;
- Using HR technologies and data analytics to streamline HR processes, make data-driven decisions, and measure the impact of the implemented initiatives;
- Preparation for the collection and evaluation of employee feedback, introducing a system of continuous improvements and receiving feedback;
- Clearly defining the roles and responsibilities of HR professionals and employees;
- Identification of potential risks and development of mitigation strategies;

<sup>1</sup> \* Hired by business-units: Nurota mining exploration expedition – since 01.11.2022 Bukantau mining exploration expedition – since 01.11.2022 Management of the Centre (Research and Production Center "Geology of Uranium and Rare Metals") and Zirabulok mining exploration expedition – since 01.11.2022

- Introducing an automated accounting system (ERP) for HR-related data.



## PERSONNEL SOCIAL SUPPORT POLICY

GRI 2-30, 201-3, 401-3, 407-1

Personnel Social Support Policy in our Company expresses our commitment to provide a variety of forms of support and assistance to our employees, exceeding standard compensation and benefits. This strategy is aimed at creating conditions for well-being, increasing job satisfaction, and maintaining a balance between professional activities and the personal lives of our employees.

Navoiyuran SOE respects and observes the rights of employees to freedom of association and collective bargaining.

A Collective Agreement of the Company was drawn up in accordance with the Labour Code of the Republic of Uzbekistan and the General Agreement for 2022–2024 between the Cabinet of Ministers of the Republic of Uzbekistan, the Council of the Federation of Trade Unions of Uzbekistan, and the Confederation of Employers of the Republic of Uzbekistan on Socio-Economic Issues, and regulates various aspects of labour relations, including working conditions, compensation, benefits, as well as the rights and obligations of both parties.

100% of employees are covered by the Collective Agreement.

To exercise the right of employees to freedom of association, the Company has a Trade Union, whose functions include monitoring the implementation of the provisions of the Collective Agreement. Also, in accordance with Article 44 of the Law of the Republic of Uzbekistan On Trade Unions”, inspectors of the Trade Union Committee of the Company carry out constant monitoring of compliance with regulations and documents relating to the socio-economic rights and interests of employees.

The following Commissions operated under the Trade Union’s activities:

- Social Protection Commission;
- Commission on Youth;
- Commission for Gender Equality;
- Occupational Safety Commission;
- Commission on Health and Sports;
- Labour Dispute Commission;
- Commission on Spiritual and Awareness-Raising Issues;
- Commission on Housing and Household Issues;

- Commission on Organisational Work.

The Trade Union ensures that an equal number of representatives of the Commissions participates.

Received proposals are discussed in detail, reports are prepared on the work performed, considering the requirements/updates of the Labour Code and other regulatory provisions of the Republic of Uzbekistan.

### DURING 2022, NAVOIYURAN SOE FULFILLED THE FOLLOWING OBLIGATIONS UNDER THE COLLECTIVE AGREEMENT:

|   |  |
|---|--|
| <b>Employer responsibilities</b>  | <ul style="list-style-type: none"> <li>• Having successfully implemented commitments undertaken for the production and sales of products, as well as achieving targets for 2022, the Company has confirmed its reliability and efficiency, while ensuring employment for its employees.</li> <li>• In 2022, the forecast for product exports was fulfilled by 118.9% and a growth rate of 110.2% was achieved.</li> <li>• Natural uranium production was 100.5%, growth rate – 101.0%, drilling operations – 121.2%, growth rate – 111.3%.</li> <li>• Due to successful production and financial performance, the Company, as part of the Investment Programme, implemented 6 investment projects worth USD 32.7 million; purchased more than 600 process equipment, more than 150 units of transport equipment, more than 100 units of energy equipment, and created 68 new jobs.</li> <li>• The Company developed and approved comprehensive measures to reduce product costs. As part of this set of measures, in 2022 it was possible to save USD 10.6 million.</li> <li>• In order to timely inform the workforce of the enterprise about the results of production, economic and social activities, information was provided on social networks, meetings were organised, and materials were submitted to the Miners’ life newspaper;</li> </ul>   |
| <b>Employee training, increasing their professional and general educational level</b> | <ul style="list-style-type: none"> <li>• The Company has been working steadily to invest in talent development, and we take great pleasure in sharing the results of our efforts in employee training and development.</li> <li>• According to our plan, work has been successfully carried out to retrain personnel and improve their skills. In the context of the National Personnel Training Programme and the Presidential Decrees and resolutions of the Government of the Republic of Uzbekistan, the Company’s HR Department and the Personnel Training Service have intentionally implemented a plan to provide the Company with highly qualified specialists.</li> <li>• We have trained highly qualified personnel, giving our preference to higher education institutions of the Republic of Uzbekistan. We are proud that as of 31 December 2022, 67 employees were studying in the correspondence department at 6 higher education institutions of the Republic of Uzbekistan at the expense of Navoiyuran SOE. The total costs for this purpose amounted to USD 0.1 million.</li> <li>• Navoi State University of Mining and Technology established a dual education system for students and actively applied their knowledge at key production sites of Navoiyuran SOE in educational areas related to the industry.</li> <li>• In total, 182 students of Navoi State University of Mining and Technology and the University of Geological Sciences work at the Company’s departments.</li> <li>• In addition, 2,087 employees of Navoiyuran SOE had retraining and advanced training courses organised by the Management Training Service, the Training Centre and the Zafarabad Mining Plant Administration Training Centre. It is worth noting that all necessary conditions have been created for employees who have completed advanced training courses.</li> <li>• All employees who have been assigned educational courses approached the training in good faith and fulfilled all the requirements defined by the educational institutions during the training process;</li> </ul> |
| <b>Payment of salaries</b>  | <ul style="list-style-type: none"> <li>• According to the established wage rates agreed upon by the Company’s management and the Trade Union Committee, from 1 November 2022, the salaries of all employees of the enterprise increased by an average of 15%. Basic monthly wage rates for employees of the Company’s divisions/business-units are set at USD 0.1 thousand, and the average monthly salary was:             <ul style="list-style-type: none"> <li>• In production activities -USD 0.7 thousand;</li> <li>• In capital construction – USD 0.4 thousand;</li> <li>• In non-production activities – USD 0.5 thousand.</li> </ul> </li> <li>• The Company is fulfilling its obligations for guaranteed and additional payments in a timely manner. In 2022, USD 13.1 million was spent on remuneration according to the current bonus awarding rules, USD 14.0 million was spent on paying bonuses for long-term service; vacation pay and days off, as well as overtime, were paid double; additional payments for night work were made in the amount stipulated by the collective agreement.</li> </ul>   |



|                                      |  |
|--------------------------------------|--|
| <b>Occupational safety agreement</b> | <ul style="list-style-type: none"> <li>Over the past year, 8 accidents with various forms and degrees of injury had been registered in the Company's activities, resulting in the loss of more than four hundred working days. However, due to proactive measures to ensure the safety and care for employees, the Company continues to demonstrate a high level of responsibility and care of its staff.</li> <li>In 2022, significant progress has been made in ensuring the safety and protection of workers at the Navoiyuran SOE. A variety of events and programmes, including payments for sick leave, provision of protective clothing, safe shoes, as well as active participation of representatives in competitions and joint decisions of Management and the Trade Union, contributed to improving the quality of personnel training and occupational safety. The Company allocated USD 1 million for these events).</li> <li>Representatives of the Company actively participate in the traditional competition "The Best Labour Organiser Who Knows the Laws and Regulations", "The Best Representative in Occupational Safety", held annually among employees of Navoiyuran SOE.</li> </ul> |
| <b>Employee health</b>               | <ul style="list-style-type: none"> <li>In pursuit of providing support to its employees and ensuring their health, the Company decided to arrange health resort treatment of its personnel. The considerable scope of this initiative is reflected in the allocated 1,412 health treatment packages worth USD 0.4 million. However, along with employees, special attention is also paid to pensioners: in 2022 alone, 169 health treatment packages were provided for them to recover their health.</li> </ul>  |
| <b>Medical service</b>               | <ul style="list-style-type: none"> <li>Taking care of its employees, the Company provided free medical services, including targeted examinations and access to treatment for both adults and their children, collaborating with medical Centres of the SI "NMMC Foundation".</li> <li>In 2022, 2,791 people were treated in hospitals, and a total of 178,166 people were admitted and applied for treatment on an outpatient basis. 97% of the plan for periodic medical examinations has been completed.</li> <li>No cases of illness due to harmful working conditions were registered during the year.</li> </ul>  |
| <b>Providing with food</b>           | <ul style="list-style-type: none"> <li>As a result of the Company's massive efforts in the field of catering, 17 canteens owned by the NMMC Foundation successfully provided employees with quality and balanced meals over the 10-day cycle. In accordance with the work schedules of the divisions/business-units, meals were organised in the evening and night shifts. Because of the peculiarities of production, a packed meal (ration pack) of recommended products has been prepared for employees working at considerable distances from catering points.</li> <li>In 2022, 4,567 people used therapeutic and preventive nutrition services, 231 people used vouchers for milk and juices. A total of USD 2.8 million was spent on these events.</li> </ul>   |
| <b>Health Care for Children</b>      | <ul style="list-style-type: none"> <li>During the summer holidays, NMMC Foundation and Navoiyuran SOE agreed to organise recreation for the children of staff, resulting in the establishment of 2 children's health-improvement Centres in the city and 6 health-improvement Centres outside the city. In 2022, 1,015 children were sent to spend their vacation in such towns as Kelajak, Bolajon, Sarmish, Sogdiena, Pakhlavon, Zarafshon, Bulbulcha and Yulduz. USD 0.2 million was allocated for these activities.</li> </ul>   |
| <b>Allocation of housing</b>         | <ul style="list-style-type: none"> <li>Within the Navoiyuran SOE complex intended to accommodate staff, corporate housing and family dormitories are specially allocated for Company employees.</li> <li>In 2022, a total of 5 apartments were allocated: 4 in the city of Navoi and 1 in the city of Nurabad.</li> </ul>  |

Navoiyuran SOE in accordance with Article 404 Maternity and Childcare Leave and Article 405 Childcare Leave for Children under Two and Three Years Old of the Labor Code of the Republic of Uzbekistan and the Decree of the President of the Republic of Uzbekistan dated March 7, 2022, No. UP-87, fulfills all obligations imposed on the Company by paying benefits established by law and providing the allotted leave days for both men and women, demonstrating the Company's commitment to supporting employees in their significant life events. Secondly, this contributes to gender equality

in the workplace, ensuring that both mothers and fathers have the opportunity to take leave to care for their child, reducing the burden on one parent and encouraging the sharing of caregiving responsibilities. By the end of 2022, 62 employees of the Company had exercised their right to childcare leave, and the number of employees who returned to work in the reporting period after the end of childcare leave amounted to 16. All employees who took maternity leave were women. In addition to maternity leaves, nursing mothers have the right to additional breaks for breastfeeding infants.

### PARENTAL LEAVE IN 2022

| Indicator  | Total | Men   | Women |
|--|-------|-------|-------|
| The total number of employees entitled to parental leave   | 8,372 | 7,499 | 873   |
| The total number of employees who took parental leave  | 62    | -     | 62    |
| The total number of employees who returned to work in the reporting period after the end of parental leave                                       | 16    | -     | 16    |
| The total number of employees who returned from parental leave in the previous reporting period  | -     | -     | -     |
| The total number of employees who returned to work after the end of parental leave and had been still employed 12 months after returning to work | 12    | -     | 12    |

## DIVERSITY AND EQUAL OPPORTUNITY

GRI 202-1, 405-1

We are deeply convinced that a diverse workforce provides us with a compelling competitive advantage, and our strong commitment to equal opportunities and workplace conditions is core to our corporate culture. We actively employ professionals by evaluating them on their unique professional and personal qualities, completely rejecting any form of discrimination based on race, colour, gender, religion, political opinion, ethnicity, or social origin.

The Company strives to create favourable conditions for increasing the presence of women both in the general personnel structure and in senior managerial positions. All our practices strictly comply with legal and international standards related to equal opportunity, ensuring fair and decent working conditions for all levels of staff.

The Company accounts for and analyses the breakdown of its workforce by gender, race, ethnicity or ethnicity; these first but significant steps are evidence of the Company's commitment to an open policy of public disclosure of information about the composition of the workforce.



**INFORMATION OF EMPLOYEES BY ETHNICITY FOR 2022**

| №  | Business-unit   | Number of employees | Ethnicity |          |        |        |         |             |                    |
|----|---|---------------------|-----------|----------|--------|--------|---------|-------------|--------------------|
|    |   |                     | Uzbeks    | Russians | Tatars | Tajiks | Kazakhs | Karakalpaks | Other <sup>2</sup> |
| 1  | Administration  | 182                 | 156       | 7        | 6      | 3      | 2       | 7           | 1                  |
| 2  | Zafarabad Mining Plant Administration                         | 3,773               | 2613      | 46       | 23     | 8      | 622     | 429         | 32                 |
| 3  | Uchkuduk Production Site                                      | 1,162               | 916       | 36       | 14     | 2      | 172     | 13          | 9                  |
| 4  | Nurabad Production Site                                       | 852                 | 811       | 12       | 21     | 3      | 1       |             | 4                  |
| 5  | Uranium Production Plant                                      | 165                 | 146       | 8        | 5      | 2      |         | 2           | 2                  |
| 6  | Central Material and Technical Supply Base                    | 127                 | 77        | -        | -      | -      | 20      | 30          | -                  |
| 7  | Central Laboratory of Metering Instruments and Automatics     | 47                  | 26        | 2        | 1      | -      | 8       | 8           | 2                  |
| 8  | Geological Exploration Unit                                   | 135                 | 120       | 1        | 0      | 2      | 2       | 8           | 2                  |
| 9  | Centre for Information and Communication Technologies         | 50                  | 28        | -        | 2      | -      | 12      | 7           | 1                  |
| 10 | Training Centre   | 3                   | 3         | -        | -      | -      | -       | -           | -                  |
| 11 | Railway workshop  | 91                  | 77        | 1        | 0      | 0      | 4       | 9           | 0                  |
|    | including:  |                     |           |          |        |        |         |             |                    |
|    | Railway Workshop Management Office (Navoiy site)              | 3                   | 2         | 1        | -      | -      | -       | -           | -                  |
|    | Railway section (Zafarabad site)                              | 38                  | 25        | -        | -      | -      | 4       | 9           | -                  |
|    | Railway section (Uchkuduk site)                               | 25                  | 25        | -        | -      | -      | -       | -           | -                  |
|    | Railway section (Nurabad site)                                | 25                  | 25        | -        | -      | -      | -       | -           | -                  |
| 12 | Departmental Paramilitary Security Forces Unit                | 559                 | 418       | 2        | 0      | 2      | 52      | 70          | 15                 |
|    | including:  |                     |           |          |        |        |         |             |                    |
|    | Departmental Paramilitary Security Forces Group (Navoiy site) | 65                  | 55        | -        | -      | 1      | -       | -           | 9                  |

<sup>2</sup> Other nationalities are Azerbaijanis, Arabs, Armenians, Koreans, Ukrainians, Uighurs, Germans, Kyrgyz, Russian and Tajiks.

| №            | Business-unit  | Number of employees | Ethnicity    |            |           |           |              |             |                    |
|--------------|--|---------------------|--------------|------------|-----------|-----------|--------------|-------------|--------------------|
|              |  |                     | Uzbeks       | Russians   | Tatars    | Tajiks    | Kazakhs      | Karakalpaks | Other <sup>2</sup> |
|              | Departmental Commands of Paramilitary Security Forces (Zafarabad site) | 367                 | 246          | 1          | -         | 1         | 46           | 67          | 6                  |
|              | Departmental Commands of Paramilitary Security Forces (Uchkuduk site)  | 62                  | 52           | 1          | -         | -         | 6            | 3           | -                  |
|              | Departmental Commands of Paramilitary Security Forces (Nurabad site)   | 65                  | 65           | -          | -         | -         | -            | -           | -                  |
| 13           | Research Centre for Geology of Uranium and Rare Metals                 | 1,226               | 882          | 25         | 13        | 6         | 212          | 78          | 10                 |
|              | including:   |                     |              |            |           |           |              |             |                    |
|              | Central Administration   | 183                 | 134          | 21         | 8         | -         | 10           | 2           | 8                  |
|              | Nuratinskaya field geological research expedition                      | 552                 | 341          | 2          | -         | 3         | 133          | 72          | 1                  |
|              | Bukantogskaya field geological research expedition                     | 270                 | 193          | 2          | 3         | 2         | 68           | 1           | 1                  |
|              | Zirabulokskaya field geological research expedition                    | 221                 | 214          | -          | 2         | 1         | 1            | 3           | -                  |
| <b>Total</b> |  | <b>8,372</b>        | <b>6,273</b> | <b>140</b> | <b>85</b> | <b>28</b> | <b>1,107</b> | <b>661</b>  | <b>78</b>          |

As of the year-end 2022, Uzbeks constituted the dominant majority among employees, accounting for 75% of the total number of employees. Representatives of Kazakh and Karakalpak ethnicity shared second and third place in the share of the total number of employees, 13% and 8%, respectively. In addition to them, at the end of the reporting year, the staff included representatives of Russian, Tajik, Azerbaijani, Arab, and Armenian, Korean, Ukrainian, Uyghur, German and Kyrgyz nationalities.

Going forward, the Company plans to develop and implement major initiatives aimed at shaping and maintaining a culture of diversity and inclusion for employees, including training programmes designed to increase employee awareness of the Company's equal opportunity policy and address upcoming challenges in this area. Training programmes will be developed for the Executive Body and managerial staff through

interactive workshops and discussions, and will include modules on anti-bias, cultural competency, gender equality and the Company's adaptation to the unique challenges and opportunities of people with disabilities.

In addition, Navoiyuran SOE plans to draw up regulations on the establishment of a Women's Council under the Executive Body of the Company and approve its composition and Chairman. This initiative emerged in the context of ongoing reforms in the Republic of Uzbekistan aimed at providing comprehensive support to women, including those who work in our Company. We strive to improve their socio-economic situation, create more favourable working conditions, and protect their rights and interests.

The functions of the Council will include as follows:

- Promoting initiatives to ensure gender equality, identifying and eliminating gender inequalities within

- the Company, ensuring equal opportunities for all employees regardless of gender;
- Coordination and control of the activities of persons responsible for women's issues in the business-units of the enterprise;
  - Cooperation with local authorities;
  - Raising awareness and education through information campaigns and educational initiatives to inform employees about the importance of gender diversity and inclusion;
  - Monitoring progress in the field of gender diversity, including the scope and quality of activities carried out, as well as analysis of the results of the activities carried out during the reporting period.

Per the Labour Code of the Republic of Uzbekistan (Article 3), the principle of equal pay established by a unified wage scale is aimed at ensuring fairness and non-discrimination in the workplace. This principle is also consistent with the international Equal Remuneration Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value. This principle prohibits employers from discriminating against employees on the basis of gender and requires equal compensation for equal work or work of equal value, regardless of gender. Thus, men and women performing the same work or work of comparable value should receive the same pay and benefits. This adherence to the principles of equal pay helps promote gender equality, create an inclusive work environment, and comply with labour laws aimed at preventing gender discrimination. It should be noted, however, that some jobs with unfavourable working conditions

## RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT

GRI 402-1, 405-2

One of the key elements in ensuring strong relationships with our employees is creating an open dialogue with them. This practice not only promotes transparency and trust within our organisation, but also ensures that employees feel informed and actively involved in the life of the Company. Effective collaboration and communication also encourage clarity and alignment around our Company's goals, expectations, and changes, which reduces potential confusion and strengthens a sense of direction among staff.

and underground or mining activities may be exceptions to this principle.

In Navoiyuran SOE there is equal remuneration practice regardless of gender, following the Convention on Equal Remuneration for Men and Women for Work of Equal Value.

In 2022, the average salary of employees in our Company was USD 0.7 thousand. This amount includes various components of the total wage bill, such as payment for actual work performed, incentive payments, compensation, payment for non-worked time, and remuneration for non-payroll personnel.

According to the Regulations on Bonus Payments to the Employees of Navoiyuran SOE business-units for the Main (Current) Results of Production and Economic Activities dated 16 September 2022 and the Regulations on Bonus Payments to the Managers, Specialists and Employees of the Company for the Main Results of Production and Economic Activities of Navoiyuran SOE dated 20 September 2022, where the conditions for bonuses were defined – payments once a month in the amount of 30% of wages, incentive payments were made for a total amount of USD 35 million.

In addition, in case of overtime work, the Company provides double pay or equal rest. All relevant payments and the procedure for approving assessments and deprivation of bonuses shall be made per the Company's internal accounting and executed by the appropriate order.

At Navoiyuran SOE, we engage with our employees through a system of Heads of subsidiaries. Weekly meetings are an important platform for the dissemination of information and discussion of any considerable changes in the Company, including those that may affect our employees.

## EMPLOYEE TRAINING AND DEVELOPMENT

GRI 404-1, 404-2

Education is central to ensuring the sustainability of the mining industry. By investing in education and skills development, the Company helps to expand opportunities for its employees, to foster a culture of continuous improvement and the long-term viability of its operations.

Having its own training Centre strengthens the Company's capability to introduce innovations and adapt to shifting trends and technologies in the industry. On the one hand, this enables the Company to tailor training programmes specifically to the needs and tasks of its employees, ensuring that employees receive relevant and high-quality education and skills development. In addition, a specialised training Centre enables the Company to ensure consistency and standardisation of training methodologies and content across departments and sites. Overall, investing in a training Centre is of crucial importance for creating a skilled and flexible workforce, promoting a culture of continuous learning and improvement, and ensuring the long-term success and sustainability of a mining company.

The Company's Training Centre is composed of three members: 2 engineers and a manager who is responsible for advanced training. The activities of the Centre comply with all local legal requirements. It has a state licence, and the Company's internal standards are strictly observed. Additionally, there is an Engineering and Technical Personnel Training Service.

The training process is applications-based. Applications are generated and justified at the end of each year for the future reporting period. They are selected in accordance with the requests of Heads of department and legal acts of the Republic of Uzbekistan. In case of changes in the production process, training is provided to staff members potentially concerned.

Involvement of experienced senior staff and department managers after completing training courses enables the more effective application of teaching methods and communication strategies, which in turn improves the effectiveness of student engagement and motivation. In addition, the Company is actively exploring the education market and, if necessary, attracting third-party specialists. In 2022, for example, the Company collaborated with the Scientific Research Institute of Standardization, Certification and Technical Regulation, as well as with the Tashkent State Transport University.

Because of the large number of employees in the Zafarabad Mining Administration, a Training Centre was established. The objective of the Training Centre is to train operating personnel and carry out certification to increase their grades. This important stage of training includes not only operating personnel, but also part of the engineering and technical personnel, which is carried out jointly with the Personnel Training Service. The training programme is developed by the training centre of the Head Office, and the training centre employs two masters in accordance with the Regulations on Retraining and Advanced Training of Personnel at the enterprise.

After the grade is established, employees are offered an opportunity to improve their qualifications, and promotion is possible only in one year, per the staffing table. However, if there is a separate application for training, it would be possible to obtain a related profession. Upon completion of training or advanced training, employees receive a qualification certificate in recognition of their efforts and new knowledge.

**TRAINING COURSES ORGANISED BY THE ESG DEPARTMENT OF PROJECT OFFICE AT NAVOIYURAN SOE**

| Course goal  | Number of employees | Training period |
|--|---------------------|-----------------|
| Implementation of the requirements of ISO14001:2015 Environmental Management, ISO 9001:2015 Quality Management and ISO 45001 Occupational Health and Safety systems and obtaining ISO certificates at all stages of uranium production | 52                  | 2022            |

**STATISTICS ON PROFESSIONAL TRAINING OF EMPLOYEES OF THE NAVOIYURAN SOE FOR 2022**

| Item   | Managers | Specialists | Workers and other employees |
|--|----------|-------------|-----------------------------|
| Hours  | 3,080    | 4,320       | 98,718                      |
| Employees (number)                                   | 65       | 108         | 1,914                       |
| Average annual number of training hours per employee | 62       | 45          | 68                          |



in applied professions. The training programme at the Company offers group and individual classes depending on the requests provided by managers.

Individual classes may include training in external training organisations in line with relevant agreements. Information on the number of hours and number of employees trained is recorded separately in accordance with relevant regulations. This approach makes it possible to prepare a complete and structured report reflecting the effectiveness of the Company's training programme.

In 2022, the total number of employees who underwent advanced training and professional training amounted to 2,087 people, of which the majority were working personnel of more than 1,900 employees, as a result of which more than 90% of the hours spent fell on this category of employees. The average number of hours spent on training for managers was 62, while an average of 68 hours were spent to train workers. A total of 106,118 hours were spent on training personnel of the Navoiyuran SOE in 2022.

After each seminar and completion of training events, the Company prepares a report by the end of the year for the Executive Body, summarising the results for half a year and 11 months. The report is drawn up to improve methods and training programmes on a regular basis.

According to the Regulations on the Training Centre, the Centre is responsible for the training of engineering and technical personnel, including managers and specialists, as well as for training employees



**AVERAGE ANNUAL TRAINING HOURS PER EMPLOYEE BY GENDER IN 2022**

| Gender | Number of hours of employee training by gender, hour | Headcount of the Company, people. | Average annual training hours per employee, by gender |
|--------|--|-----------------------------------|---|
| Men    | 103,872  | 7,499                             | 14  |
| Women  | 2,246  | 873                               | 3   |
| Total  | 106,118  | 8,372                             | 17  |

Since male employees outnumber female employees in the Company, and men make up about 90% of the total staff, especially among workers, the average annual number of training hours for women for 2022 was 14 hours, while the indicator for women was 3 hours. It is important to note that during the training process, all employees are provided with the same number of hours, regardless of gender.

**Plans for the forthcoming periods:**

- Develop initiatives to recruit, retain and develop human capital for managing risks associated with skilled labour shortages or labour relations issues;
- Conduct regular employee engagement surveys to assess employee satisfaction, identify areas for improvement, and measure progress over time;
- Conduct a comprehensive diagnostic evaluation of the current operating model of the HR function, including organisational structure, the headcount of the function, process model and IT architecture;
- Draw up programmes to retain permanent full-time and part-time employees by comparing percentages and analysing staff turnover in the Company;
- Every year, conduct individual and/or group performance management assessments;

- Diversity and inclusion training for senior management and Company employees;
- Continue employee development on health and safety training to ensure a safe workplace and promote a safety culture throughout the organisation;
- Draw up a strategy for employee engagement and empowerment, including regular communication channels, feedback mechanisms, and opportunities for employee involvement in decision-making processes;
- Career Paths: establish clear career paths for employees, including opportunities for career progression, skill development, and achievement recognition;
- Introduce performance management systems to effectively evaluate and reward employee performance, including goal-setting processes, performance reviews, and performance-based incentives;
- Develop a succession plan to ensure the continuity of key roles in the organisation and identify and develop future leaders.

# CONTRIBUTING TO SOCIAL DEVELOPMENT





## REGIONAL DEVELOPMENT

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

Navoiyuran SOE is one of the major employers of the Republic of Uzbekistan, represented in the Navoiy region of the country and makes a meaningful contribution to the development of the regions in which it operates. The core areas of activity of the Company: Uchkuduk Production Site – the northern part of the Navoiy region; Zafarabad Mining Plant Administration – Navoiy and Bukhara regions; Nurabad Production Site – Samarkand region; and Navoiyuran SOE Administration Office and Uranium Production Plant – Navoiy city, Navoiy region.

Covering key regions of the country and realising its own important influence on the regions of its operations, the Company strives to create conditions for a decent life condition for local communities by investing in social infrastructure and creating an open dialogue with key stakeholder groups: the population, public associations, local authorities. The Company is committed to develop local communities and strives to make a positive

contribution to the well-being and social life of all regions of its operations. Navoiyuran SOE invests in social projects that meet the needs of local people and business objectives in several areas, such as:

- Development of social infrastructure and urban environment;
- Supporting the development of mass and children's sports;
- Improving the quality of services and healthcare;
- Supporting vulnerable social groups of the population;
- Supporting education;
- Supporting and developing culture.

The total amount allocated to charity in 2022 was USD 0.4 million. Sponsorship was provided in the amount of USD 0.4 million.

### SPONSORSHIP IN 2022

| Nº                        | Entity  | Type of sponsorship   | Amount, USD million |
|---------------------------|---|---|---------------------|
| 1                         | Khakimiyat of Konimekh district of Navoi region               | Excavating an underground tunnel to Sarjal rural community  | 0.01                |
| 2                         | Navoi State University  | Strengthening the material and technical supply base  | 0.02                |
| 3                         | Improvement service of Konimekh district of Navoiy region     | Allocation of dump trucks and excavators  | 0.01                |
| 4                         | Samarkand regional administration "Unified Customer Service"  | Construction of a gym and football pitch for school No. 35 in Nurabad district  | 0.11                |
| 5                         | Ministry of Economy and Finance of the Republic of Uzbekistan | International Economic Forum of Uzbekistan  | 0.1                 |
| 6                         | Federation of Rowing and Canoeing of Uzbekistan               | Sponsorship   | 0.13                |
| 7                         | Distribution of transport vehicles                            | Transport vehicle distribution for the event "Grain 2022"   | 0.01                |
| 8                         | Distribution of transport vehicles                            | Transportation of students of school No. 16 in Zafarabad, Navoiy region   | 0.01                |
| 9                         | Other sponsorship   | Sponsoring people in need of social protection, disabled people, those who have lost their breadwinners, citizens, and employees in need of financial assistance, and members of their families | 0.01                |
| <b>Total, USD million</b> |   |   | <b>0.4</b>          |

Every year, the Company allocates a budget for sponsorship events. In 2022, the Company sponsored education, sports and cultural events, and provided support to the population.

As part of its innovative activities, the Company effectively cooperates with the following leading universities and scientific institutions of the Republic of Uzbekistan:

- Navoi State University of Mining and Technologies;
- Arifov Institute of Ion-Plasma and Laser Technologies;
- Institute of Nuclear Physics;
- Tashkent State Technical University named after Islam Karimov;
- and others





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# OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-7, 403-8

## GUIDING DOCUMENTS VALID IN 2022:

- Policy of the Integrated Management System in the Field of Quality, Ecology, Occupational Health, and Safety of Navoiyuran SOE;
- Resolution of the President of the Republic of Uzbekistan DP-319 dated 14 July 2022 About Measures for Increasing the Volumes of Production, Conversion of Uranium and Transformation of the Navoiyuran SOE in 2022 – 2030;
- The Law of the Republic of Uzbekistan On Industrial Safety of Hazardous Production Facilities ZRU-57 dated 28 September 2006;
- The Law of the Republic of Uzbekistan On Amendments and Additions to the Law of the Republic of Uzbekistan On Labour Protection No. ZRU-410 dated 22 September 2016;
- The Decree No. 271 dated 10 December 2008 On Additional Measures to Implement the Law of the Republic of Uzbekistan On Industrial Safety of Hazardous Production Facilities;
- The Decree No. 784 dated 2 October 2018 On Approval of the Regulations on the Procedure for Conducting an Industrial Safety Examination and Issuing an Expert Opinion;
- The Decree No. 286 dated 6 June 1997 On Approval of the Regulations on the Investigation and Recording of the Workplace Accidents and Other Damage to the Health of Employees Related to the Performance of Their Professional Duties.

## HIGHLIGHTS FOR 2022:

- Zero fatal accidents
- Lost Time Injury Frequency Rate (LTIFR) – 0.66%
- Training of 552 engineering and technical employees on OHS aspect

Industrial and occupational safety are the most important aspects of the activities of the Navoiyuran SOE. We set great stores for ensuring health and safety at the workplace and are also committed to developing and implementing measures to improve working conditions. We actively involve our employees in identifying and mitigating potential health and safety risks.

To effectively manage occupational safety and health risks we use an Integrated Management System for Quality, Occupational Health, Safety and the Environment. This system was developed and implemented in accordance with the requirements of international standards of Quality Management (ISO 9001:2015), requirements of international standards of Environmental Management (ISO 14001:2015) and Occupational Health and Safety (ISO 45001:2018).

The Company's policy on an Integrated Management System for Quality, Occupational Health, Safety and the Environment defines the following commitments of the Company to consumers, employees, the environment, and other stakeholders:

- Ensure prudent and efficient use of energy and material resources;
- Comply with the laws and regulations of the Republic of Uzbekistan;
- Introduce and constantly improve an effective Human Resource Management System;
- Distribute responsibility for the effective implementation of an Integrated Management System for Quality, Occupational Health and Safety and Environment in the Company both at the management level and among all employees;
- Actively invest in the human capital of the Company through, inter alia, the continuous enhancement of employee skills through training and retraining programmes and initiatives to provide higher education to high potential employees;
- Maintain transparency and openness about the activities and operations of the Company, including through the publishing on the Company's website

- of detailed reporting on the Company's activities and operations;
- Enhance engagement with consumers and stakeholders to ensure that they are satisfied with the services provided by the Company;
- Strive to achieve the goals set out in the Company's strategy;
- Improve the material conditions of the Company's employees, including through the fostering of a safe and inclusive working environment and the provision of fair employee remuneration;
- Contribute to the protection and preservation of the environment and the promotion of biodiversity, considering the impact of the Company's operations on the environment;
- Ensure that the protection and promotion of employee safety remains the number one priority for the Company;
- Take specific measures to reduce the number of workplace injuries and accidents, with the aim of eliminating them completely.

The policy of the Integrated Management System for Quality, Occupational Health and Safety

- and Environment also sets out the Company's main priorities in relation to OHS and the Environment:
- Identification and mitigation of the Company's impact on the environment during construction and operation of the Company's assets;
- Enhancing the Company's ability to identify and mitigate environmental risks through the introduction and use an environmental monitoring system;
- Prevention of work-related injuries and illnesses, with the ultimate goal to completely eliminate workplace injuries and accidents;
- Continued improvement of employee working conditions;
- Conducting surveys and consulting with employees to measure employee satisfaction and encourage innovative suggestions from employees;
- Informing stakeholders and employees about the goals and objectives of the Company's policy;
- Ensuring the Company is operating in compliance with the requirements of ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 international standards.

# ORGANISATIONAL STRUCTURE OF OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

The Company's Occupational Health and Safety Service is the organisational unit responsible for developing and implementing the OHS policy of the Company. The head of the Service is appointed and dismissed by the decision of the Supervisory Board. The Director of this Service is responsible for a wide range of responsibilities, including the development of occupational safety policies, compliance with regulatory requirements, organisation of training and prevention, coordination of safety activities, risk assessment and interaction with regulatory authorities.

The Director of the Occupational Health and Safety Management Service performs the functions as follows:

- Development and control over the implementation of the Company's occupational health and technical safety policies;

- Overseeing the Company's compliance with labour protection laws and regulations;
- Development and control over the implementation of measures to reduce and prevent workplace injuries, illnesses, and accidents;
- Ensuring the fulfilment of safety regulations and rules of operation of electrical equipment;
- Control over the organisation of the relevant OHS training programmes.

The Occupational Health and Safety Service in 2022 is composed of 29 employees, including 25 specialists, 2 engineers, 1 director and 1 head of the Occupational Safety Service.

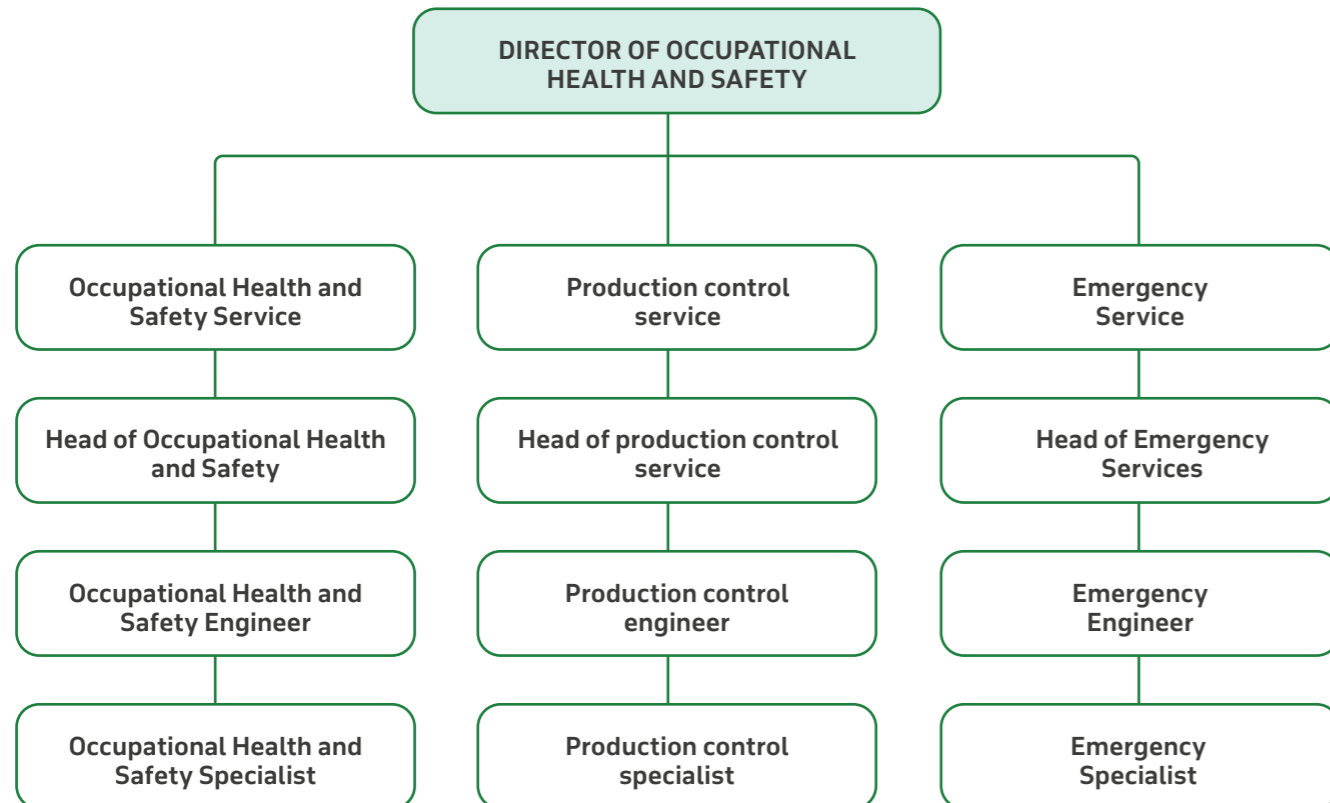


# ENSURING OCCUPATIONAL HEALTH AND SAFETY

GRI 403-5, 403-6, 403-8, 403-9

Occupational Health and Safety training is of key importance for providing employees with the knowledge, skills and awareness needed to identify and mitigate potential hazards in the workplace. By investing

in comprehensive training programmes, the Company demonstrates its commitment to protecting the well-being of its employees and developing a culture of safety.



## HIGHLIGHTS FOR 2022:

- 552 engineering and technical employees were trained on OHS,
- Regulations for organising and testing knowledge on OHS for employees were drawn up,
- A safety induction meeting was conducted for 1,323 employees, trainees and others.

As a way to strengthen the mechanism for training employees on industrial safety, the Company adopted the Regulations on the Organization of Training and Testing of Knowledge on Occupational Safety,

which establishes a unified and mandatory procedure for training and testing of knowledge on occupational safety among workers, managers, and specialists of structural business-units of Navoiyuran SOE involved in organising and carrying out production activities. Preliminary training on occupational safety, provided for by the Occupational Safety Rules for mining operations (open-pit mining, drill hole in-situ leaching, etc.), is carried off-the-job, in the training classes of the enterprise. It includes a mandatory knowledge check by the commission appointed by order

for the enterprise business-unit documenting the results in the minutes. This process covers all employees and specialists on a contractual basis, creating a unified standard to maintain a high level of occupational safety in the Company.

In the reporting year 2022, OHS training was conducted for 552 employees of the Company's engineering and technical staff, and induction training was conducted by the Occupational Health and Safety Service for 1,323 people, including employees and trainees of the Company.

In mid-2022, the Company drew up and agreed on a roadmap in the field of occupational health and safety management. This initiative was driven by the need to set the direction for the Company by providing a structured

plan to identify, address and improve security practices within the entity.

The roadmap clearly defines goals, objectives, and steps to improve safety and mitigate risks associated with mining. It serves as a framework for prioritising resources, implementing training programmes, and evaluating progress over time.

As part of this roadmap, training, and advanced training of employees in the field of OHS were carried out. At the end of 2022, 23 employees successfully completed professional training courses on OHS, and 638 managers and specialists of the Enterprise took part in advanced training programmes. These activities are aimed at strengthening the knowledge and skills of personnel, promoting safer working conditions, and improving the operational efficiency of the Company.

|   |            |
|---|------------|
| Total number of recorded occupational injuries (accidents)                          | 8          |
| Total number of occupational injuries with severe consequences (excluding fatality) | 4          |
| Total number of fatal accidents   | -          |
| Occupational injury frequency rate  | 0.66%      |
| Serious injury frequency rate   | 0.33%      |
| Fatal incident frequency rate   | -          |
| Total number of hours worked  | 12,082,997 |

In 2022, 8 accidents were recorded in the Company's activities that had resulted in varying degrees of injury. The main cause of the accidents was the personal inattention of the injured employees, the disorganised workplace and shop-floor discipline, as well as organisational and technical errors and shortcomings made by immediate supervisors in the workplace. However, due to proactive measures to ensure the safety

and care of employees, the Company continues to demonstrate a high level of responsibility and care for its personnel.

To mitigate the consequences of accidents and support employees in harsh working conditions, in 2022 the Company allocated USD 4.4 million for the following activities:

|   | Amount, USD million |
|---|---------------------|
| Products as part of therapeutic and preventive and dairy foods  | 3.41                |
| Because of the open-pit mining operations, in desert areas and outdoors according to the "List of industries, types of work, professions and positions which enable employees to have tea for free" | 0.01                |
| Hygiene products  | 0.01                |
| Personal protective equipment   | 0.96                |
| <b>Total, USD million</b>   | <b>4.4</b>          |

## RADIATION SAFETY

In 2022, the Enterprise carried out regular monitoring of the radiation situation in workplaces, premises, production areas and controlled areas in accordance with the requirements of Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 613 dated September 29, 2021. All radiation indicators are within the limits established by the sanitary rules of the Republic of Uzbekistan, and also comply with the standards of the International Atomic Energy Agency and the International Labor Office.

There were no radiation accidents or incidents at the Company's production sites during 2022. There were no exceedances of control levels of annual radiation doses.

Employees are equipped with personal dosimeters that allow them to measure the level of radiation exposure in real time. These devices provide the ability to monitor radiation dose in workplaces, ensuring safety and control of radiation levels. The average dose of radiation exposure to personnel in 2022 was 4.4 millisievert per year.

The group monitoring the working conditions of the Uranium production plant carries out additional

monthly radiation measurements at workplaces. In 2022, the average dose of radiation exposure in workplaces was 1.1 millisievert per hour. These regular measurements are necessary to ensure safety and compliance with established IAEA radiation protection standards.

The maximum annual effective dose to personnel interacting directly on site with radioactive materials was 14.8 millisievert per year, which is 74% of the permissible dose limit established by the IAEA – 20 millisievert per year.

To increase the level of radiation safety and personnel protection, the following measures are regularly taken to improve the radiation situation:

- repair of premises and modernization of equipment;
- renewal and repair of technological equipment;
- removal of low-level radioactive waste to disposal sites;
- training employees in radiation safety courses;
- certification of responsible persons in authorized bodies;
- therapeutic and preventive nutrition;
- annual additional leave; reduction of working hours.

## EMERGENCY PREPAREDNESS

The Company's production facilities are prone to natural and man-made disasters. In this regard, the Company regularly updates action plans for localising and eliminating the consequences of accidents, which take into account changes in production processes and the organisational structure of the Company, national legislation, and also contain a description of production facilities, possible causes and the accident development scenarios, accident characteristics and injuries at such facilities. Each plan provides for the procedure for employees to act in emergency situations and the procedure for interaction with emergency services.

In case of an emergency, the Company notifies all concerned parties:

- regional department of the MES;
- population through regional television;

- employees of the Company's business-units through dispatch communications.

Each business-unit of the Company has certified voluntary fire brigades provided with specialised equipment and the necessary equipment. During the year, they are trained on actions to take in the event of a fire, fire at work or at home.

In the Company's divisions there are civil protection units for prompt response in the event of an emergency. They report to the Head of the business-unit. Government entities under the MES on a contract basis provide constant additional support to the structural business-units of the Company, particularly:

- the fire stations (FS) carry out the prevention and combating of fires;
- The radiation, chemical and biological (bacteriological) protection group (RCB(b)Z) of the rescue team

of the Regional Emergency Situations Department cooperates in localizing and eliminating the consequences of a spill of harmful substances.

Conducting emergency preparedness exercises at Navoiyuran SOE is crucial to ensure readiness and effectiveness in responding to potential crises or natural disasters. These exercises allow employees to practice actions in emergency situations, test communication systems, and identify areas requiring improvement. By simulating various scenarios, the management of the Enterprise can assess its response capabilities, strengthen coordination between teams, and minimise the impact of emergencies on personnel, operations, and surrounding communities.

In 2022, on November 3, exercises were conducted on the topic: Actions of the managerial and personnel formed in the geotechnological mine No. 2, at the Zafarabad mining Management during the localisation and elimination of the consequences of the spill of hazardous substances following severe earthquakes at the leaching solutions processing site. A total of 90 personnel from the mining management and 5 units of equipment were involved. The State Emergency Situations Department (SES) of the Konimekh district also participated in the exercises. The results of the exercises were positively evaluated, and it was noted that the formed personnel are ready and competent to perform the assigned tasks.

## PLANS FOR THE FORTHCOMING PERIODS:

- Keep records/statistics on fatalities among contractors and employees working on a contract basis.
- Carefully monitor the preparation of a list of employees subject to medical examination, by business-units.
- On a regular basis, together with representatives of the Trade Union Committee for Occupational Health and Safety and Strengthening Discipline in the Workplace, organise large-scale inspections and take appropriate measures to address shortcomings identified during inspections.
- Organise training and sharing of skills on occupational health and safety at mining and processing enterprises in foreign countries.
- Continue to implement the international standard ISO 45001:2018 Occupational Health and Safety Management System at all stages of uranium production, as well as obtain international certificates in this area at all business-units of the Company.
- Carry out preventive activities to prevent workplace injuries in each department based on schedules approved by local OHS specialists participating in the process of setting tasks for the safe performance of work every day (every shift) in the area and section of the workshop in which the safety of equipment should be ensured for employees to conduct advocacy activities regarding their unconditional adherence to the rules and the constant proper use of personal protective equipment during work.
- Draw up additional measures for certification of employees and management.
- Conduct an audit by an independent certified company for compliance with international standards ISO 45001:2018, 14001:2015, 9001:2015.
- Develop advanced training programmes for employees: implement comprehensive training programmes for employees at all levels to improve safety awareness, hazard identification skills, and emergency response capabilities. This may include specific training in radiation safety, confined space entry, and emergency evacuation procedures.
- Develop detailed emergency response plans that describe procedures for various types of incidents, including fires, explosions, chemical spills, and radiation emissions. These plans should include roles and responsibilities, evacuation procedures, communication protocols, and coordination with external emergency services.

# KEY TRANSFORMATION PROJECTS



## KEY TRANSFORMATION PROJECTS

- Taking actions towards the implementation of IFRS, including preparation for the revaluation of company assets according to the international JORC standards.
- Implementation of a mechanism to ensure compliance with environmental requirements, environmental protection, prudent use of water in accordance with international standards of occupational health and safety when carrying out geological research operations on uranium mining and extraction.
- Attracting international audit firms to audit the financial statements prepared in accordance with IFRS.
- Developing a development strategy for the Enterprise and a program to increase operational efficiency until 2030.
- Attracting foreign specialists to managerial positions and independent members of the Supervisory Board of Navoiyuran SOE.
- Taking measures to implement a grading system by developing the "Development of managerial staff capabilities" program and a modern organizational structure of the Enterprise, involving a prestigious foreign recruiting organization.
- Implementation of ERP system that will comprehensively cover finance, procurement, personnel, warehouses, and exports, as well as enhance the digital system for monitoring stages of uranium extraction, preliminary and final processing (SCADA).



- Implementation, in collaboration with recruiting agencies, of a job evaluation system to enhance the Enterprise's human resource potential;
- Joint development with consulting firms of Enterprise Development Strategies until 2030;
- Organisation of efforts to improve operational efficiency and conduct technical audits of the enterprise based on recommendations from foreign consultants;
- Introduction and adoption of measures for regular improvement of environmental, social, and corporate governance (ESG) principles in accordance with recommendations from international rating agencies;
- Collaborative improvement with consulting firms of staged assessments of uranium reserves in accordance with international standards;
- Reorganisation and conduct of forensic audits of procurement systems, as well as enhancing the efficiency of the Enterprise's anti-corruption systems;
- Gradual transition to international standards and conducting financial statement audits by internationally recognized audit firms;
- Full digitization of calculations, procurement, HR processes, storage, export management, as well as stages of uranium extraction, primary and final processing.

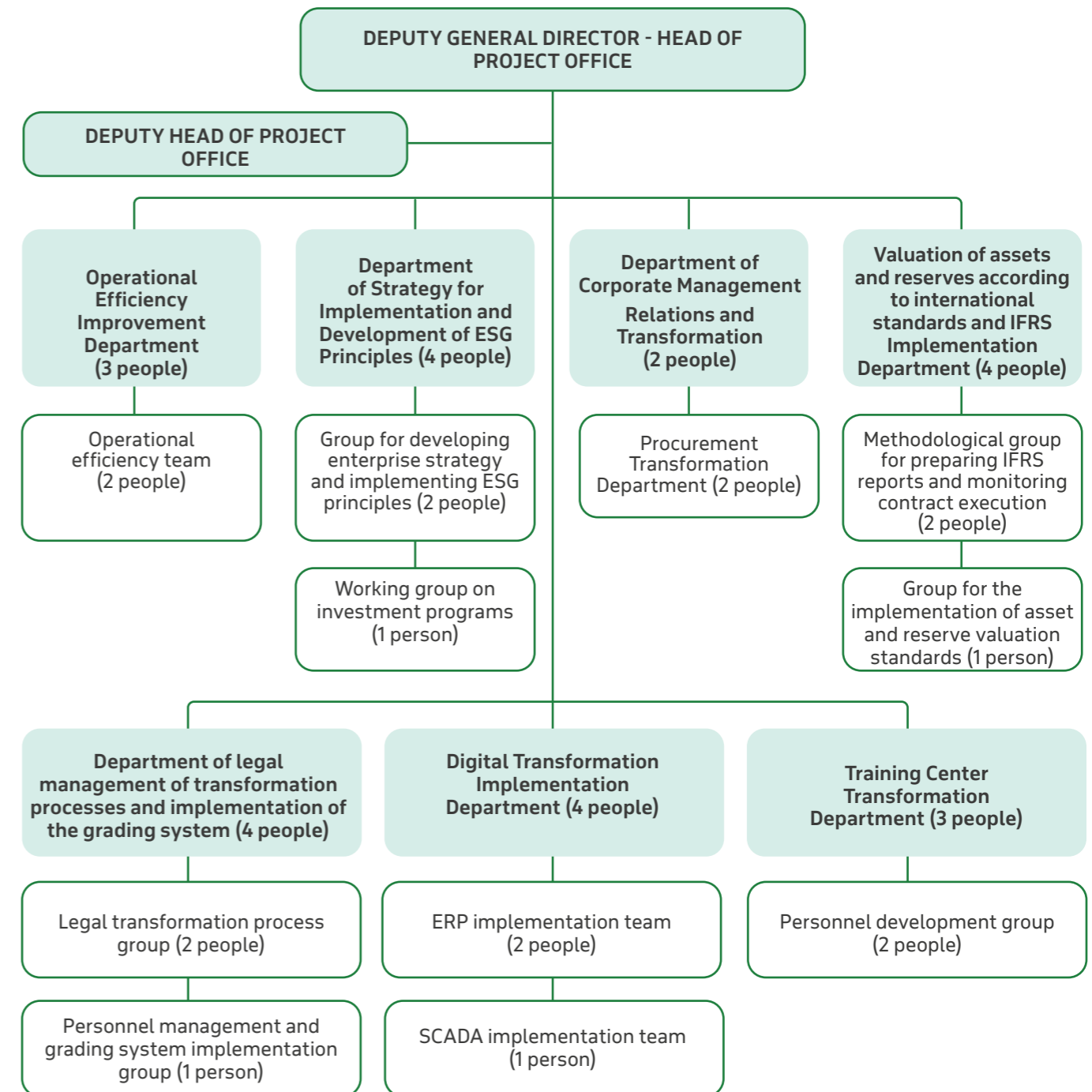
Based on the aforementioned tasks at the Company, the following structure of the Project Office has been formulated:

In Navoiyuran SOE, a Project Office has been established in accordance with the Decree of the President of the Republic of Uzbekistan dated July 14, 2022, No. DP-319 On measures to increase uranium production, processing, and transformation of the state owned enterprise Navoiyuran in 2022–2030.

According to Decree DP-319 dated July 14, 2022, the Project Office is tasked with the following:

- Development of a modern organizational structure for the Enterprise and collaboration with foreign recruiting agencies to attract independent members to the Supervisory Board, and highly qualified specialists with international experience to managerial positions;
- Collaborative development with recruiting agencies and Orano Mining Company (France) of a program for Development of Management Personnel Skills, as well as organising employee training programs at leading foreign educational institutions and companies on a systematic basis;

### STRUCTURE OF SOE «NAVOIYURAN» THE PROJECT OFFICE





## INFORMATION SECURITY

### GUIDING DOCUMENTS VALID IN 2022:

- The Law of the Republic of Uzbekistan On Cybersecurity dated 15 April 2022 No. ZRU-764;
- Information Security Policy of Navoiyuran SOE;
- Decree of the President of the Republic of Uzbekistan dated June 15, 2020 No. UP-6007 "On measures to implement the State system for the protection

of information systems and resources of the Republic of Uzbekistan";

- Resolution No. PP-4751 dated June 15, 2020 "On additional measures to further improve the cybersecurity system in the Republic of Uzbekistan".

In today's interconnected digital world, information security is paramount to ensuring the integrity, confidentiality, and availability of sensitive data throughout our mining operations. At Navoiyuran SOE, we recognize the critical importance of protecting our information assets from emerging cyber threats and vulnerabilities.

Due to the transformation of the Company into a separate enterprise, since 1 January 2022, the Company has adopted and approved internal regulatory documents on ensuring information security, which included the Navoiyuran SOE Information Security Policy. All employees of the Company are required to familiarise

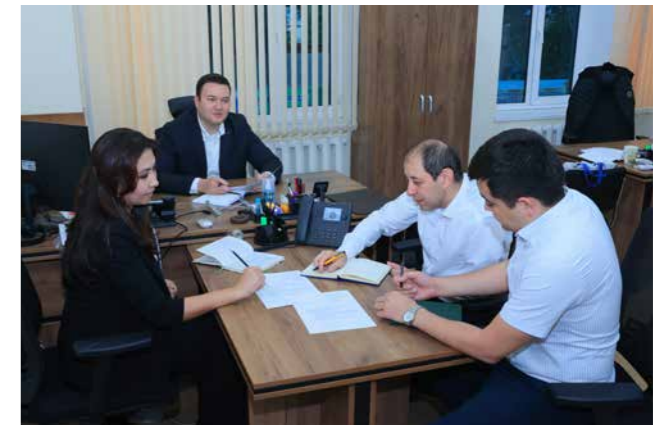


themselves with this Policy by e-mail and go through the registration process in the internal system according to online applications upon completion of familiarisation.

An important aspect of the Company's activities is information security training, which highlights its commitment to protecting assets, improving stakeholder trust, and achieving long-term sustainability goals.

In accordance with the Company's internal procedures, employees are trained based on submitted applications. In 2022, no applications were received from the Information Security Department since the department employee development plans were formed individually by areas for future applications in 2023.

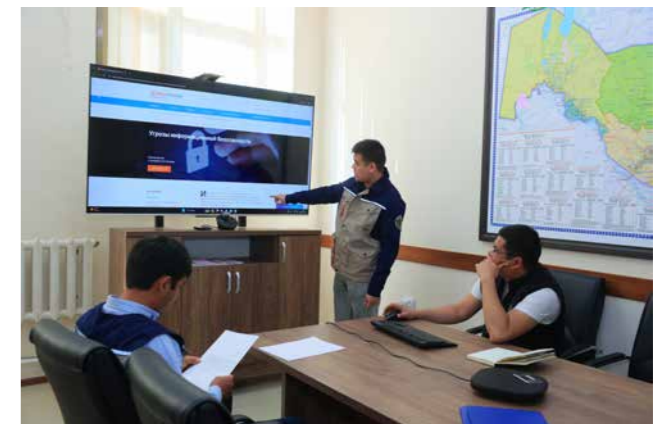
As part of technical support and data protection, the Company uses firewalls to ensure the security of the network perimeter. These firewalls can be standalone devices or integrated into other components of the network infrastructure. The Company also provides a Business Continuity Plan and incident response procedures.



The Information Security Department keeps an electronic log of cyber attacks and incidents, and in the case of incidents, an internal investigation is carried out jointly with the Commission in the event of a data leak. Inspections may also be initiated by the Company's management or a third-party consultant. Stress and pen tests are carried out on a regular basis, as well as annual data analysis checks in accordance with the State programme. There were no confirmed cases of data protection violations recorded in 2022.

### PLANS FOR THE FORTHCOMING PERIODS:

- Introduction of the international standard ISO 27001:2022 followed by employee training.
- Conducting a thorough assessment/audit of the Company's current cybersecurity status, including systems, processes, and vulnerabilities.
- Developing mechanisms and/or process regulations to prevent IT system failures and cyber-attacks, as well as taking measures to respond in case of such events.
- Developing detailed, comprehensive training and awareness programmes for all employees on cybersecurity best practices and their role in protecting the Company's assets.
- Involvement of third parties to assess and monitor the cybersecurity status of suppliers, contractors, and partners, including in accordance with international ISO standards.
- Conducting table-top exercises and simulating cyber-attack scenarios to test the effectiveness of response procedures and identify areas for improvement.





## ABOUT THE REPORT

GRI 2-3, 2-14

Navoiyuran SOE brings to your attention the 2022 Sustainability Report addressed to a wide range of stakeholders. The document details the Company's activities and achievements in the field of sustainability. The 2022 Report was the first separate Sustainability Report in the history of the Company. From now on, it is planned to provide public non-financial reporting on an annual basis.

The Report has been prepared in accordance with the Global Sustainability Reporting Initiative Standards (GRI Standards), and it reflects progress made in contributing to the UN Sustainable Development Goals. The application of these standards and the index of GRI standard elements are published in Appendix 1 of the Report.

The process of preparing the Report and disclosing material topics is coordinated by the Company's ESG principles implementation and the Company's strategy development Department with the involvement of interested business-units. The review and final approval of the Report is carried out by the Supervisory Board.

The Company's 2022 Sustainability Report reflects the Company's key economic, social, and environmental activities in the context of sustainable development during the period from 1 January to 31 December 2022. The Report covers the activities of the Company, including its business-units.

Given the transformation of the Company into a separate enterprise from 1 January 2022, the indicators in the Report are presented only for 2022. The events that occurred before or after the reporting period may be mentioned in the Report. This has been done to provide more detailed information.

In terms of financial performance, the document was prepared based on data from the financial statements, which were prepared in line with NAS standards for the 12 months of 2022.



## REPORTING BOUNDARIES

GRI 2-2

Information on sustainable development presented in the Report relates to the activities of Navoiyuran SOE and its business-units.

In other cases, when the reporting boundaries for certain indicators differ from those described above, information about the business-units included in the reporting boundaries is provided additionally in the text of the Report.

In the Report, Navoiyuran SOE, «The Company», «The Enterprise» should be understood as Navoiyuran SOE and the number of structural divisions/business-units being part of the Company. Unless otherwise specified, the terms Company, Enterprise and Navoiyuran SOE mean Navoiyuran SOE and the business-units within the Company.



## INDEPENDENT ASSURANCE

GRI 2-5

The procedure for external certification of the 2022 Sustainability Report has not been performed. However, the Company recognises the importance of external

assurance of sustainability information and is considering the possibility of verifying non-financial information in the future.

## PRESENTATION CURRENCY

The national currency of the Republic of Uzbekistan is Uzbek soum, which is the Company's functional currency. This Report has been presented in USD.

The results whose functional currency is different from the presentation currency are translated into presentation currency using the following procedures:

- assets and liabilities were translated at the closing reporting rate at the date;

- income and expenses, investments done during the year were translated at average rate;
- all other individual operations were translated at rate at the date of their actual realisation.

The Company applied the following exchange rates to translate into presentation currency using the above procedures:

### SUM VS. USD

|                             |           |
|-----------------------------|-----------|
| Average rate for 2022       | 11 045.70 |
| Rate as at 31 December 2022 | 11 225.46 |





# APPENDICES

## APPENDIX 1. GRI INDICATOR TABLE

| Indicator index                        | Indicator  | Page of the Report | Sections of the Report  | Comments   |
|--|--|--------------------|---|--|
| <b>GENERAL REPORTING TOPICS</b>        |  |                    |   |  |
| <b>GRI 2: General Disclosures 2021</b> |  |                    |   |  |
| 2-1                                    | Organisational details   | pg. 4, 118         | About the Company   | The Company is headquartered in the City of Navoiy (Republic of Uzbekistan)  |
| 2-2                                    | Entities included in the organisation's sustainability reporting           | pg. 4, 10, 106     | About the Company   |  |
| 2-3                                    | Reporting period, frequency and contact point                              | pg. 106,           | About the Report  |  |
| 2-5                                    | External assurance   | pg. 107            | Independent Assurance   |  |
| 2-6                                    | Activities, value chain and other business relationships                   | pg. 24, 25         | Procurement Practices, Procurement and Supply Chain Structure | The Company does not produce products or services that are prohibited in certain markets. There were no significant changes in the supply chain during the reporting period. |
| 2-7                                    | Employees  | pg. 73             | Human Capital Management                                      | The Company does not practise irregular or temporary employment.   |
| 2-9                                    | Governance structure and composition                                       | pg. 40             | Corporate Governance  |  |
| 2-10                                   | Nomination and selection of the highest governance body                    | pg. 40, 44         | Corporate Governance  |  |
| 2-11                                   | Chair of the highest governing body  | pg. 40             | Corporate Governance  |  |
| 2-12                                   | Role of the highest governing body in overseeing the management of impacts | pg. 28             | Sustainability Management                                     |  |
| 2-14                                   | Role of the highest governing body in sustainability reporting             | pg. 106            | About the Report  |  |
| 2-15                                   | Conflicts of interest  | pg. 48             | Corporate Governance, Business Ethics                         |  |

| Indicator index                        | Indicator   | Page of the Report | Sections of the Report  | Comments |
|--|---|--------------------|---|----------|
| 2-16                                   | Communication of critical concerns                          | pg. 48             | Corporate Governance, Business Ethics                                   |          |
| 2-18                                   | Evaluation of the performance of the highest governing body | pg. 40             | Corporate Governance  |          |
| 2-19                                   | Remuneration policy   | pg. 40             | Corporate Governance  |          |
| 2-20                                   | Process to determine remuneration                           | pg. 40             | Corporate Governance  |          |
| 2-22                                   | Statement on sustainable development strategy               | pg. 2              | Statement from the General Director                                     |          |
| 2-26                                   | Mechanisms for seeking advice and raising concerns          | pg. 48             | Corporate Governance, Business Ethics                                   |          |
| 2-27                                   | Compliance with laws and regulations                        | pg. 48             | Corporate Governance, Business Ethics                                   |          |
| 2-28                                   | Membership associations                                     | pg. 4, 37          | About the Company, Membership associations                              |          |
| 2-29                                   | Approach to Stakeholder Engagement                          | pg. 36             | Sustainability Management, Stakeholder Engagement                       |          |
| 2-30                                   | Collective bargaining agreements                            | pg. 73, 76         | Human Capital Management, Social Support for Employees                  |          |
| <b>GRI 3: General Disclosures 2021</b> |   |                    |   |          |
| 3-1                                    | Process to determine material topics                        | pg. 34             | Sustainability Management, Material Topics                              |          |
| 3-2                                    | List of material topics                                     | pg. 34             | Sustainability Management, Material Topics                              |          |
| 3-3                                    | Management of material topics                               | pg. 55             | Environmental Responsibility, Occupational Health and Safety Management |          |
| <b>MATERIAL TOPICS</b>                 |   |                    |   |          |
| <b>GRI 200: Economic 2016</b>          |   |                    |   |          |
| 201-1                                  | Direct economic value generated and distributed             | pg. 16             | Overview of Financial Performance                                       |          |

| Indicator index                    | Indicator  | Page of the Report | Sections of the Report                                   | Comments  |
|------------------------------------|--|--------------------|--|---|
| 201-3                              | Defined benefit plan obligations and other retirement plans                  | pg. 76             | Personnel Social Support Policy                          |   |
| 201-4                              | Financial assistance received from the government                            | pg. 18             | Tax Policy   |   |
| 202-1                              | Ratios of standard entry-level wage by gender compared to local minimum wage | pg. 79             | Relations between Labour and Management                  |   |
| 203-1                              | Infrastructure investments and services supported                            | pg. 88             | Contributing to Social Development, Regional Development |   |
| 204-1                              | Proportion of spending on local suppliers                                    | pg. 24             | Procurement Practices                                    |   |
| 205-1                              | Operations assessed for risks related to corruption                          | pg. 48, 50         | Corporate Governance, Business Ethics                    |   |
| 205-2                              | Communication and training about anti-corruption policies and procedures     | pg. 40, 50         | Corporate Governance, Anti-Corruption                    |   |
| 207-1                              | Approach to tax  | pg. 18             | Tax Policy   |   |
| <b>GRI 300: Environmental 2016</b> |  |                    |  |   |
| 302-1                              | Energy consumption within the organisation                                   | pg. 58, 59         | Climate Change, Energy Management                        | The Company uses RESs to generate electricity. STP generates electricity only to produce sulphuric acid.                    |
| 302-3                              | Energy intensity   | pg. 60             | Climate Change   |   |
| 302-4                              | Reduction of energy consumption  | pg. 61             | Reduction of Energy Consumption                          |   |
| 303-1                              | Water and Effluents  | pg. 64             | Water Resource Management                                | The Company uses only the kinetic energy of water to generate electricity without affecting the quality of water resources. |
| 303-2                              | Management of water discharge-related impacts                                | pg. 65             | Water Resource Management                                |   |
| 303-3                              | Water withdrawal   | pg. 65             | Water Resource Management                                |   |
| 303-4                              | Water discharge  | pg. 66             | Water Resource Management                                |   |
| 303-5                              | Water consumption  | pg. 66             | Water Resource Management                                | The Company does not draw water from water-stressed regions.  |

| Indicator index             | Indicator   | Page of the Report | Sections of the Report                                    | Comments   |
|-----------------------------|---|--------------------|---|--|
| 304-1                       | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | pg. 69             | Biodiversity Conservation                                 |  |
| 304-2                       | Significant impacts of activities, products and services on biodiversity  | pg. 69             | Biodiversity Conservation                                 |  |
| 305-1                       | Direct (Scope 1) GHG emissions  | pg. 62             | Greenhouse Gas Emissions                                  | The Company quantified direct GHG emissions from mobile fuel combustion. The Company does not generate biogenic CO2 emissions.                     |
| 305-2                       | Energy indirect (Scope 2) GHG emissions)  | pg. 62             | Greenhouse Gas Emissions                                  |  |
| 305-4                       | GHG emissions intensity   | pg. 62             | Greenhouse Gas Emissions                                  |  |
| 305-7                       | Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions.   | pg. 64             | Promoting Air Quality                                     | The Company has no emissions of persistent organic compounds, solids, volatile organic compounds or hazard class 1 substances into the atmosphere. |
| 306-2                       | Management of significant waste-related impacts   | pg. 66             | Waste Management  |  |
| 306-3                       | Waste generated   | pg. 66             | Waste Management  |  |
| 306-4                       | Waste diverted from disposal  | pg. 66             | Waste Management  |  |
| <b>GRI 400: Social 2016</b> |   |                    |   |  |
| 401-1                       | New employee hires and employee turnover  | pg. 73             | Personnel Composition                                     |  |
| 401-3                       | Parental leave  | pg. 73, 76         | Human Capital Management, Personnel Social Support Policy |  |
| 402-1                       | Minimum notice periods regarding operational changes  | pg. 82             | Human Capital Management                                  |  |
| 403-1                       | Occupational health and safety management system  | pg. 92             | Occupational Health and Safety Management                 |  |

| Indicator index | Indicator   | Page of the Report | Sections of the Report   | Comments |
|-----------------|---|--------------------|--|----------|
| 403-2           | Hazard identification, risk assessment, and incident investigation  | pg. 92             | Occupational Health and Safety Management, Ensuring Occupational Health and Safety |          |
| 403-3           | Occupational health services  | pg. 92             | Occupational Health and Safety Management  |          |
| 403-4           | Worker participation, consultation, and communication on occupational health and safety                       | pg. 92             | Occupational Health and Safety Management  |          |
| 403-5           | Worker training on occupational health and safety   | pg. 94             | Ensuring Occupational Health and Safety  |          |
| 403-6           | Promotion of worker health  | pg. 94             | Ensuring Occupational Health and Safety  |          |
| 403-7           | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | pg. 92             | Occupational Health and Safety Management  |          |
| 403-8           | Workers covered by an occupational health and safety management system  | pg. 92, 94         | Occupational Health and Safety Management, Ensuring Occupational Health and Safety |          |
| 403-9           | Work-related injuries   | pg. 94             | Ensuring Occupational Health and Safety  |          |
| 404-1           | Average hours of training per year per employee   | pg. 83             | Employee Training and Development  |          |
| 404-2           | Programs for upgrading employee skills and transition assistance programmes                                   | pg. 83             | Employee Training and Development  |          |
| 405-1           | Diversity of governance bodies and employees  | pg. 40             | Diversity and Equal Opportunity, Personnel Composition                             |          |
| 405-2           | Ratio of basic salary and remuneration of women to men  | pg. 73             | Human Capital Management, Relations between Labour and Management                  |          |

| Indicator index | Indicator  | Page of the Report | Sections of the Report          | Comments |
|-----------------|--|--------------------|---------------------------------|----------|
| 407-1           | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | pg. 76             | Personnel Social Support Policy |          |
| 409-1           | Operations and suppliers at significant risk for incidents of forced or compulsory labour                      | pg. 48             | Business Ethics                 |          |
| 413-1           | Operations with local community engagement, impact assessments, and development programs                       | pg. 36             | Regional Development            |          |
| 415-1           | Political contributions  | pg. 48             | Business Ethics                 |          |

## APPENDIX 2. ACRONYMS AND ABBREVIATIONS

| Abbreviation/ Acronym | Full name   |
|-----------------------|---|
| JSC                   | Joint-Stock Company   |
| NPP                   | Nuclear Power Plant   |
| MRB                   | Mine rescue brigade   |
| RES                   | Renewable energy source                                     |
| GJ                    | Gigajoule   |
| SOE                   | State-Owned Enterprise                                      |
| EIS                   | Environmental impact statement                              |
| SEE                   | Statement of environmental effects                          |
| IPSA                  | Individual Pension Saving Account                           |
| IT                    | Information technology                                      |
| LSU                   | Local sorption units  |
| IAEA                  | International Atomic Energy Agency                          |
| MW                    | Megawatt  |
| IPCC                  | Intergovernmental Panel on Climate Change                   |
| IFRS                  | International Financial Reporting Standards                 |
| MES                   | Ministry of Emergency Situations                            |
| NAC                   | National Atomic Company                                     |
| NAS                   | National Accounting Standards of the Republic of Uzbekistan |
| EIA                   | Environmental Impact Assessment                             |
| OCPE                  | Office of the Chief Power Engineer                          |
| UN                    | United Nations  |
| OH&S                  | Occupational health and safety                              |
| GHG                   | Greenhouse Gases  |
| MPE                   | Maximum permissible emissions                               |
| MPW                   | Maximum permissible waste                                   |
| MPD                   | Maximum permissible discharges                              |
| STP                   | Steam turbine plant   |
| RoU                   | Republic of Uzbekistan                                      |
| MM                    | Mass media  |
| EPS                   | Environmental Protection Service                            |
| US                    | United States   |
| EMS                   | Environmental management system                             |
| SPS                   | Solution processing site                                    |

| Abbreviation/ Acronym | Full name                                      |
|-----------------------|--|
| SDG                   | Sustainable Development Goal                   |
| GRI                   | Global Reporting Initiative                    |
| IPO                   | Initial Public Offering                        |
| ISO                   | International Organization for Standardization |
| SASB                  | Sustainability Accounting Standards Board      |
| IPO                   | Initial Public Offering                        |
| ISO                   | International Organization for Standardization |
| SASB                  | Sustainability Accounting Standards Board      |

## APPENDIX 3. FEEDBACK FORM

GRI 2-1, 2-3

The Company is keen on receiving feedback from stakeholders to further improve approaches and increase the transparency of non-financial reporting.

If you have any questions regarding the information presented in the Report or would like to leave feedback, please contact the Company's representative office.

|                       |  |
|-----------------------|--|
| <b>Contact person</b> | <b>Sardor Murodov</b>                        |
| Telephone             | (+998 79) 507-00-50, (+998 79) 507-01-57     |
| Email                 | SM.Murodov@navoiyuran.uz, info@navoiyuran.uz |

### Navoiyuran State Owned Enterprise

**Location:** 7, Inspektorlar St, Navoiy city, Navoi region, Republic of Uzbekistan.



**NAVOIYURAN**  
STATE-OWNED ENTERPRISE