



**NAVOIYURAN**  
STATE-OWNED ENTERPRISE

# CREATING A **SUSTAINABLE FUTURE** WITH **PURE ENERGY**

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SUSTAINABILITY REPORT  
FOR 2023

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



*The 2023 Sustainability Report of the State-Owned Enterprise “Navoiyuran” is available in electronic format on the company’s website*





NAVOIYURAN  
STATE-OWNED ENTERPRISE

## Statement of the Chairman of the Supervisory Board – the Minister of Mining and Geology

Chairman  
of the Supervisory Board  
Minister of Mining Industry  
and Geology  
**Islamov Bobir  
Farkhadovich**



### Dear partners, colleagues and stakeholders,

It is with pleasure that I address you in the context of our aspirations for sustainable development, which our country so persistently pursues. Per the large-scale initiatives proclaimed in the Decree of the President of the Republic of Uzbekistan dated April 8, 2022, we are actively moving towards creating a stable and sustainable economy where growth is combined with concern for the environment and social well-being.

Our strategy is based on the principles of environmental responsibility, social justice and economic sustainability. We are focused on implementing the best ESG (environmental, social and corporate governance) practices, investing in innovative technologies and field expansion. These efforts not only further our environmental commitment, but also reduce our operating costs, reflecting our commitment to being responsible and creating a sustainable future.

### Corporate governance

We understand that the key to the success of the Company in achieving the goals set by the state lies in the measures taken and actions of corporate governance.

The Enterprise continues to follow the world's best Corporate Governance practices and implements measures to strengthen and continuously develop the system both within the Enterprise itself and in relation to external communications with stakeholders in order to increase the value of the Enterprise both in the state and global markets.

Our management structure includes:

- The Sole Founder (shareholder) is the Ministry of Economy and Finance of the Republic of Uzbekistan, responsible for public policy and effective asset management.
- The Supervisory Board approves the development strategy and controls the activities of the executive body.
- The CEO, who manages day-to-day operations and implements strategic initiatives.

- These elements ensure the transparency, efficiency and competitiveness of our Enterprise in domestic and international markets.

We are confident that thanks to well-coordinated work and constant improvement of corporate governance, our Enterprise will achieve long-term success and sustainable development.

### Advanced technologies in production

Our Company prides itself on using advanced technology in its manufacturing process. We use efficient methods for mining and processing uranium, which allows us to achieve the highest standards of quality and safety. Modern technologies not only increase production efficiency but also significantly reduce its impact on the environment. This is part of our commitment to sustainability and environmental responsibility.

### Innovation and production

Innovation has always been and remains the focus of our Company. We invest in research and development to find new solutions to improve production processes. Our engineers and scientists work to create and implement advanced technologies that allow us to be industry leaders. Innovation in uranium production ensures high competitiveness in the global market and helps us meet the growing needs of our customers.

### Stability of sales and production prospects

Stability of sales is an important indicator of the success of our Enterprise. We strive for long-term partnerships with our customers, providing a stable supply of high-quality uranium. Global and industry forecasts inspire confidence: the demand for uranium continues to grow and our company is ready to meet this challenge. We are planning to expand our production capacity, which will allow us to increase production volumes and strengthen our position in the international market.



**Development prospects.**

Looking to the future is encouraging. We see great prospects for further growth and development. Our goal is to become the world's leading supplier of uranium, providing energy to thousands and millions of people worldwide. To achieve this goal, we will continue to invest in new technologies, develop scientific capabilities and maintain high quality and safety standards.

**Nuclear safety**

As a leading industrial enterprise in the Republic of Uzbekistan, the State-Owned Enterprise "Navoiyuran" attaches great importance to the implementation of international agreements and ensuring nuclear safety. We recognise the importance of the sustainable development goals approved by the UN General Assembly.

The Republic of Uzbekistan, as a full member of the UN, actively participates in the activities of the International Atomic Energy Agency (hereinafter referred to as the "IAEA"), seeking to implement treaties, agreements and conventions aimed at ensuring nuclear safety. SOE "Navoiyuran", being a state State-Owned Company, is responsible for its actions in this area and strictly complies with government agreements.

I would like to express my gratitude to all the employees of our Company for their hard work and dedication. Your efforts and professionalism are the key factors of our success. I also thank our partners and clients for their trust and cooperation. We are confident that together, we will be able to reach even greater heights and significantly contribute to the development of the uranium industry of the Republic of Uzbekistan.

**Best regards,**

Chairman of the Supervisory Board  
Minister of Mining Industry and Geology  
Islamov Bobir Farkhadovich







**NAVOIYURAN**  
STATE-OWNED ENTERPRISE

## Statement of the General Director

GRI 2-22

General Director  
**Fayzullaev Djama  
Sabakhonovich**



### Dear partners, colleagues and stakeholders!

We are introducing to you our Sustainability Report (hereinafter referred to as the "Report") for 2023 of the State-Owned Enterprise "Navoiyuran" (hereinafter referred to as the State-Owned Enterprise "Navoiyuran" or the "Enterprise"). This document discloses information about the approaches, achievements and plans of the Company in the field of social and environmental responsibility. During the reporting period, the Company continued to move towards the development of sustainable practices.

The activities of the State-Owned Enterprise "Navoiyuran" at all stages of creating added value significantly contribute to the well-being and development of present and future generations. The development strategy of the Company is aimed at increasing production volumes, entering international financial markets, developing new deposits and expanding enrichment capacities. Currently, the Company is actively implementing seven promising investment projects focused on the exploration and development of new fields.

In 2023, the Company achieved positive operational and financial results, maintaining its status as a responsible manufacturer. Thanks to the united work of all employees of the State-Owned Enterprise "Navoiyuran", the production and sale of uranium oxide in 2023 increased by 14% compared to 2022.

Net income in 2023 was USD 226 million. The Company also paid USD 104 million in taxes to the state budget, thereby making a significant contribution to the socio-economic development of the country as a whole and the regions where it operates.

### Human capital management

Employees are the most valuable asset in the structure of the State-Owned Enterprise "Navoiyuran". Today, the number of personnel of the Company exceeds 8.9 thousand people, whose development and well-being are the focus of transformation and strategic plans.

Successful business promotion directly depends on the ability to attract and retain highly qualified professionals. To stimulate staff motivation and retain key personnel, the Company implements a variety of training and development programmes. Additionally, the Company

offers a competitive remuneration system and a wide range of social benefits and support programmes.

The company strives to create comfortable and inclusive working conditions, where every employee can freely express their thoughts and propose various initiatives.

### Production safety

The company attaches high importance to ensuring labour protections, safety and health in the workplace, which is confirmed by the annual improvement of the management system in the field of occupational health and safety (hereinafter referred to as "OH&S"). At the same time, a strategy to improve safety culture among personnel is being actively promoted. In the reporting period, the total number of occupational injuries was 10 cases, of which there were no fatalities. The company is developing and improving its approach to reducing occupational injuries. Since 2022, the Company has worked to develop and implement an IMS in the field of health and safety at work in accordance with the requirements of the international standard ISO 45001:2018.

The organisation annually allocates significant resources to implement comprehensive measures to maintain its employees' health and well-being. Thus, in 2023, total expenses, including personal protective equipment, medical and preventive nutrition, and household appliances purchased for employees, amounted to USD 3.7 million.

### Supporting regions of presence

The Company's management adheres to a strategy of active participation in developing local communities and consider this an important commitment. Our Company actively interacts with its external social environment and significantly contributes to the socio-economic development in the regions where we operate. We implement a variety of programmes and initiatives aimed at supporting and expanding the potential of local communities.

The main areas of our investments are development of social infrastructure and the urban environments, support for mass and children's sports, education, improving the quality of services provided, as well as



healthcare and other aspects that help improve the lives of the population.

**Environmental protection**

The rational use of natural resources remains an invariably important aspect of the activities of the State-Owned Enterprise "Navoiyuran". In 2023, the total greenhouse gas emissions from the Company's activities amounted to 49,398 tonnes of CO<sub>2</sub> equivalent (in 2022: 65,103 tonnes of CO<sub>2</sub> equivalent). Reducing greenhouse gas emissions by 36% is a significant achievement that was achieved through the implementation of a set of measures to improve technical equipment and technological processes. State-Owned Enterprise "Navoiyuran" actively strives to reduce greenhouse gas emissions and takes all possible measures to achieve this goal.

**Nuclear safety**

Nuclear safety is our top priority. It covers all aspects of our work, from the extraction of uranium ore to the processing and transportation of nuclear materials. Our entire team clearly understands that failure to comply with safety standards and regulations can lead to catastrophic consequences for both people and the environment. We not only comply with all national and international nuclear safety standards, but also strive to improve them continuously.

We strive to achieve outstanding results in every area of sustainability by reviewing and implementing the best practices in corporate governance. Our goal is to earn the trust and respect of all stakeholders, including local communities, global partners and investors through maximum efforts.

On behalf of our Company, I express my gratitude to every employee and partner for their contribution to our success on the path to sustainable development!

**Best regards,**  
  
General Director  
Fayzullaev Djamal Sabakhonovich







# STATE-OWNED ENTERPRISE "NAVOIYURAN"

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

State-Owned Enterprise "Navoiyuran" (hereinafter – SOE "Navoiyuran", the Enterprise 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 Company had begun its operations on 1 January 2022 in Navoiy, Republic of Uzbekistan.

From January 2022 to March 2023, the founder of the Company was the Agency for State Assets Management of the Republic of Uzbekistan. From March 2023 to August 18, 2023 – Agency for Strategic Reforms. Since August 18, 2023 and up to the present day the Ministry of Economy and Finance of the Republic of Uzbekistan has been the founder of the Enterprise.

The main units:

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

The Company's core activities are as follows:

- Natural uranium mining and processing it into  $U_3O_8$  oxide;
- Export sales of uranium oxide  $U_3O_8$ ;
- Associated extraction of rhenium from stripping solutions with the production of finished products of ammonium perrhenate  $NH_4ReO_4$  of AR-0 grade;

- Production of sulphuric 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.

The primary goal of establishing SOE "Navoiyuran" is the extraction of natural uranium in the Kyzylkum region of the Republic of Uzbekistan and the export of uranium oxide. SOE "Navoiyuran" is the only producer of natural uranium in the Republic of Uzbekistan and is one of the largest uranium producers in the world. The produced uranium is not used in the Republic of Uzbekistan and is fully exported abroad to large international corporations. Product recipients of our uranium oxide include 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), etc.

Currently, the Enterprise is involved in developing of 18 uranium deposits, and it is planned to develop 4 more deposits in 2023–2026. Today, the main confirmed, estimated and predicted uranium reserves are concentrated in the Central Kyzylkum and Ziyavutdin-Zirabulak regions.

The stable increase in uranium prices allows for the development of unconventional deposits contained in ancient bedrock and rich in a complex of rare earth elements in addition to uranium.

## 2023 KEY INDICATORS

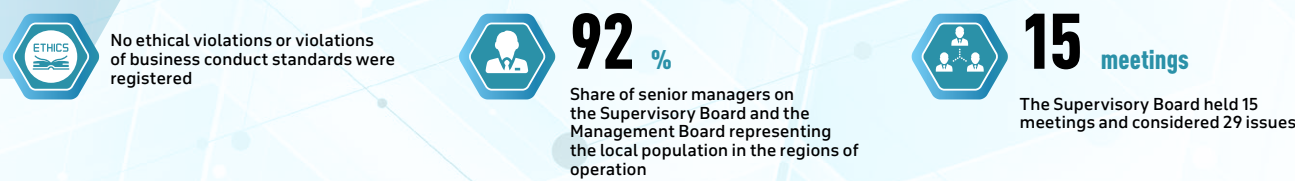
### ENVIRONMENTAL INDICATORS



### SOCIAL INDICATORS



### CORPORATE GOVERNANCE



### ECONOMIC INDICATORS





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## ABOUT STATE-OWNED ENTERPRISE "NAVOIYURAN"

### OUR MISSION AND STRATEGY



#### MISSION

We are committed to meeting the world’s growing energy demand by supporting the transition to a low-carbon economy. Our Company sees its mission in the development and supply of uranium resources that are critical.

In this regard, developing uranium deposits, creates 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.



#### STRATEGIC GOALS



Focus on core activities



Apply best business practices



Streamline production, processing and sales volumes based on market conditions



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

Since the beginning of 2020, we have begun modernising our production facilities, introducing new equipment and updating technological processes. We plan to expand our uranium complex and develop new deposits until 2030. 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.

One of the key benefits of nuclear power is its ability to produce significant amounts of electricity with minimal carbon emissions, meeting high standards

of environmental responsibility. Unlike coal, oil and natural gas, which release significant amounts of CO<sub>2</sub> and other greenhouse gases into the atmosphere, uranium produces extremely low levels of pollutants. This positions nuclear power as one of the cleanest baseload energy sources, providing a stable and continuous supply of electricity without negatively impacting air quality or contributing to global warming.

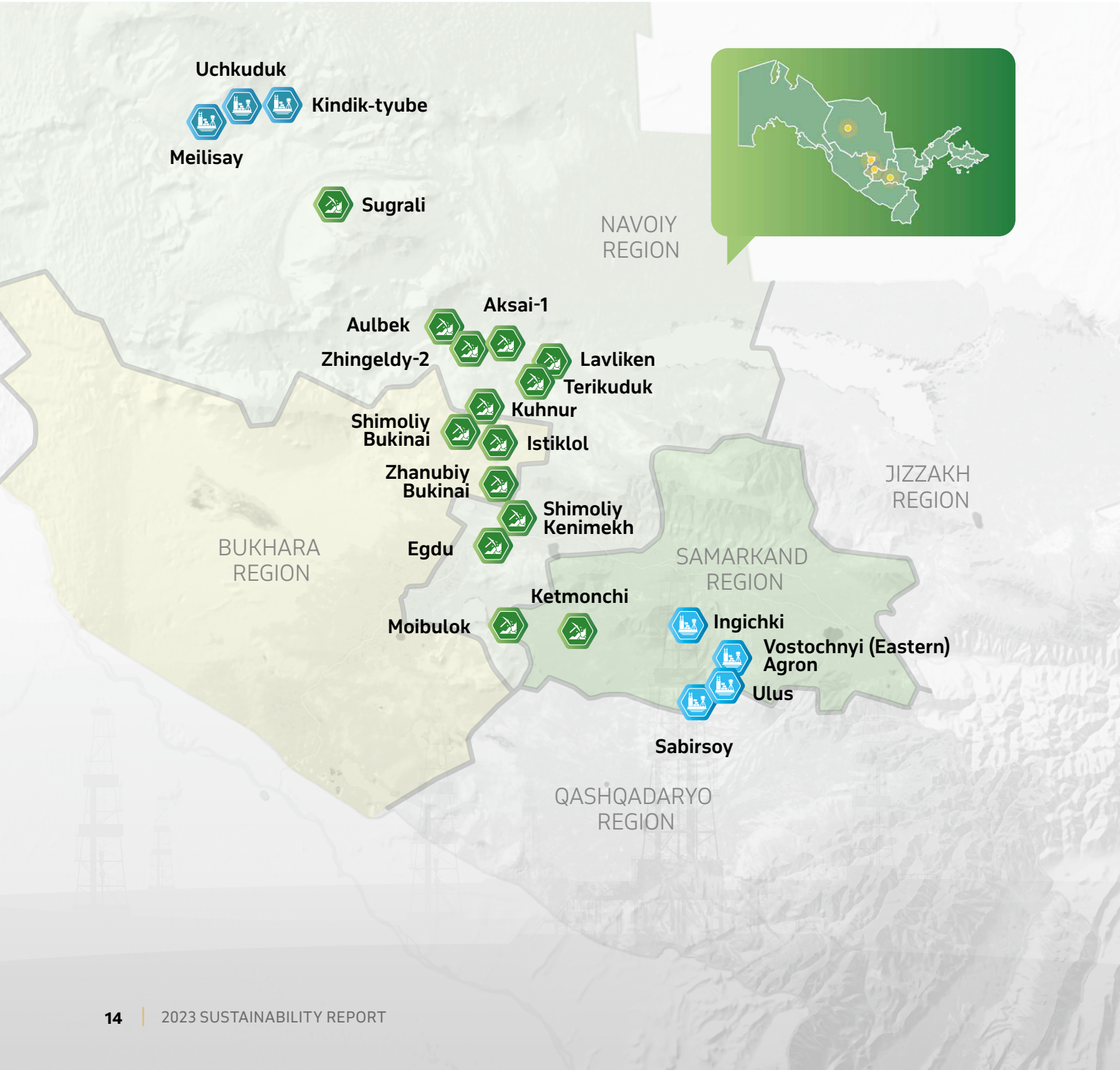
Being a reliable, scalable and clean source of electricity, nuclear energy can play a key role in reducing greenhouse gas emissions, improving energy security and supporting the global fight against climate change.



# GEOGRAPHY OF OPERATIONS

GRI 2-2


The company is the only manufacturer and mining enterprise in the uranium mining industry in the Republic of Uzbekistan and operates in key regions of the country, including Navoiy, Samarkand and Bukhara regions. The organisational structure of the Enterprise includes not only uranium mining, but also research and design areas.



Deposits	Location	Mining/finished products, tonnes
<b>ZAFARABAD MINING PLANT ADMINISTRATION</b>		
The main division of the State-Owned Enterprise "Navoiyuran", the Zafarabad Mining Plant Administration, was formed in 1971. The mine administration is located on the territory of Navoiy and Bukhara regions. The plant administration includes geotechnological mines № 1, 2, 3, 4, a mechanical repair shop, a central physical and chemical laboratory, an electrical networks and substations shop, an automobile depot No. 6, a technical control service and a construction site.		
Shimoliy Kenimekh deposit	Navoiy region, Republic of Uzbekistan	510.4
Shimoliy Bukinai deposit	Navoiy region, Republic of Uzbekistan	239.7
Zhanubiy Bukinai deposit	Navoiy region, Republic of Uzbekistan	462.8
Aulbek deposit	Navoiy region, Republic of Uzbekistan	290.8
Kuhnur deposit	Bukhara region, Republic of Uzbekistan	206.9
Istiklol deposit	Navoiy region, Republic of Uzbekistan	2.2
Zhingeldy deposit	Bukhara region, Republic of Uzbekistan	208.2
Terikuduk deposit	Navoiy region, Republic of Uzbekistan	99.1
Sugrali deposit	Navoiy region, the Republic of Uzbekistan	767.3
Zhanubiy Sugrali deposit	Navoiy region, Republic of Uzbekistan	68.8
Lavliken deposit	Navoiy region, Republic of Uzbekistan	–
Aksai field	Samarkand region, Republic of Uzbekistan	106.5
Egdu deposit	Navoiy region, Republic of Uzbekistan	92.7
Ketmonchi deposit	Navoiy region, Republic of Uzbekistan	16.0
Moibulok deposit	Samarkand region, The Republic of Uzbekistan	16.3
Uchkuduk deposit	Navoiy region, Republic of Uzbekistan	69.9
Meilisay deposit	Navoiy region, Republic of Uzbekistan	21.9



Deposits	Location	Mining/finished products, tonnes
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### UCHKUDUK PRODUCTION SITE

The Uchkuduk production site is located in the northern part of the Navoiy region.

It is noteworthy that the implementation of uranium mining using the method of underground in-situ recovery began for the first time in the history of the Republic of Uzbekistan at this site in 1962. Today, production is carried out at three fields with the constant attraction of new territories: Uchkuduk, Meilisay and Kindik-tube. The structure includes a geotechnological mine and a sulphuric acid production workshop.

Kindik-tyube deposit	Navoiy region, Republic of Uzbekistan	209.9 + 46.9 (reclamation sites)
Vostochnyi (Eastern) Agron Deposit	Samarkand region, Republic of Uzbekistan	348.2
Sabirsoy deposit	Samarkand region, Republic of Uzbekistan	–



### NURABAD PRODUCTION SITE

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

Since 2000, with the introduction of new technologies for mining carbonate ores and as a result of the modernisation of technological and auxiliary equipment, the geotechnological mine has been refining the reserves of the Sabirsoy deposit ("recovery of losses").

Ulus deposit	Samarkand region, Republic of Uzbekistan	7.8
Ingichki deposit	Samarkand region, Republic of Uzbekistan	309.4
Shimoliy Kenimekh deposit	Navoiy region, Republic of Uzbekistan	–
Shimoliy Bukinai deposit	Navoiy region, Republic of Uzbekistan	–
Zhanubiy Bukinai deposit	Navoiy region, Republic of Uzbekistan	131.1

# URANIUM MARKET OVERVIEW

The global uranium market differs from other mining sectors in that it is relatively small and limited in size. This market includes producers, processors and end users of natural uranium, as well as some financial institutions, including traders and investment funds.

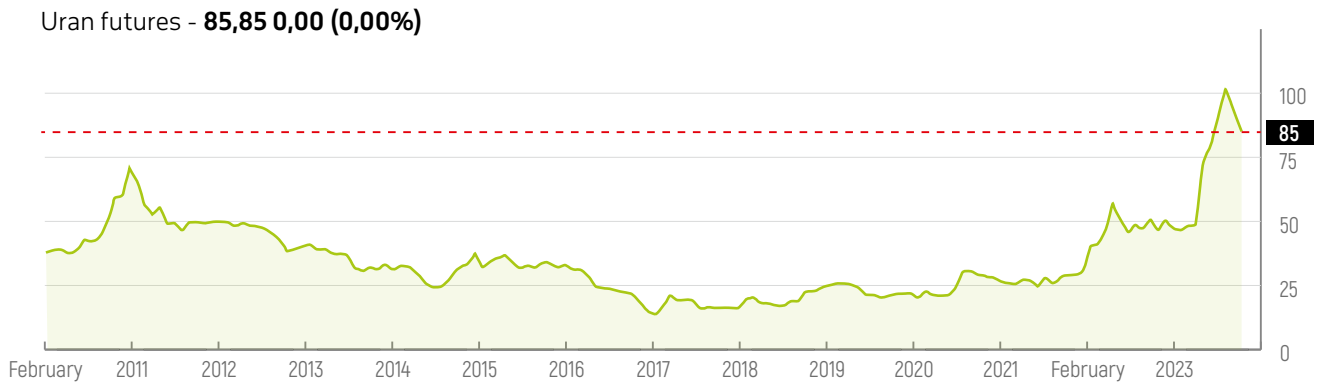
The majority of production (approximately 75%) comes from just a few countries, including Canada, Australia, Kazakhstan, Russia, the United States of America (USA), Ukraine and China. At the same time, Kazakhstan

provides about 40% of world production and the share of the largest five producing countries, which includes Uzbekistan, accounts for about 85% of world production. World reserves of natural uranium are estimated at approximately 6.14 million tonnes, with a significant portion of them concentrated in Australia, Kazakhstan, Canada, Russia and Namibia. The top three producing countries have 51% of uranium reserves. This poses certain risks for countries dependent on nuclear energy and importing uranium.

It should be noted that natural uranium is not used directly in nuclear power plants. Instead, it is converted to uranium hexafluoride and then enriched with the isotope U235. The largest companies providing services for converting uranium hexafluoride include companies such as Orano from France, Cameco from Canada, ConverDyn from the USA, and the Russian Siberian, Chepetsky and Vladimir electrochemical plants.

According to WNA, there are currently 440 nuclear reactors operating in the world with a total installed capacity of 396.3 GW, which requires about 67.5 thousand tonnes of uranium per year. This means that global natural uranium production meets 74% of demand, with the remainder provided by the secondary market, including the use of material from dismantled

## URANIUM PRICE ANALYSIS



According to a Business Insider report, Uranium futures prices, known as "yellowcake," hit a 15-year high, topping USD 80 a pound amid increasing demand for nuclear power. This rise in uranium prices comes at the end of a decade of declines and is driven by increased interest in nuclear power as a result of instability in the electricity market caused by extreme weather conditions. These factors stimulated the search for alternative energy sources.

Investors again turned their attention to mining stocks and uranium production. The bulk of world uranium

nuclear weapons. This fact confirms the relevance and importance of the measures taken to increase the production of natural uranium, such as the Decree of the President of the Republic of Uzbekistan No. PD-319 on doubling the production volume of the State-Owned Enterprise "Navoiyuran" by 2030.

The uranium enrichment market is a closed area to which only a few countries and companies have access, including Russia's Rosatom, Western Europe's Urenco, France's Orano and China's CNNC.

Thus, the global uranium market is subject to various risks associated with its mining, enrichment, and distribution, which require stakeholders to pay the utmost attention and strategic planning to ensure stability in this area.



# BUSINESS MODEL

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

## CAPITAL

	<b>FINANCIAL CAPITAL</b>	<ul style="list-style-type: none"><li>• charter capital</li><li>• net profit</li></ul>
	<b>NATURAL RESOURCES</b>	<ul style="list-style-type: none"><li>• Uranium deposit</li><li>• Energy consumption</li><li>• Water consumption</li><li>• Biodiversity</li></ul>
	<b>PRODUCTION CAPITAL</b>	<ul style="list-style-type: none"><li>• Process engineering solution</li><li>• Capital</li></ul>
	<b>INTELLECTUAL PROPERTY</b>	<ul style="list-style-type: none"><li>• Patents</li><li>• Licences</li></ul>
	<b>PEOPLE IN THE COMMUNITY</b>	<ul style="list-style-type: none"><li>• Professionalism</li><li>• Ethical values</li></ul>
	<b>COMMUNITIES</b>	<ul style="list-style-type: none"><li>• Local communities</li><li>• Customers</li><li>• Trade unions</li><li>• Suppliers</li></ul>

The production process of the State-Owned Enterprise "Navoiyuran" is represented by the sequential implementation of a number of stages, starting with geological exploration and research, moving on to the production phase, subsequent production and ending with the stage of product sales. Each of the listed stages is not only an integral part

of the process but also contributes to a gradual increase in the value of the Enterprise. This approach makes it possible to effectively implement the long-term strategy of the State-Owned Enterprise "Navoiyuran", aimed at sustainable development and strengthening its position in the market.

## THE PRODUCTION VALUE CHAIN – A VERTICALLY INTEGRATED PROCESS:

	<b>GEOLOGICAL EXPLORATION</b>	By the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 20 November 2019, No. 976-f, a list of deposits assigned to the uranium complex was determined
	<b>RESEARCH AND DEVELOPMENT</b>	See the Company's Approach to Innovation Management section.
	<b>MINING</b>	In-situ recovery method
	<b>PRODUCTION</b>	<ul style="list-style-type: none"><li>• Sorption of uranium from the pregnant solution at local sorption units (LSUs) of uranium mining sites using the in-situ recovery method;</li><li>• Transportation of saturated ion exchanger from LSUs to the solution processing site (SPS) for regeneration of the ion exchange resin and obtaining a commercial regenerate;</li><li>• Processing of commercial regenerate to finished products in the form of sulphuric acid salts</li></ul>
	<b>SALES</b>	100% export

Realising the significance of its activities for the economy and society, SOE "Navoiyuran" sets itself the task of sustainable business development by increasing its total value in the interests of the Enterprise and a wide range of stakeholders. The concept of value refers not

only to uranium mining and financial results but also to the totality of the economic, social and environmental impact of the State-Owned Enterprise "Navoiyuran" on stakeholders, society as a whole and the environment.



# OVERVIEW OF FINANCIAL PERFORMANCE



GRI 201-1

### Guiding documents valid in 2023:

- 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.

SOE “Navoiyuran” has been actively promoting the socioeconomic development of its operating regions. It creates jobs, replenishes regional budgets by paying taxes supports local entrepreneurs, particularly suppliers and contractors.

At meetings of the Supervisory Board of SOE “Navoiyuran”, 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 2023

Year	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
2022	3, 545	3, 545	100	435	188	35	32.7
2023	3,556 ↑	3,556 ↑	127	513	226	41	62.1

## IPO PLANNING

According to the Decree of the President of the Republic of Uzbekistan dated March 24, 2023, “On additional measures to reduce state participation in the economy,” the State-Owned Enterprise “Navoiyuran” is among 40 State-Owned Enterprises whose shares will be privatised through public auctions under the IPO procedure on the local stock market, according to the principle packages of shares “one share – one lot”.

Taking SOE “Navoiyuran” into IPO provides the Enterprise with a unique opportunity to strengthen its position

in the field of environmental, social and corporate governance (ESG). Attracting private investors through a public offering will not only provide additional funding for environmentally friendly and socially oriented projects, but will also increase the transparency and accountability of the Enterprise, which is in line with modern ESG standards. This will be an important step towards sustainable development and improvement of the environmental performance of the Enterprise and will also increase confidence on the part of international investors and the public.

## 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

### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2022	2023
	Amount, USD million	Amount, USD million
Income	446	539
<b>Direct economic value distributed, including:</b>		
Production costs	(160)	(190)
Period expenses	(63)	(83)
Income tax expense	(35)	(41)
<b>Retained economic value (net profit for the year)</b>	<b>189</b>	<b>225</b>



The 29% revenue growth in 2023 was driven by a 27% year-over-year increase in uranium oxide sales price.

Operating expenses include production costs, sales expenses and administrative expenses, which include the following main types of expenses: raw materials, payroll, taxes other than income tax, social expenses (investments in local communities), depreciation of property, plant and equipment and intangible assets.

To provide financial incentives to workers, wages were increased by 7% in June and by 10% in October 2023. In addition, the number of employees was increased.

Income tax expense increased 23% due to higher revenues in 2023.

During 2022 and 2023, dividends were paid to the Sole Owner.

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.

SOE “Navoiyuran” 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.

## TAX POLICY



GRI 207-1, 201-4

**Guiding documents valid in 2023:**

- The Tax Code of the Republic of Uzbekistan dated 30 December 2019 No. LRU-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. PD-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

### TAXES CALCULATED AND PAID

Tax type	2022		2023	
	Calculated, USD million	Paid, USD million	Calculated, USD million	Paid, USD million
Income tax	36	37	41	41
Personal income tax (including IPSA)	7	7	10	10
Value added tax *	(22)	–	(24)	1
Subsoil use tax	34	33	40	40
Water resource tax	0.5	0.5	0.5	0.5
Property tax for legal entities	0.5	0.5	0.5	0.5
Land tax for legal entities	1	1	2	2
Social tax	7	7	9	9
<b>Total amount of payments to the budget</b>	<b>64</b>	<b>86</b>	<b>79</b>	<b>104</b>

\*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 OBLIGATIONS

Balance sheet item	Asset/ (Liability) USD million	
	31 December 2022	31 December 2023
Prepayments on taxes and other obligatory payments to the budget	13	21
Tax liabilities to the budget	(1.7)	(0.1)
Tax liabilities to the State special-purpose funds	(0.03)	(0.1)



## 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 Programmeme 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 implementing investment projects.

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.

In 2023, total capital expenditures were USD 61.1 million, up 90% from 2022's USD 32.7 million. The Enterprise actively continued the development of new promising uranium deposits and invested in expanding the main fleet of technological and transport equipment; At the production sites of Uchkuduk, Nurabad and in the Zafarabad Mining administration, modernisation and reconstruction of technical and technological equipment was carried out.

These investments have the following advantages:

- **Increase in production capacity:** expansion of the equipment fleet will increase the volume of uranium production, which will lead to an increase in the output of uranium products. This will not only improve the economic performance of the Enterprise, but will also ensure stable supplies of an important

energy resource, which contributes to the sustainable development of the region.

- **Increasing production efficiency:** the introduction of new and modern equipment will help improve the processes of uranium mining, enrichment and processing. This will lead to increased productivity and reduced production costs, which in turn will reduce resource consumption and negative environmental impacts.
- **Reduction of risks and accidents:** new technical equipment has a higher level of reliability and safety. This will help reduce the likelihood of emergency situations at the Enterprise and associated risks for workers and the environment.
- **Compliance with Standards and Regulations:** in light of the stringent safety and environmental requirements in the uranium industry, the use of modern equipment will allow the Company to better comply with all necessary standards and regulations. This helps reduce environmental risks and improve the health protection of workers and local communities.
- **Improved environmental sustainability:** new equipment has more efficient technologies that will help reduce the negative impact of production on the environment. Including reducing emissions of harmful substances and increasing the efficiency of waste management, which contributes to the preservation of ecosystems and biological diversity.
- **Improved working conditions:** modern equipment is more automated and less dangerous for workers, which helps improve working conditions and increase their safety. It also has a positive impact on the social well-being of employees, increasing their satisfaction and productivity.
- **Increasing competitiveness:** expanding the fleet of technological equipment will help increase the competitiveness of the Enterprise by reducing production time, reducing costs and improving product quality. This will ensure the company a stable position in the market and sustainable development in the long term.

technologies in the production process, as well as introducing and using intellectual property and know-how. The Programme contains a set of interrelated activities aimed at developing and implementing new

technologies that meet world standards, as well as at creating favourable conditions for the sustainable development of the enterprise and improving the quality of life of local communities.

In 2023, the Company continued to develop research and innovation work in the areas of uranium mining and energy. In addition, events were carried out in the areas of geology and labour and technical safety. The total amount of investment in research and innovation work amounted to USD 2.2 million.

## URANIUM MINING



SOE "Navoiyuran", in cooperation with other contractors, had planned and is implementing various innovation projects, including:

- "Conducting pilot testing work on the development of technology for extracting uranium and associated elements from black shale mines using in-situ recovery method"
- "Development of technology for extracting rare earth elements (REE) from underground leaching solutions to obtain a commercial product in the form of a metal or oxide of an element of the lanthanide group for a total of 0.4 million US dollars.
- **Efficient use of resources.** Uranium ores often contain rare earth elements, which opens up the possibility of extracting them along with uranium. The development of technology for extracting these elements from underground solutions will not only make it possible to efficiently use natural resources, but also reduce the amount of waste, supporting the principles of sustainable development.
- **Diversification of products and income.** The production of commercial products in the form of metals or oxides of elements of the lanthanide group makes it possible to diversify the products and income of a uranium enterprise. These rare earth elements

are in demand in key industries such as electronics, medicine and renewable energy, contributing to socio-economic development and job creation.

- **Reduced dependence on external suppliers.** Rare earth elements are widely used in high-tech industries and dependence on their imports can be significant. The development of our own technology for the extraction of these elements will reduce external dependence, strengthen economic independence and ensure more stable and sustainable production.
- **Improving environmental sustainability.** Heap leaching and extraction of rare earth elements from underground solutions is a more environmentally sustainable mining method compared to traditional methods. This approach helps reduce negative environmental impacts and supports biodiversity in mining areas.
- **Technological progress and innovation.** The development of new technology to extract rare earth elements is driving technological progress and innovation in the uranium industry. This not only increases the competitiveness of the Enterprise, but also contributes to the development of the scientific and technical potential of the region, creating conditions for sustainable economic growth.



ENERGY



The use of renewable energy is a key factor in managing climate risks and reducing greenhouse gas emissions, which meets ESG criteria. Switching to wind, solar, hydro and geothermal energy produces electricity without the harmful emissions associated with fossil fuels. This strategic transition not only helps mitigate climate change by significantly reducing emissions of carbon dioxide and other pollutants, but also strengthens energy security and sustainability. Our Company has increased the capacity of the photovoltaic plant to 600 kW, introduced steam technologies with a capacity of 6 MW and plans to further expand the use of renewable energy sources

USD 1.6 million was allocated for the project "Use of alternative energy at production facilities, auxiliary and administrative buildings of the divisions of the State-Owned Enterprise "Navoiyuran". This project in the uranium industry has several advantages:

- **Reduced environmental and social impact.** The use of alternative energy at production facilities and administrative buildings will reduce greenhouse gas emissions and other pollution associated with uranium production. It also helps protect the health of local people and preserve ecosystems.
- **Economic efficiency and social sustainability.** Switching to alternative energy sources will help reduce energy costs in the long term, leading to resource savings and lower operating costs. Investments in green technologies and energy-saving measures

contribute to sustainable development and improved quality of life in the regions where the Company operates.

- **Resilience to regulatory changes and social responsibility.** The Green Economy System will help the Enterprise adapt to strict environmental safety standards and legislation, which will help avoid potential fines and sanctions. This also strengthens public confidence in the Company and demonstrates its responsibility towards future generations.
- **Positive image and social trust.** The project, aimed at reducing the negative impact on the environment and increasing business sustainability, will improve the Company's reputation in the eyes of the public and investors. This contributes to the formation of positive public opinion and strengthens social trust.
- **Talent attraction and social development.** Many specialists today are focused on working in enterprises that adhere to the principles of sustainable development and concern for the environment. This project will help attract and retain highly qualified employees, promoting social development and professional growth.
- **Stimulating innovation and social progress.** The introduction of green technologies and practices can contribute to the development of new solutions and technologies in the field of energy saving and environmental sustainability. In the long term, this will lead to new market opportunities and competitive advantages, as well as accelerating social progress and improving the quality of life.

GEOLOGY



Geology projects worth USD 0.2 million have the following benefits:

- **Economic development and sustainability.** The uranium and rare earth industries play a key role in the economies of many countries, including Uzbekistan. Research and assessment of the prospects of rare metal deposits can not only contribute to the economic growth of the Enterprise, but also ensure sustainable development, taking into account the needs of future generations.
- **Development of scientific and technical potential and education.** The study of uranium ores and rare earth metals requires the use of modern scientific and technical methods and equipment. This contributes not only to the development of scientific and technical personnel, but also to improving the qualifications of specialists, expanding scientific knowledge and training a new generation of environmentally responsible professionals in our country and in the regions where the State-Owned Enterprise "Navoiyuran" operates.
- **Environmental responsibility and sustainability.** Studying deposits of uranium and rare earth metals allows us to carefully assess the potential environmental consequences of mining at our Enterprise. This makes it possible to develop and implement measures to minimise the negative impact on the environment and public health, which is a priority for the sustainable development of the State-Owned Enterprise "Navoiyuran".
- **Economic diversification and social development.** The development of the rare earth industry contributes

to the diversification of the economy of Uzbekistan, creating new industries and increasing the export potential of the Enterprise. This, in turn, leads to the creation of new jobs and improved living standards of the local population, contributing to the social development of the regions.

- **Geopolitical stability and significance.** Rare metals, such as rare earth elements, play an important role in the production of electronics, magnets, cars and other high-tech devices. Possessing its own reserves of these metals could increase Uzbekistan's geopolitical significance, strengthening its position on the world stage and contributing to stability and security.
- **Attracting investments and developing infrastructure.** Research into the prospects of uranium ores and rare earth metals can attract the attention of international investors, which contributes to the development of the country's mining industry and infrastructure as a whole. Investments in environmentally sustainable projects will ensure the long-term development and well-being of the State-Owned Enterprise "Navoiyuran".
- **Social development and creation of new jobs.** The development of new deposits of uranium and rare earth metals creates many new jobs, which leads to an improvement in the standard of living of the local population. This is an important step towards sustainable social development, ensuring the welfare and stability of the regions where the State-Owned Enterprise "Navoiyuran" operates.



# PROCUREMENT PRACTICES

GRI 2-6, 204-1

## Guiding documents valid in 2023:

The company manages procurement activities in accordance with the Regulations on the procurement activities of the State-Owned Enterprise "Navoiyuran". This Regulation corresponds to the Law of the Republic of Uzbekistan No. LRU-684 dated April 22, 2021 "On public procurement", Resolution of the President of the Republic of Uzbekistan No. PD-5171 dated July 02, 2021 "On additional measures to ensure transparency and increase the efficiency of public procurement", Presidential Resolution of the Republic of Uzbekistan No. PD-4812 dated August 21, 2020 "On additional measures to support domestic producers", Resolution of the Cabinet of Ministers

of the Republic of Uzbekistan No. 276 dated May 20, 2022 "On approval of the Regulations on the procedure for organising and conducting procedures related to public procurement" and Decree of the President of the Republic of Uzbekistan No. UP-6313 dated September 14, 2021 "On measures to radically improve contractual relations."

Creating and maintaining sustainable procurement activities is one of the priorities for the Enterprise. Important principles in this regard are the formation of strong and mutually beneficial partnerships with contractors who share corporate views and conduct business responsibly, as well as ensuring transparency in the procurement process.

# 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.

All types of purchases are carried out on a special information portal, such as [new.cooperation.uz](#), [xarid.uzex.uz](#), [xt-xarid.uz](#), [etender.uzex.uz](#), etc. The selection of suppliers is determined automatically on a special information portal.

As part of its commitment to increasing environmental and social responsibility in its procurement processes in 2023, the Company has undertaken a number of additional activities:

- Introduction of a system for assessing and analysing corruption risks in the field of procurement in order to increase their transparency and efficiency. This will help reduce the likelihood of corrupt practices and build trust in the procurement process.
- Taking measures to prevent conflicts of interest that may arise between participants in procurement processes, in order to ensure impartiality and compliance with the principles of ethical behaviour. These measures promote fairness and equality for all participants.

- The Deloitte consultant proposed the introduction of a "Call Centre" mechanism to receive anonymous requests from participants and employees of the enterprise on issues related to procurement activities, in order to ensure confidentiality and prompt response to possible violations. Practical implementation is planned for 2024. This mechanism will allow problems to be identified and corrected in a timely manner, improving the transparency and responsibility of the enterprise.
- Development of an audit plan for the procurement function for 2024, defining key indicators and timing of analysis aimed at identifying and eliminating potential risks and inconsistencies. This will allow deficiencies to be quickly identified and corrected, improving the efficiency and environmental sustainability of procurement.
- Introducing the practice of involving internal and external audit specialists, as well as other regulatory bodies, in studying market prices for purchased goods, works and services during 2024 in order to ensure the objectivity and competitiveness of procurement processes. This approach promotes the wise use of resources and minimising the ecological footprint.

These initiatives are aimed at strengthening the environmental and social responsibility of the Enterprise, promoting sustainable development and increasing trust on the part of society and employees.

# PROCUREMENT AND SUPPLY CHAIN STRUCTURE

GRI 2-6

The supply chain of SOE "Navoiyuran" involves companies located in Republic of Uzbekistan, the Republic of Kazakhstan, France, the United States of America, Canada, Great Britain, India, China and Japan.

The main categories of purchased goods and services are as follows:

- Equipment, transport and spare parts, which contributes to the development of local and international production relations;
- Fuels, oils and lubricants, with special attention paid to the use of environmentally friendly and renewable energy sources;
- Chemical materials and reagents, with an emphasis on minimising their impact on the environment and human health;



- Geological exploration work carried out taking into account the best global practices for the conservation of natural resources and biodiversity.

Year	Total contract volume of purchases	Total number of suppliers	Share of imported products
2022	USD 153 million	643	2%
2023	USD 389 million	766	2%

In 2023, the State-Owned Enterprise "Navoiyuran" achieved a significant increase in turnover in the contract volume of purchases, increasing it by 1.7 times. This growth was driven by a 19% increase in the number of suppliers, as well as higher prices for key raw materials. However, we recognise the need to consider the environmental and social aspects of our activities.

The 1.9 times increase in electricity prices highlights the importance of switching to renewable energy sources to reduce our carbon footprint and environmental impact. The 11% increase in fuel oil and diesel prices highlights the need for cleaner alternatives such as biofuels or electric vehicles, which will help reduce emissions of harmful substances into the atmosphere.

An increase in prices for sulphuric acid by 31% and ammonium nitrate, nitric acid and ammonia water by 6% indicates the need to find more environmentally friendly ways of producing and using these chemicals, as well as the development of waste processing and disposal technologies. These measures will help minimise the negative impact on the environment and improve the working and living conditions of local communities, providing them with a safe and healthy future.

SOE "Navoiyuran" supports local manufacturers and suppliers, actively including them in its supply chain. This contributes to the development and support of the sustainability of the economy of the Republic of Uzbekistan, as well as improving the well-being of local residents in the regions of its operation.

According to the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 195 dated May 11, 2023 "On measures for organising and holding regional and republican inter-industry industrial fairs in 2023", the company actively participated in exhibition events. At these fairs, manufacturing enterprises from various regions of the country were presented, including Samarkand, Fergana, Andijan, Namangan, Karakalpakstan, Surkhandarya, Navoiy, Khorezm and Kashkadarya.

In addition to participating in industrial fairs, SOE "Navoiyuran" also analyses the products of local manufacturers, supporting environmental standards and social responsibility. These initiatives promote sustainable development of local communities and reduce environmental impact, stimulating green economy growth and supporting social well-being.



# KEY TRANSFORMATION PROJECTS FOR 2023



The transformation department of the State-Owned Enterprise “Navoiyuran” implements key tasks aimed at the sustainable development of the Enterprise and preparation for the IPO. Main areas of work include:

- Ensuring the implementation of development tasks provided for by the decrees of the President of the Republic of Uzbekistan No. UP-60 (January 28, 2022) and the decree of April 8, 2022 on reforms for stable economic growth.
- Participation in the development of state programmes for the development of the uranium industry.
- Mutually beneficial cooperation with international organisations in the field of uranium mining and sustainable development.
- Introduction of transformation mechanisms and modern methods of corporate governance.
- Transformation of the enterprise according to international standards and reform according to the model of leading uranium mining companies.
- Optimisation and automation of business processes, approval of international corporate ratings.

These measures are aimed at strengthening the position of the State-Owned Enterprise “Navoiyuran”

in the international market and successfully taking the Company to IPO.

In 2023, the State-Owned Enterprise “Navoiyuran” launched a number of projects for environmental and social transformation:

- Conducting uranium resource exploration assessments and reporting of mineral resources and ore reserves in accordance with international standards, thereby promoting the sustainable use of natural resources.
- Implementation of mechanisms to ensure compliance with environmental requirements, environmental protection, rational use of water, labour protection and technical safety at all stages of uranium production, which minimises the negative impact on the environment.
- Increasing openness and transparency of the public procurement process, reorganising the procurement system and improving the anti-corruption system, which contributes to social justice and sustainable development.
- Widespread implementation of digitalisation in enterprise procurement processes, which increases efficiency and reduces environmental impact.



- Improving the qualifications of employees in the field of public procurement, which contributes to their professional growth and increased social responsibility.
- Improving the enterprise’s business processes and control environment, which contributes to sustainable development and social well-being.
- Establishing an internal audit function to ensure transparency and accountability.
- Implementation of IFRS, which promotes transparency and sustainability of financial processes.
- Implementation of international standards at all stages of uranium production to ensure sustainable and environmentally friendly production.
- State registration of the enterprise’s charter in a new edition in connection with the change of founder and increase in the authorized capital (charter capital), contributing to financial stability and sustainable development.
- Implementation of digital transformation to improve the efficiency and sustainability of business processes.
- Implementation of ESG (Environmental, Social and Corporate Governance) principles to ensure sustainable development and social responsibility.

- Improving the activities of the training centre to improve the skills of employees and their social responsibility.
- Accelerating the implementation of the operational efficiency programme developed by McKinsey & Company, which contributes to the sustainable development of the enterprise.
- Accelerate the assessment of existing reserves in accordance with international standards (JORC Code) to ensure sustainable use of natural resources.
- Implementation of a sustainability reporting process based on international reporting standards such as the Global Reporting Initiative (GRI), which promotes transparency and social responsibility.
- Searching for and attracting independent members to the Company’s Supervisory Board to increase transparency and accountability.
- Development of a plan of priority activities for the transformation of human resource management functions, which contributes to the development of human resources and social responsibility of the enterprise.



# SUSTAINABLE DEVELOPMENT MANAGEMENT

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## GRI 2-12

### Guiding documents valid in 2023:

- The Presidential Decree of the Republic of Uzbekistan No. PD-319 dated 14 July 2022 On Measures to Increase Uranium Mining and Processing Volumes at the SOE "Navoiyuran" in 2022–2030.

SOE's "Navoiyuran" approach to sustainable development management is based on an integrated system that covers environmental, social and governance aspects. The company is actively working to transform its business towards compliance with international standards and sustainable development practices in the uranium industry.

SOE "Navoiyuran" sets ambitious goals and develops a culture of innovation and scientific research to achieve positive changes, while taking into account the principles of sustainable development. This approach not only creates long-term value, but also minimises environmental impact and promotes social development in line with industry best practices.

Since 2022, as part of the development of the sustainable development agenda, the company has begun

active transformation processes. The ESG principles implementation and the Company's strategy development Department is engaged in the following tasks:

- Developing a comprehensive ESG strategy for the enterprise;
- Identifying, assessing and managing ESG risks and opportunities across the value chain;
- Ensuring and monitoring the enterprise's compliance with international (ISO) and national (O'zDST ISO) certification standards;
- the Company's development strategy formation in cooperation with external consultants.

In addition, the Company continues to disclose the results of its activities in accordance with the international GRI standard. In 2022, the first sustainability report of SOE "Navoiyuran" was compiled based on these standards, with plans for further application of SASB standards. In 2024, the company plans to obtain an ESG rating and, in the long term, engage an independent company to certify its sustainability reports.

## SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS






Contribution to the achievement of the UN SDGs is important for the State-Owned Enterprise "Navoiyuran" for several reasons. First, the SDGs provide a globally recognised framework for addressing pressing environmental, social and economic challenges, consistent with society's higher expectations of corporate responsibility. By actively contributing to the achievement of the SDGs, the Enterprise demonstrates its commitment to sustainable development and strengthens its reputation among stakeholders, including investors, customers, employees and communities. In addition, integrating

the SDGs into business strategies can drive innovation, operational efficiency and long-term value creation, helping the Enterprise mitigate risks and capitalise on opportunities in a rapidly changing global landscape. By supporting the achievement of the SDGs, the State-Owned Enterprise "Navoiyuran" contributes to building a sustainable and inclusive society, promoting environmental conservation and economic prosperity in the regions of its presence, thereby creating shared value for all stakeholders.

By focusing on the Enterprise-specific 12 SDGs adopted in 2022 related to responsible resource management, community development and environmental protection, SOE “Navoiyuran” intends to maximise its positive impact and demonstrate its commitment to the principles of sustainable development.

CONTRIBUTION TO THE UN SDGS

	<b>ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES</b>
<b>Our contribution:</b> <ul style="list-style-type: none"><li>7 country and 2 inner-city children's health centres have been created.</li><li>Financial assistance to more than 300 employees in purchasing vouchers to the recreation areas of Sarmishsay, Kanorboy ota, Nuroty, as well as to the shrine of Abduholik Gijduvani.</li></ul>	
<b>Main events for 2023:</b> <ul style="list-style-type: none"><li>Allocation for the purchase of medical equipment: USD 0.03 million.</li><li>Carrying out sporting competitions jointly with the National Committee of Geologists – USD 0.01 million.</li></ul>	
	<b>ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL</b>
<b>Our contribution:</b> <ul style="list-style-type: none"><li>We invest in our employees' education and skills development, providing access to quality education and training programmes that equip them with the skills they need for career success.</li></ul>	
<b>Main events for 2023:</b> <ul style="list-style-type: none"><li>A memorandum of cooperation was signed with the Eurasian Competitiveness Institute in Belgium and with GBS Group Ltd in the UK.</li><li>5 employees of the Company took part in a training and practical seminar organised in South Korea and 12 employees of the Company were trained as part of international practice in Germany.</li></ul>	
The total amount spent on staff development in terms of training in additional and second specialties is USD 0.01 million. In total, 1,967 people were trained in various areas at the training centre in 2023.	
	<b>ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS</b>
<b>Our contribution:</b> <ul style="list-style-type: none"><li>We provide learning and development opportunities specifically designed for women, including mentoring programmes, leadership workshops and career development initiatives.</li><li>Proposals have been made to encourage active female employees of the Enterprise and reward them by management.</li></ul>	
<b>Main events for 2023:</b> <ul style="list-style-type: none"><li>Additional regular labour protection works and medical examinations for women were carried out.</li><li>A seminar was held with the leading enterprise's leading officials and local government representatives to promote guarantees of equal rights and opportunities.</li><li>Lists of low-income women who need social protection and have disabled children were created.</li><li>The Women's Council held 16 events aimed at paying attention to the gender agenda and supporting women.</li></ul>	



ENSURE ACCESS TO WATER AND SANITATION FOR ALL

<b>Our contribution:</b> <ul style="list-style-type: none"><li>We provide timely monitoring of groundwater quality.</li><li>We are committed to the sustainable use of water resources.</li><li>We do not operate in regions with water shortages.</li></ul>	
<b>Main events for 2023:</b> <ul style="list-style-type: none"><li>A groundwater quality monitoring system has been introduced.</li><li>Zero water discharges into open sources in 2023.</li></ul>	
Transfer of <b>100%</b> of water resources for treatment.	



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

<b>Our contribution:</b> <ul style="list-style-type: none"><li>We are actively introducing advanced technologies for electricity production.</li><li>We are increasing our power generation capabilities by actively pursuing renewable energy sources.</li></ul>	
<b>Main events for 2023:</b> <ul style="list-style-type: none"><li>Optimisation of technological processes to reduce power consumption.</li><li>Improving the electricity metering system.</li><li>Approval of the energy management system policy in accordance with the requirements of ISO 50001.</li></ul>	
Reducing the intensity of electricity consumption by <b>24%</b> .	



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

<b>Our contribution:</b> <ul style="list-style-type: none"><li>Promote gender equality among workers and ensure compliance with labour laws and regulations that guarantee fair wages, safe working conditions and adequate benefits for all employees.</li></ul>	
<b>Main events for 2023:</b> <ul style="list-style-type: none"><li>The total number of employees hired was 1,079, of which 51 were women.</li><li>According to the Decree of the President of the Republic of Uzbekistan No. DP-4812 of August 21, 2020 "On additional measures to support domestic producers", the share of local purchases is 98%</li></ul>	
The average salary of the Company's employees is 7.5 times higher than the minimum wage (minimum wage) in the Republic of Uzbekistan.	



<div> <div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> </div>	<div> <div>BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND INNOVATION</div> </div>	
	<div> <div>Our contribution:</div> <ul style="list-style-type: none"> <li>Development of new promising uranium deposits.</li> <li>Modernisation and reconstruction of existing uranium deposits.</li> <li>Providing new jobs in the regions of presence.</li> <li>Cooperation and support of universities.</li> </ul> </div>	
	<div> <div>Main events for 2023:</div> <ul style="list-style-type: none"> <li>An Innovative Development Programme for 2023 has been developed, according to which USD 62.1 million was spent on investment projects and USD 2.1 million was spent on innovation projects.</li> </ul> </div>	
	<div> <div>The total amount allocated for sponsorships and philanthropy in 2023 was USD 2.7 million.</div> </div>	
<div> <div>10</div> <div>REDUCED INEQUALITIES</div> </div>	<div> <div>REDUCE INEQUALITY WITHIN AND BETWEEN COUNTRIES</div> </div>	
	<div> <div>Our contribution:</div> <ul style="list-style-type: none"> <li>Improving the standard of living and supporting the local population in the regions of its operation.</li> </ul> </div>	
	<div> <div>Main events for 2023:</div> <ul style="list-style-type: none"> <li>One of the largest employers in the Republic of Uzbekistan, providing jobs in Navoiy, Bukhara and Samarkand regions.</li> <li>Opportunity for employees from the regions to study at specialised universities in the country such as: Navoiy State Mining and Technology University, Institute of Nuclear Physics of the Academy of Sciences of the Republic of Uzbekistan, Tashkent State Technical University named after Islam Karimov and others</li> </ul> </div>	
	<div> <div>Installation of solar and diesel power plants in 7 schools in the district. New research projects have been developed, and employment of employees and training at higher educational institutions of the Republic of Uzbekistan have been ensured.</div> </div>	
<div> <div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> </div>	<div> <div>ENSURE CITIES AND HUMAN SETTLEMENTS ARE INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE</div> </div>	
	<div> <div>Our contribution:</div> <ul style="list-style-type: none"> <li>We are actively engaged in landscaping our territories, mainly planting plants that are resistant to drought and disease.</li> <li>We improve the livability of cities and areas of our presence by providing logistical support.</li> </ul> </div>	
	<div> <div>Main events for 2023:</div> <ul style="list-style-type: none"> <li>Activities are being carried out within the framework of the national project Yashil Makon ("Green Space"). In 2023, about 107 thousand various fruit and ornamental trees worth about USD 18 thousand were planted in various regions of the Company's presence.</li> </ul> </div>	
	<div> <div>107 thousand trees were planted.</div> </div>	

<div> <div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div>	<div> <div>ENSURE THE TRANSITION TO SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS</div> </div>	
	<div> <div>Our contribution:</div> <ul style="list-style-type: none"> <li>We are taking measures to reduce energy consumption by introducing a photovoltaic plant.</li> <li>We transfer generated waste for recycling and support the practice of recycling it.</li> </ul> </div>	
	<div> <div>Main events for 2022:</div> <ul style="list-style-type: none"> <li>Increasing the power of the photovoltaic station to 600 kW.</li> </ul> </div>	
	<div> <div>Reduced electricity consumption by 10,426 MWh.</div> </div>	
<div> <div>13</div> <div>CLIMATE ACTION</div> </div>	<div> <div>TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACT</div> </div>	
	<div> <div>Our contribution:</div> <ul style="list-style-type: none"> <li>We have begun reviewing greenhouse gas emissions reporting.</li> <li>We regularly carry out industrial environmental monitoring of emission sources.</li> <li>We are working to increase energy consumption from renewable energy sources.</li> <li>Our method of mining uranium products is ecologically safe and allows for stable and large-scale power generation, which is critical to meeting global energy needs.</li> </ul> </div>	
	<div> <div>Main events for 2022:</div> <ul style="list-style-type: none"> <li>Technical measures to reduce greenhouse gas emissions.</li> </ul> </div>	
	<div> <div>Reduce greenhouse gas emissions (Scope 1) by 36%.</div> </div>	
<div> <div>15</div> <div>LIFE ON LAND</div> </div>	<div> <div>PROTECT, RESTORE, AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, SUSTAINABLY MANAGE FORESTS, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS</div> </div>	
	<div> <div>Our contribution:</div> <ul style="list-style-type: none"> <li>We conduct an analysis of the state of the environment immediately before the planned activity.</li> <li>We are working on the implementation of the state programme for the reclamation of deposits.</li> </ul> </div>	
	<div> <div>Main events for 2022:</div> <ul style="list-style-type: none"> <li>Projects have been developed for decontamination and technical reclamation of deposit areas.</li> <li>Mulberry, thuja, elm, saxaul, eldar and mountain pine were planted at the Kenimekh field and Nurobod site.</li> </ul> </div>	
	<div> <div>30 hectares of reclaimed land.</div> </div>	

# MATERIAL TOPICS

GRI 3-1, 3-2

When identifying significant topics for disclosure in the Sustainable Development Report, SOE “Navoiyuran” applies an integrated approach. First, an internal diagnostic and assessment was conducted to identify potential ESG risks and opportunities associated with the Enterprise’s operations, such as environmental impacts, labour practices, community relations and governance issues. Next, a comparative analysis was carried out with peers in the industry and an analysis of new trends and regulatory requirements.

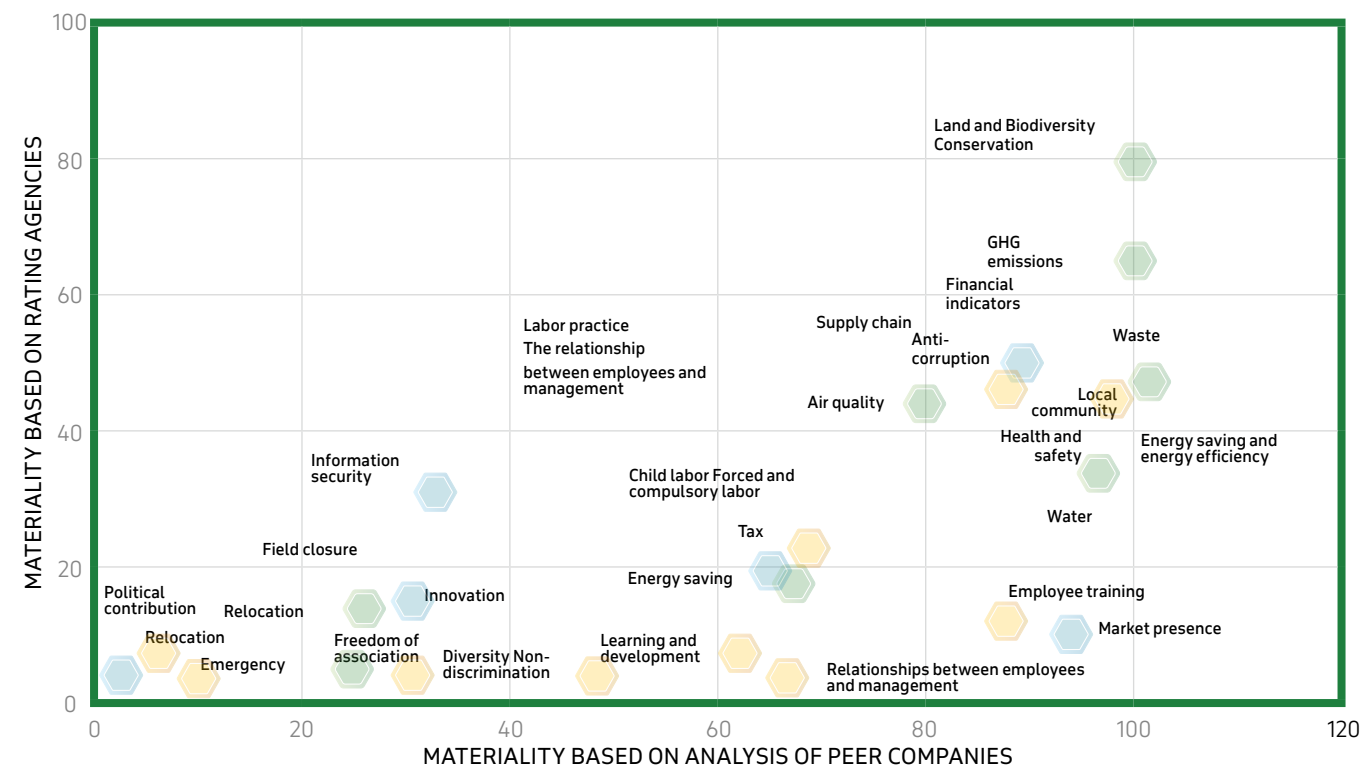
By combining insights from these sources, the Enterprise developed a materiality matrix that visually represents the most important ESG topics based on their relevance to the Enterprise’s stakeholders and business operations.

This stakeholder-driven approach ensures that the Sustainability Report addresses the issues that matter most to both internal and external stakeholders, increasing transparency, reliability and alignment with industry best practice.

## MATERIALITY MATRIX

The Materiality Matrix is important in the Sustainability Report as it helps identify and prioritise the most significant environmental, social and governance (ESG) issues that are relevant to the Enterprise and its stakeholders. This ensures transparency and accountability, allowing the Enterprise to address key issues, allocate resources

effectively and achieve meaningful sustainability results. Compared to the 2022 Sustainability Report, the topic of GRI 206 “Anti-competitive behaviour” was further disclosed and 29 significant topics were assessed in relation to the performance of peer companies.



## STAKEHOLDER ENGAGEMENT

GRI – 2-29, 413-1

SOE “Navoiyuran” pays special attention to issues of interaction and building long-term relationships with stakeholders. The main goal of interaction with the Company’s stakeholders is to establish trusting relationships, understand their interests and expectations, ensure transparency and openness in communications, as well as improve the business reputation of the Company through systematic and effective management of interactions with a wide range of stakeholders.

The principles of interaction with stakeholders for the State-Owned Enterprise “Navoiyuran” are:

- Dialogue and openness. The company maintains a constant dialogue with stakeholders and openly exchanges information and opinions;
- Respect for the interests. The enterprise takes into account and respects the interests of all stakeholders, taking into account its own interests;
- Transparency. The company ensures transparency of activities and provision of reliable information to stakeholders;

- Responsibility. The company accepts responsibility for the consequences of its actions to all stakeholders, including social and environmental responsibility;
- Justice and equality. The enterprise ensures fair and equitable treatment of stakeholders without discrimination;
- Long term vision. The company takes into account the interests of stakeholders in the long term and strives for mutually beneficial relationships for the long term;
- Cooperation and partnership. The company strives to develop cooperation and partnerships with stakeholders to achieve common goals and solve common problems.



MECHANISMS OF INTERACTION BETWEEN STAKEHOLDERS



SOLE FOUNDER (SHAREHOLDER) AND OWNER

- Increasing profitability and economic efficiency of the Enterprise.
- Execution of state orders and compliance with state policy.
- Compliance with the interests of the founder.
- Implementation of state development programmes within the Enterprise.
- Increasing the share (charter) capital and paying dividends.



MANAGEMENT AND STAFF

- Implementing effective management while respecting the rights of employees.
- Making decisions on business issues.
- Directly performing work under an employment contract.
- Informing management about potential risks in the context of operations and functions.
- Strengthening corporate culture and improving staff well-being.
- Social stability in the team.
- Introduction and implementation of training and professional development programmes.
- Improving the level of culture production safety.



TRADE UNIONS

- Promoting social stability.
- Regulating labour relations and resolving conflicts.
- Respecting and protecting workers' rights.



LOCAL POPULATION

- Creating a favourable environment for the activities of the Enterprise.
- Minimising emissions into the environment.
- Assistance in solving infrastructure problems in the regions.
- Creating and maintaining jobs in the regions.
- Ensuring social stability in the regions of presence through the implementation of sponsorship and charity events.



SUPPLIERS AND PARTNERS

- Compliance with contractual obligations taking into account mutual interests.
- Ensuring product quality and timely delivery.
- Local content in purchased goods, works, services (GWS).
- Expanding areas of interaction and strengthening partnerships.



GOVERNMENT BODIES

- Compliance with legal requirements and regulatory requirements.
- Ensuring the stability and sustainability of business.
- Creating and maintaining jobs.
- Representing the country's economic interests in the international arena.
- Modernisation and development of the uranium industry, taking into account the current socio-economic situation and tasks of regional and industry development.
- Minimising emissions into the environment.
- Providing sponsorship and charity assistance in the regions of presence.



MASS MEDIA

- Informing about the activities of the Enterprise.
- Covering the initiatives of the Enterprise and raising awareness.
- Increasing the level of trust in the Enterprise and ensuring transparency of activities.



INTERNATIONAL ORGANISATIONS

- Participation in international agreements, investment projects.
- Access to key legal and political resources of organisations.
- Opportunities for applying international standards, guidelines, methodology in the practice of the Enterprise.
- Opportunities for exchanging experience, increasing competence.

MEMBERSHIP ASSOCIATIONS AND ADHERENCE TO INTERNATIONAL PRINCIPLES

GRI 2-28

The company is a member of the World Nuclear Association and is committed to participating in various industry initiatives that promote sustainability, innovation and transparency. These partnerships create valuable opportunities for knowledge sharing, capacity building and collective action to address shared challenges and drive positive change.

As part of our commitment to sustainable development, we plan to apply international principles and standards, such as the United Nations Global Compact (UNGC) and IAEA standards, in our activities. IAEA specialists annually visit the Enterprise in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 379 dated December 31, 2015, as well as within the framework of obligations in accordance with the Law of the Republic of Uzbekistan No. LRU-186 dated November 11, 2008, on accession to the "Joint Convention on the Safety of Spent Waste Management" fuel and the safety of radioactive waste management."

By working closely with industry partners such as Orano Mining, JOGMEC, ITOCHU Corporation and CNNC, the Company can share knowledge, leverage collective experience and innovate on sustainable practices. These joint efforts enable the Company to address common challenges and develop common approaches to environmental and social issues.



Based on PD-No. 319 dated July 14, 2022, with the involvement of specialists from the Orano Mining SA company, a comprehensive study of the financial, technical, legal and production potential of the State-Owned Enterprise "Navoiyuran" was carried out.

A tripartite agreement was also signed to expand cooperation in the field of: increasing operational efficiency, improving the occupational health and safety system, optimising production processes and the task of developing recommendations for reducing the cost of products through automation, construction and drilling of technological wells. In addition, drilling and construction work, energy supply and logistics, in particular, full-fledged supplies of sulphuric acid were considered.

Based on this agreement, a working group consisting of geologists, hydrogeologists, mining engineers and technologists was formed to submit an assessment report and draw up a detailed action plan for the technical cooperation roadmap. The working group decided to develop an assessment report and roadmap for technical cooperation related to the technical audit of mines. During the meeting, the network schedule for the full implementation of projects in 2024-2025 was analysed and the managers responsible for their implementation were identified.







According to the Resolution, the share of the State Committee for Geology and Mineral Resources in the JV Nurlikum Mining LLC, created jointly with Orano Mining SA, was transferred to account for the proportional increase in the state share in the authorised capital of State-Owned Enterprise "Navoiyuran". As part of this cooperation, the company entered into two agreements dated November 27, 2023 with JV Nurlikum Mining LLC for drilling a technological well (the Zhanubiy Dzhangeldy project together with the design and research institute "O'zGEORANGMETLITI"), conducting laboratory analyses and sample research, as well as for repair and restoration work of wells.

As part of "Safety Day", the State-Owned Enterprise "Navoiyuran" together with the JV LLC "Nurlikum Mining" organised an event dedicated to the labour protection and safety of employees. Occupational safety specialists from Orano Mining were invited to share practical experience in implementing technologies and ensuring occupational safety. The event programme included the main tasks facing enterprises, presentations



on current work in the field of labour protection and workplace safety, as well as an overview of current processes and a discussion of specific issues to prevent potential negative situations affecting the life and health of workers.

These actions demonstrate the enterprises' commitment to ESG principles, ensuring environmental responsibility, social well-being of employees and transparent governance.

In July 2023, representatives of the State-Owned Enterprise "Navoiyuran" visited the Somayr and Kominak mines, owned by subsidiaries of Orano Mining SA in the Niger Republic (West Africa). Specialists from both sides exchanged ideas, best practices and new methods used in the uranium mining process, such as the heap leaching method, with a view to its development and application in the conditions of Uzbekistan. This approach not only helps to improve production processes, but also strengthens environmental safety and social well-being in the regions where mining is carried out.



As part of the strategic cooperation between Orano Mining SA and the State-Owned Enterprise "Navoiyuran", the following activities were planned aimed at environmentally sustainable and socially responsible development:

- Approve a roadmap for environmentally friendly uranium mining in 2025 at the South Zhingeldy deposit, owned by the Nurlikum joint venture Mining;
- Conduct geological exploration work together with Orano Mining SA at promising uranium deposits in the Bukhara-Khiva and Ustyurt regions, observing high standards of environmental safety and social impact;
- Modernise the laboratory of the research and production centre "Geology of Uranium and Rare Metals", ensuring the acceleration of geological exploration work and an increase in the volume of samples while strictly observing environmental norms and standards;
- Create a Centre for Innovation in Mining Metallurgy in the Republic of Uzbekistan in order to expand



cooperation in off-balance sheet, hydrothermal and black shale deposits, ensuring sustainable development and minimising the environmental footprint;

- In order to further expand cooperation with Orano Mining SA, to begin joint environmentally and socially responsible uranium mining at uranium mines in the Republic of Mongolia, paying special attention to environmental protection and the social well-being of local communities.







Our Company continues successful cooperation with ITOCHU Corporation. As part of this partnership, we plan joint geological exploration of new uranium deposits; increasing uranium production volumes while simultaneously reducing production costs through the introduction of digital technologies; effective use of the corporation's international experience in the global market; creation of new capacities for the production of sulphuric acid. The priority is to create a joint venture for geological exploration at promising mines.

Another important partner of the State-Owned Enterprise "Navoiyuran" is the Japanese corporation JOGMEC, with which an agreement was concluded for the construction of technological wells



for the organisation and implementation of geological exploration work in the Mesheti, Zhasaga and Akberdi areas in the Navoiy region. As part of the cooperation, prospects for cooperation in technological fields and the study of rare metals were discussed.

In addition to the above, the State-Owned Enterprise "Navoiyuran" is in close partnership contact with representatives of the Chinese corporation CNNC, with which a bilateral visit was held. On October 28, 2023, an agreement was approved between the Ministry of Mines and Geology and CNNC on the exchange of information in the field of uranium exploration and mining, in particular, it is planned to jointly develop hydrothermal and black shale deposits and joint uranium mining.

# INFORMATION SECURITY

## Guiding documents valid in 2023

- Law of the Republic of Uzbekistan on cybersecurity No. LRU-764 dated April 15, 2022;
- Information security policy of the State-Owned Enterprise "Navoiyuran";
- Decree of the President of the Republic of Uzbekistan on additional measures to improve the system for ensuring cybersecurity of objects of the critical information structure of the Republic of Uzbekistan No. PD-167 dated May 31, 2023.

In an era when digital assets are becoming as important as physical resources, ensuring reliable information security measures is key to the sustainable development of State-Owned Enterprise "Navoiyuran".

In May 2023, the position of engineer for control of fuel and lubricant products in the system was introduced

as part of the information security service of the State-Owned Enterprise "Navoiyuran". This engineer conducted three comprehensive audits that identified thefts through monitoring and inventory of fuel information systems.

According to annual inspections, in 2023, on the basis of Order No. 137, to ensure compliance with information security requirements and prevent unauthorised access to enterprise resources, an on-site inspection of all computers at the Enterprise was carried out. During the inspection, administrative violations were discovered. Disciplinary measures were taken against persons who violated the requirements of the information security policy. In August 2023, an additional on-site inspection was carried out which helped identify local deficiencies and violations of the rules for using computers established by the information security policy. However, as of the end of 2023, there had not been a single

confirmed case of breach of customer data confidentiality or loss of enterprise data.

SOE "Navoiyuran" maintains a business continuity plan to ensure the ability of the Enterprise to continue core operations and quickly recover from unexpected disruptions or crises. This plan includes incident response procedures, including backups and backups, stress testing and pen testing. Robust BCP and incident response procedures enhance the Enterprise's resilience, protect its reputation and build stakeholder confidence in the face of adverse events.

The development of initiatives for the development of information security of the State-Owned Enterprise "Navoiyuran" includes the implementation of various strategic goals and initiatives aimed at protecting confidential data, responding to potential cyber threats and ensuring compliance with international standards. However, along with this, it is also important to take into account environmental and social aspects that can have an impact on the sustainable development of the company and society as a whole. Below are key initiatives to develop the information security of the Enterprise, taking into account the environmental and social context:

- **Comprehensive assessment of the current state of information security:** Conducting a comprehensive assessment of the current state of information security of the Enterprise, including identifying vulnerabilities, assessing risks and assessing existing security measures. This initiative will help ensure data protection, which in turn helps maintain public trust and protect ecosystems from possible data breaches related to the environmental aspects of a company's activities.
- **Implementation of an ISMS framework (ISO/IEC 27001 :2022):** Implementation of an ISMS framework to systematically manage information security risks and ensure continuous improvement. This includes defining security objectives, conducting risk assessments, implementing controls and regularly monitoring and reviewing security processes. This approach not only contributes to data protection, but also to the sustainable development of the company, reducing the likelihood of incidents that could harm the environment and local communities.
- **Strengthening access controls:** Restricting unauthorised access to confidential information through strengthening access controls and implementing encryption methods to protect data in transit and at rest. These measures reduce the risk of data leakage, which helps prevent negative social impacts and ensure environmental safety.



- **Actively collaborate with peers and organisations:** Collaborate with industry peers, government agencies and cybersecurity organisations to share best practices and improve information security resilience. This collaboration contributes to a more secure and sustainable information environment, with positive social and environmental impacts.
- **Acquisition and implementation of DLP system software:** Implementation of DLP systems to prevent leakage and distribution of documents belonging to the Enterprise, as well as to timely protect the confidentiality of transmitted traffic. This helps protect data related to the company's environmental and social responsibility.
- **Introduction of digitalisation processes into the activities of security detachments:** Digitalisation of the activities of departmental paramilitary security detachments and the organisation of situation centres at the facilities of the State-Owned Enterprise "Navoiyuran" helps to increase the efficiency and speed of response to incidents, which in turn supports environmental safety and social well-being.
- **Conducting an audit and obtaining an international certificate:** Conducting an audit at the Enterprise and obtaining an international certificate in accordance with the requirements of international standard "Information Security Management System". This confirms the company's commitment to high safety standards, which contributes to sustainable development and increases public confidence.

These initiatives not only aim to protect confidential data and comply with international standards, but also take into account the importance of environmental and social responsibility, which contributes to the long-term sustainability and well-being of the Enterprise and society at large.



# CORPORATE GOVERNANCE

Supervisory Board  
Executive Body  
Business Ethics  
Risk Management

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53  
56  
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GRI 2-9, 2-10, 2-11, 2-26, 2-18, 2-19, 2-20, 2-21, 405-1

**Guiding documents valid in 2023**

- Resolution of the Agency for Management of State Assets No. 16/10-kr dated February 25, 2022 "On the creation of the State-Owned Enterprise "Navoiyuran";
- Resolution of the President of the Republic of Uzbekistan dated March 6, 2020 "On measures to reform JSC NMMC";
- Regulations on state-owned enterprises approved by the Resolution of the Cabinet of Ministers dated October 16, 2006 No. 215
- Code of Corporate Governance of the Republic of Uzbekistan;
- Charter of the State-Owned Enterprise "Navoiyuran";
- Regulations on the Supervisory Board;
- Regulations on the committees;
- Regulations on the procedure for paying remuneration to members of the Supervisory Board of the State-Owned Enterprise "Navoiyuran".

Corporate governance of the State-Owned Enterprise "Navoiyuran" is based on the principles of transparency, openness and continuous improvement of activities in the interests of the Enterprise, the Sole Founder (shareholder) and the state. As a strategic entity in the organisational and legal form of a state enterprise, SOE "Navoiyuran" is aware of the responsibility for proper and sustainable management of activities and ensuring financial stability and profitability.

In 2023, an independent assessment of the corporate governance of the Enterprise was carried out by Leader Finance Capital LLC (Assessment of the corporate governance system of the State Enterprise "Navoiyuran" based on the results of 2022). It was conducted in

accordance with the standards established by the Legislation of the Republic of Uzbekistan in the field of corporate governance, based on the results of which a number of measures were developed to improve the level of corporate governance. Currently, the Enterprise is at the stage of implementation and implementation of the measures taken, including the development of a number of internal regulations governing the activities of the Enterprise in the field of corporate governance, measures are being taken to make changes to the organisational structure and structure of management bodies, measures are being implemented to increase transparency and disclosure information.

Thus, the key events in the field of corporate governance in 2023 were the following:

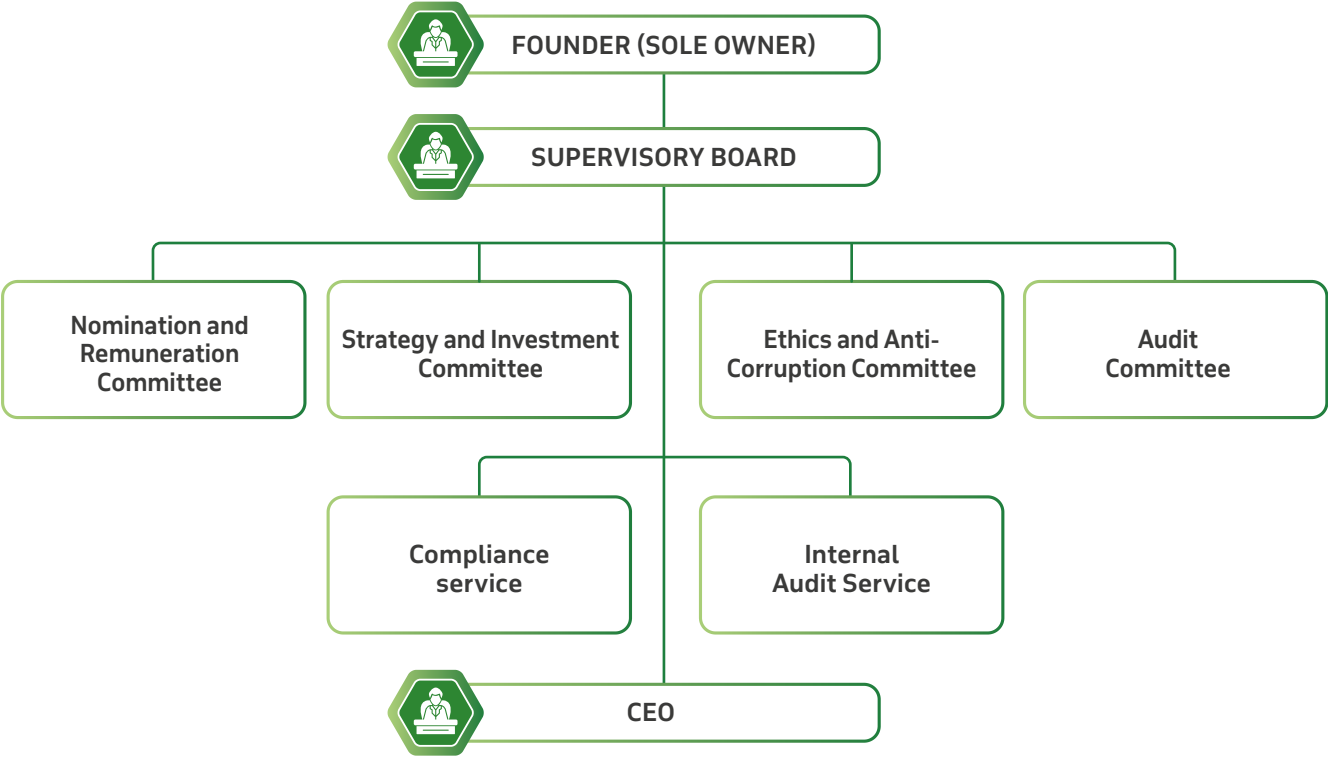
- Approval of the composition of the Supervisory Board committees;
- Approval of the Enterprise's business plan for 2023 based on the results of consideration of the report on financial and economic activities for 2022;
- A candidate for the position of internal audit service head was approved;
- A new organisational structure was approved in order to improve operational efficiency;
- The new edition of the Charter was developed and approved;
- Measures to improve the human resource management strategy were considered;
- The industry digitalisation programme developed by the international consulting organisation McKinsey & Company was approved;
- Measures have been introduced to reorganise the procurement system and improve the anti-corruption system.



Thus, the Enterprise continues to follow the world's best Corporate Governance practices and implements measures to strengthen and continuously develop the system both within the Enterprise itself and in relation to external communications with stakeholders in order to increase the value of the Enterprise both in the state and global markets.

Structure of governing bodies

- The corporate governance structure of the Enterprise is as follows:
- Supreme body – Sole Founder (shareholder).
  - Governing body – Supervisory Board.
  - Executive body – General director.



Sole Founder (shareholder) and owner

Since August 18, 2023, the Sole Founder of the State-Owned Enterprise "Navoiyuran" is the Ministry of Economy and Finance of the Republic of Uzbekistan, which owns 100% of the Enterprise.

The Ministry of Economy and Finance of the Republic of Uzbekistan, acting as the Sole Founder (shareholder), takes measures to implement the above tasks in the State-Owned Enterprise "Navoiyuran" and contributes to the continuous improvement of the activities of the Enterprise and increasing its long-term value.

SUPERVISORY BOARD



The image is for illustrative purpose only

The Supervisory Board of the State-Owned Enterprise "Navoiyuran" plays a key role in ensuring the safe, successful and sustainable development of the Enterprise, as well as in creating long-term value. The Supervisory Board approves the development strategy of the Enterprise, defining the priority areas of its activities, long-term plans and main programmes, determines the general principles and approaches to organising the internal control system and also exercises control over the activities of the executive body of the Enterprise. The current structure of the Supervisory Board ensures fair and objective representation of the interests of the Sole Founder (shareholder).

To exercise control over strategic initiatives and make timely, effective decisions, the Supervisory Board

regularly hears reports from the executive body on key performance indicators, reports on financial and economic activities, information on the execution of business plans, reports on procurement activities and on measures in the field of anti-corruption regulation and reports of internal and independent auditors. Such continuous monitoring allows the Supervisory Board to assess the current state of the Enterprise and make informed decisions in the interests of its long-term success.

The composition of the Supervisory Board was approved in January 2022. At the end of the reporting period, the Supervisory Board continues to exercise strategic management of the Enterprise with its approved composition.



COMPOSITION OF THE SUPERVISORY BOARD



ISLAMOV BOBIR  
FARKHADOVICH

Chairman of the Supervisory Board



NASRITDINKHODJAEV  
OMONULLO  
ZABIHULLAEVICH

Member of the Supervisory Board



NORKULOV ILKHOM  
IBROKHIMOVICH

Member of the Supervisory Board



MELIYEV KHUDAYOR  
KHURRAMOVICH

Member of the Supervisory Board



USMONOV BEKZOD  
SHAVKAT UGLI

Member of the Supervisory Board



KIM KEVIN  
GWANGIL

Member of the Supervisory Board,  
independent director

Year of appointment: 2023  
Citizenship: Republic of Uzbekistan

Year of appointment: 2022  
Citizenship: Republic of Uzbekistan

Year of appointment: 2022  
Citizenship: Republic of Uzbekistan

Year of appointment: 2022  
Citizenship: Republic of Uzbekistan

Year of appointment: 2022  
Citizenship: Republic of Uzbekistan

Year of appointment: 2022  
Citizenship: USA

Education:

- Tashkent State Technical University (Bachelor – Geology and Mineral Exploration, Master’s – Geology of Ores and Deposits)

Other positions held:

- Member of the supervisory board at Almalyk MMC JSC
- Member of the supervisory board of Navoiy MMC JSC
- Minister of Mining and Geology of the Republic of Uzbekistan

Work experience:

- 2023-present – Minister of Mining Industry and Geology of the Republic of Uzbekistan.
- 2017-2023 – Chairman of the State Committee on Geology and Mineral Resources of the Republic of Uzbekistan.

Education:

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

Other positions held:

- Member of the supervisory board of JSC National Electric Grids of Uzbekistan;
- Member of the Supervisory Board of Almalyk MMC JSC.
- Member of the Supervisory Board of Navoiazot JSC
- Member of the Supervisory Board of Uzbektelecom JSC
- First Deputy Minister of Mining and Geology of the Republic of Uzbekistan

Work experience:

- 2023-present – First Deputy Minister of Mining and Geology.
- 2020-2023 – First Deputy Minister of Finance

Education:

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

Other positions held:

- Member of the supervisory board of Uzbekistan Temir Yollari JSC;
- Member of the supervisory board of Uzbekistan Airways JSC.
- Member of the Supervisory Board of UzGasTrade JSC
- First Deputy Minister of Economy and Finance of the Republic of Uzbekistan

Work experience:

- 2023-present – First Deputy Minister of Economy and Finance of the Republic of Uzbekistan.
- 2020-2023 – First Deputy Minister of Economic Development and Poverty Reduction.
- 2019-2020 – First Deputy Chairman of the Central Bank of the Republic of Uzbekistan.

Education:

- Tashkent State University of Law (Advocacy)

Other positions held:

- Deputy Minister of Justice of the Republic of Uzbekistan

Work experience:

- 2019-present – Deputy Minister of Justice.
- 2001-2019 – worked in various positions in the Ministry of Justice.

Education:

- Tashkent Institute of Finance (Finance and Economics)

Other positions held:

- Head of the Centre for the Effective Use of State Property at the Agency for Management of State Assets

Work experience:

- 2023-present – Head of the Centre for the Effective Use of State Property of the Agency for Management of State Assets.
- Until 2021 – Chairman of the Board of JSC Republican Stock Exchange TASHKENT.

Education:

- California State University (Business Administration)
- Golden Gate University (MBA)

Work experience:

- 2019-present – International Green Technology and Investment Centre (IGTIC) Non-executive independent director

In 2023, the Supervisory Board held 15 meetings and considered 29 issues in various areas of the Enterprise's activities, including:

- Approval of the work plan of the Supervisory Board for 2023;
- Approval of the composition of the committees of the Supervisory Board;
- Hearing the results of the implementation of the business plan indicators for 2022;
- Consideration of the report of the executive body on the financial and economic activities of the Enterprise;
- Approval of the Enterprise's business plan for 2023;
- Approval of a road map for the formation of an anti-corruption system;
- Engaging an independent audit organisation to conduct diagnostics of the procurement system;

- Formation of the structure and composition of the internal audit service;
- Approval of a new organisational structure.

Members of the Supervisory Board are paid remuneration based on the profitability of the Enterprise for the previous period and the contribution of the members of the Supervisory Board to the activities of the Enterprise. The main principles when paying remuneration are openness and transparency of the procedure, fair remuneration and increasing the motivation of members of the Supervisory Board for further active participation in increasing the efficiency and profitability of the Enterprise. Thus, at the end of 2023, members of the Supervisory Board were paid a total remuneration of USD 132 thousand.

- Approval of the budget and staffing schedule of the internal audit service;
- Reviewing the report on purchased goods, works and services on a quarterly basis;
- Consideration of the conclusion of the audit organisation Deloitte on the reorganisation of the existing procurement system;
- Consideration of the issue of increasing the effectiveness of the anti-corruption system.

**Anti-Corruption and Ethics Committee.** Created by decision of the Supervisory Board to exercise control in the field of anti-corruption activities and increase the level of business ethics at the Enterprise.

During the reporting year, the Anti-Corruption and Business Ethics Committee held 2 meeting, during which the report on the activities of the compliance service and the conclusion of the audit organisation Deloitte on the reorganisation of the existing procurement system and discussion of the "Roadmap" for the reorganisation of the existing procurement system and increasing the effectiveness of the anti-corruption system based on the findings and recommendations of the "forensic" audit conducted at the State-Owned Enterprise "Navoiyuran" were reviewed.

## COMMITTEES UNDER THE SUPERVISORY BOARD

According to advanced corporate governance standards, an important aspect of the work of the Supervisory Board is the creation of committees specialising in various areas of the Enterprise's activities. Committees provide additional mechanisms for deeper examination of specific aspects of management and provide more effective control over key company processes. The activities of the committees provide a deeper understanding of problems and opportunities and also contribute to the adoption of more informed and effective management decisions by the organisation's Supervisory Board.

Since 2023, the following committees have functioned under the Supervisory Board of the Enterprise, created for the purpose of detailed study of issues subsequently submitted for consideration by the Supervisory Board.

**Nomination and Remuneration Committee.** It was created by a decision of the Supervisory Board of the Enterprise and is considered the body implementing the agreement on the formation, control, coordination and implementation of the Enterprise's policy in the field of personnel, their organisational development and career advancement.

For 2023, the Nomination and Remuneration Committee held 2 meetings on June 14, 2023 and on September 11, 2023 during which the issues of a strategy for improving the human resource management system and the tasks of the Administration of the President of the Republic of Uzbekistan No. 16-1459 of September 7, 2023 and the

Cabinet of Ministers No. 15/1-2074 of September 8, 2023 were considered.

**Strategy and Investment Committee.** It is a consultative and advisory body under the Supervisory Board, created for the purpose of developing proposals and recommendations on the priority strategic and investment initiatives and projects of the Enterprise.

During 2023, the Strategy and Investment Committee held 3 meetings, during which they considered:

- Issues of approving the business plan for the coming year;
- Preliminary approval of the new organisational structure;
- Report on the financial and economic activities of the executive body;
- Digital Enterprise programme developed by international consulting firm McKinsey & Company;
- Preliminary approval of the distribution of the Company's net profit.

**Audit Committee.** Created by decision of the Supervisory Board to consider the most important issues regarding the implementation of control functions over the financial and economic activities of the Enterprise.

For 2023, the audit committee held 5 meetings during which it had considered the following issues:

- Consideration of candidates for the position of head of the internal audit service;

## EXECUTIVE BODY



Management of the current activities of the Enterprise is carried out by the executive body – the General Director, determined by the Charter of the Enterprise and the relevant Regulations, which implements the strategic initiatives facing the Enterprise and the instructions of the Supervisory Board into the operational activities of the Enterprise. The activities of the executive body are regulated in accordance with the Charter, according to which the General Director and his deputies are accountable in their activities to the Supervisory Board and the Sole Founder (shareholder) and have the right to make decisions

on all issues of the activities of the Enterprise, with the exception of issues falling within the competence of other management bodies.

The Supervisory Board and the executive body ensure the effective implementation of the mission and goals of the Enterprise, protecting the interests of the Enterprise and promoting its continuous development.

In 2023, Fayzullaev Djamal Sabakhonovich was appointed general director of the enterprise.





**FAYZULLAEV DJAMAL  
SABAKHONOVICH**

General Director

**Year of appointment:** 2023  
**Citizenship:** Republic of Uzbekistan

- Education:**
- Tashkent State Technical University
  - Moscow State Institute of Steel and Alloys

**Work experience:**

Djamal Sabakhonovich has professional experience in the manufacturing industry. Over the years, he held positions as an engineer in the field of metallurgy, was deputy head at the Uzbek Metallurgical Plant and head of the department of nuclear energy and nuclear technology. Along with this, Djamal Sabakhonovich worked in government bodies of the Republic of Uzbekistan – in the industrial sector of the Cabinet of Ministers of the Republic of Uzbekistan, in the service for preparing analytical materials in the Secretariat of the Prime Minister. Currently he is Deputy Minister of Mining and Geology.



**NAZAROV VALIJON  
FAIZULLAEVICH**

First Deputy General Director

**Year of appointment:** 2022  
**Citizenship:** Republic of Uzbekistan

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

**Work experience:**

Valijon Faizullaevich has professional qualifications in the field of mining. He began his career at the Navoiy Mining and Metallurgical Plant as a specialist and in 13 years reached leadership positions – he held the positions of chief engineer, deputy chief engineer for the hydrometallurgical complex and director of the mine department. Since the establishment of the Enterprise, he was appointed to the position of First Deputy General Director and successfully operates in this position.



**HAYDAROV HASAN  
TOLIBOVICH**

Deputy General Director  
for Coordination of Transformation  
Processes

**Year of appointment:** 2022  
**Citizenship:** Republic of Uzbekistan

- Education:**
- Tashkent State Technical University
  - Ritsumeikan University

**Work experience:**

Hasan Tolibovich began his career in 2004 as a chief accountant, chief economist in government agencies, then moved to the Ministry of Finance of the Republic of Uzbekistan and in the period from 2007 to 2016 he made a significant journey from the position of chief economist to head of department. In the period from 2016 to 2017, he headed the department for the targeted and effective use of funds from the Employment Promotion Fund of the Ministry of Labour. Since 2017, he began working in commercial structures – he held the positions of head of the department of financing and cash flow control, deputy chairman of the board of Uzbekhydroenergo JSC, after which in January 2022 he joined the Navoiyuran State Enterprise as deputy general director for coordination of transformation processes.



**RUZIEV UMRIDIN  
BAZARBAEVICH**

Deputy General Director  
for Economics and Finance

**Year of appointment:** 2022  
**Citizenship:** Republic of Uzbekistan

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

**Work experience:**

Umrudin Bazarbayevich graduated from the Tashkent State Economic University in 2008 and from the moment of graduation he worked at Navoiy Mining and Metallurgical Plant JSC. He started as an engineer in the geological exploration department for the organisation and regulation of labour, an economist in planning and since 2019 he has been deputy head of the planning and economics department. Further, since the creation of the Navoiyuran State Enterprise, he has been Deputy General Director for Economics and Finance.



**KHAMIDOV LATIFJON  
ABDIMUMINOVICH**

Deputy General Director  
for Commercial Affairs

**Year of appointment:** 2022  
**Citizenship:** Republic of Uzbekistan

- Education:**
- Tashkent State Technical University (Mechanical engineering technology, equipment and automation of mechanical engineering production)
  - Navoiy State Mining Institute (Metallurgy of non-ferrous metals)

**Work experience:**

Latifjon Abdimuminovich has extensive experience in the field of commerce, over the years he held the positions of department expert, deputy head and head of the commodity market conditions department at the Navoiyuran State Enterprise. From 2015 to 2021, he was Deputy Director for Commercial Affairs. Since January 2022, he has been Deputy General Director for Commercial Affairs of the Navoiyuran State Enterprise.



**OLTINOV AZIZ  
IKROMOVICH**

Deputy General Director  
for Personnel and Administrative  
Affairs

**Year of appointment:** 2022  
**Citizenship:** Republic of Uzbekistan

- Education:**
- Navoiy State Pedagogical Institute (History, foundations of state and law)

**Work experience:**

Aziz Ikromovich began his career in government agencies as a leading specialist at the khokimiyat of the Navoiy region, then moved to the position of head of the personnel department at Navoiy Mining and Metallurgical Plant JSC, where he then held various leadership positions in the field of personnel management over the years. Taking into account the experience gained, in January 2022 he was appointed to the position of Deputy General Director for Personnel and Administrative Affairs.





**GÉRARD  
FRIES**

Advisor to the General Director

**Year of appointment:** 2023

**Citizenship:** France

#### Education:

- Doctorate in Sciences (eq. Doctorate in Geology), Paris University
- Corps of Mines Engineer (eq. PhD in Public Administration), Ecole des Mines
- Engineer (eq. MSc Engineering), Ecole Polytechnique

#### Work experience:

Gerard Fries successfully managed the international joint venture of Kazatomprom and Orano, which are leaders in the uranium industry. He was recruited by Veolia Environmental Services to develop a technical team for Veolia Environmental Services. He held various senior positions in Total Exploration Production branch from 1987-2001 in the territories of France, Gabon, Kazakhstan, Russia and Great Britain. His strategic contribution to the successful development of the business of BeicipFranlab (IFP Energies Nouvelles) in the development of software for reservoir design and pool modelling has been also noted. He was Board Member of the French geophysical company CGG, listed on Euronext Paris and actively participated to its merger with the geophysical Canadian company Veritas. Before joining SOE Navoiyuran, Gerard was advisor to the CEO in Orano mining Company.

Currently has following membership:

- American Association of Petroleum Geologists (AAPG)
- European Association of Geoscientists & Engineers (EAGE)
- International Association of Sedimentologist (IAS)



**ANDREAS  
MITTLER**

Advisor to the General Director

**Year of appointment:** 2023

**Citizenship:** Germany

#### Education:

- Mining Engineer, École Nationale Supérieure des Mines de Paris
- Master's Degree in Science and Performance Engineering, École Nationale Supérieure des Mines de Paris

#### Work experience:

Andreas has over 30 years of experience in Mining Operations and Projects. He was Senior Vice President for Africa at Kinross Gold Corporation and was responsible for operations in Mauritania and Ghana, including strategic direction and government relations. He also held the position of Vice President Operations and Projects at Orano Mining (former Areva/Cogema group) in charge of all uranium production sites (Niger, Kazakhstan and Canada) and major projects: in-situ recovery projects in Kazakhstan and Mongolia, open pit projects in Niger and Namibia. Led team of specialists in France: R&D, Technology, Industrial Performance, Long Term Mine and Reserve Planning, Procurement, Central Project Management Office. Andreas has held various positions in Supervisory Boards, Management Boards and General Manager positions in various countries and international companies: Orano Canada, Katco Kazakhstan, Somaïr and Cominak Niger, Tasiast Mauritania, etc.

During the reporting period, the executive body made a number of priority decisions that had a significant impact on the management system and operational activities of the Enterprise, including:

- Amendments to the Regulations on the Compliance Service;

- Implementation of international standards in the compliance service of the Enterprise in accordance with ISO 37001:2016;
- Development of an updated organisational structure and approval of new structural divisions;
- Implementing cooperation with an investment organisation and increasing the return on assets.

## BUSINESS ETHICS



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

#### Guiding documents valid in 2023:

Law of the Republic of Uzbekistan dated September 11, 2017 "On appeals from individuals and legal entities";

- Ethical Conduct Policy;
- Etiquette rules for employees;
- Anti-corruption policy;
- Regulations on the compliance service;
- Regulations on conflict-of-interest management;
- Regulations on the value of a gift that an employee of the Company can receive;
- Methodology for identifying and assessing corruption risks;

- Regulations for receiving and considering reports of corrupt behaviour through communication channels;
- Compliance service roadmap for 2022-2023. Register of risks and opportunities.

To create a culture of legality, integrity and strengthen high standards in the field of compliance, State-Owned Enterprise "Navoiyuran" continuously improves the standards and practices of business ethics. In 2023, a new edition of the Ethical Conduct Policy was approved and documents related to due diligence, conflicts of interest and anti-corruption standards were developed.





The policy on ethical conduct of the State-Owned Enterprise "Navoiyuran" covers all employees and departments of the enterprise, regardless of their position. The main provisions of the Policy include:

- Formation of a high professional culture.
- Increased respect and trust in public service.
- Preventing behaviour that is inconsistent with ethical standards both within and outside the enterprise.

Employees of the Enterprise must perform their duties based on the principles of legality, loyalty to the state and devotion to duty, observing executive discipline and respecting the rights, freedoms and legitimate interests of citizens. They are obliged to show loyalty to the interests of the state and society, adhere to fair, honest and impartial behaviour, actively fight corruption and avoid conflicts of interest.

According to paragraph 8 of the Policy, employees and managers are prohibited from demanding or coercing subordinates to participate in political activities on behalf of a party or public associations. Compliance with the provisions of the Policy is the main criterion for assessing the effectiveness of employees and for their further promotion and inclusion in the management personnel reserve. Violation of these principles entails moral and disciplinary measures.

The General Director of the Enterprise ensures the protection of employees from threats, insults and other unlawful actions. In the event of threats related

to the performance of official duties, management takes measures to protect employees, preventing interference in their activities and incitement to offenses. In case of violation of the rules of conduct, the General Director or the Ethics Commission sends proposals to the Supervisory Board to take appropriate measures.

The service for appeals from individuals and legal entities of the State-Owned Enterprise "Navoiyuran" supervises and coordinates cases related to appeals. Accepted appeals are registered and sent for consideration within the established time frame, after which a written response is sent to the author. Communication channels include the reception office of the General Director of the State-Owned Enterprise "Navoiyuran" and the postal address of the enterprise.

This renewed approach not only strengthens the legal culture and professional ethics, but also promotes environmentally and socially responsible behaviour among employees, which is important for sustainable development of society and the preservation of the environment.

The Company regularly monitors requests from individuals and legal entities to take timely measures and prevent violations. In 2023, a total of 907 requests were received through written and oral channels, as well as through the virtual reception of the President of the Republic of Uzbekistan in the following breakdown:

Way of contacting		Number of requests
Virtual reception of the President of the Republic of Uzbekistan		55
Orally and during reception		449
In written form		403
Of them:		
Result of the request	Number of requests	Percentage
Resolved positively	197	22%
Legal information provided	593	65%
Clarifications given	110	12%
Rejected	–	–
Closed	2	0.22%
Under review	5	0.55%

SOE "Navoiyuran" values its business reputation and strictly follows all the requirements of legislation and internal policies. During the reporting period,

no external investigations were undertaken against the Enterprise and no fines were imposed on the Enterprise for violation of legal requirements.

## NON-DISCRIMINATION

SOE "Navoiyuran" adheres to the principles of the struggle for justice and equality. The Company openly proclaims that discrimination, whether within or outside the organisation, is unacceptable – this principle is fundamental to our activities and forms the basis of the Company's ethical culture. We are committed to creating an open, inclusive environment where everyone feels equal and respected. Our Company actively monitors compliance with this principle and takes all necessary measures to suppress any manifestations of discrimination.

Moreover, we strongly support the fight against child labour. We believe that child labour is not only a form of exploitation but also a serious violation of children's rights. Our Company adheres to all international standards and norms prohibiting the use of minors. We are committed to ensuring that our products and services are free of any association with child labour and continue to strive to provide a safe and ethical work environment for all our employees.



In addition, we refuse to participate in the financing of political parties and candidates. We are focused solely on business goals and commitment to society.

During the reporting period, no cases of discrimination on any grounds were registered.

ANTI-CORRUPTION

GRI 205-2, 205-1, 206-1

SOE “Navoiyuran” adheres to the principles of anti-corruption culture, declaring its commitment to high ethical standards and intolerance to corruption. Based on international standards and legal requirements, the company develops and implements its own anti-corruption mechanisms, taking into account the specifics of its activities and specific risks.

Being the only uranium mining and processing enterprise in Uzbekistan, SOE “Navoiyuran” is not subject to anti-monopoly and anti-competitive regulations. The fight against corruption is built on the principles of honesty, transparency and accountability, with the goal of systematically preventing and eliminating corruption in all areas of activity. The main areas of anti-corruption work include identifying and minimising risks, strict compliance with the law, increasing the legal awareness of employees and developing an intolerant attitude towards corruption.

To achieve these goals, an anti-corruption policy has been developed that applies to all employees of the enterprise. SOE “Navoiyuran” also verifies compliance with anti-corruption standards among its partners and suppliers, including mandatory clauses in contracts on compliance with anti-corruption standards.

The company actively trains employees in anti-corruption standards by conducting trainings and awareness-raising events. In 2023, 30 employees, including management, were trained according to ISO 37001:2016 standards. Mandatory training for all employees and events with contractors and law enforcement are planned in the future.

Anti-corruption programmes are developed based on risk assessments, ensuring that HR policies and procedures comply with enterprise standards. Measures to address corruption risks include training, feedback and safe reporting channels. The programme is continuously improved through monitoring and evaluation.

SOE “Navoiyuran” conducts anonymous surveys on corruption issues, collecting proposals for improving anti-corruption measures. In 2023, based on requests from the public and employees, 12 investigations and 33 inspections were carried out, resulting in the identification of criminal and disciplinary offenses with a total loss of USD 800 thousands.

The official website of the enterprise contains internal regulatory documents on the fight against corruption in Uzbek, English and Russian, ensuring transparency and awareness of the work being carried out.



RISK MANAGEMENT

Proper risk management is the basis for continued business operations and serves as a guarantee of stability and sustainability. However, with proper risk management, the Enterprise can prevent potential financial losses, incidents at production sites, impacts on reputation and interaction with stakeholders, as well as any other potential damage to operations. Realising this, SOE “Navoiyuran” strives not only to comply with the provisions in the field of risk management, but also to constantly monitor them for continuous improvement of processes and internal regulations in order to timely adapt to changes in the environment. Risk management helps to minimise the negative consequences of risky situations and creates the basis for making informed decisions, taking into account the analysis of risks and potential profits.



The Enterprise has developed a register of risks and opportunities, according to which 24 key risks and 5 potential opportunities have been identified, of which 3 risks are uncontrollable and 21 are manageable.

THE TABLE BELOW PRESENTS THE MAIN SUSTAINABILITY RISKS AND RESPONSES TO THEM.

Risk	Response measures
Exceeding established environmental standards	<ul style="list-style-type: none"><li>• Systematic monitoring of environmental standards.</li></ul>
Negative impact on the environment	<ul style="list-style-type: none"><li>• Regular notification of employees about the requirements for separate storage of waste.</li><li>• Availability of weekly monitoring of separate storage of waste.</li></ul>
Lack of qualified specialists	<ul style="list-style-type: none"><li>• Improving procedures for recruiting qualified employees.</li><li>• Hiring according to established procedures.</li></ul>
Violation of labour protection and safety requirements by employees	<ul style="list-style-type: none"><li>• Implementation and improvement of training systems.</li><li>• Knowledge testing.</li><li>• Three-stage monitoring of compliance with working conditions.</li></ul>
Violation of labour protection and safety requirements by contractors	<ul style="list-style-type: none"><li>• Introduction and improvement of procedures for working with contractors.</li><li>• Notification of obligations of contractors.</li><li>• Regular monitoring and control of activities.</li></ul>

The Company pays special attention to risks in the field of professional and environmental safety. Thus, by order of the General Director, a documented procedure for risk management in these areas was approved, which applies to both all employees and external parties carrying out operations at the production sites of the Enterprise. The procedure is based on international standards

ISO 9001, , as well as on state laws “On environmental protection”, “On labour protection” and standards based on these regulations. According to the procedure, the Enterprise has approved detailed stages and steps for identifying and eliminating risks, as well as formulas and metrics for accurately determining the level of risks and making appropriate decisions.





### STAGES AND ACTIVITIES ACCORDING TO THE PROCEDURE:

Stage	Activities
Identification of hazards and environmental aspects of the activities carried out	<ul style="list-style-type: none"> <li>Determination of scope of application.</li> <li>Identification of hazards and environmental aspects.</li> </ul>
Risk and Impact Assessment	<ul style="list-style-type: none"> <li>Identification of risks and impacts.</li> <li>Identification of persons exposed to risks.</li> <li>Identification of control methods.</li> <li>Identification of risk level and impact.</li> </ul>
Risk and Impact Analysis	<ul style="list-style-type: none"> <li>Decision on acceptability of risk, impact.</li> <li>Determination of priority of risks and impacts.</li> </ul>
Determination of control measures	<ul style="list-style-type: none"> <li>Determination of measures to bring to an acceptable level.</li> <li>Implementation and ongoing monitoring.</li> <li>Repeated re-evaluation after completion of planned activities.</li> </ul>

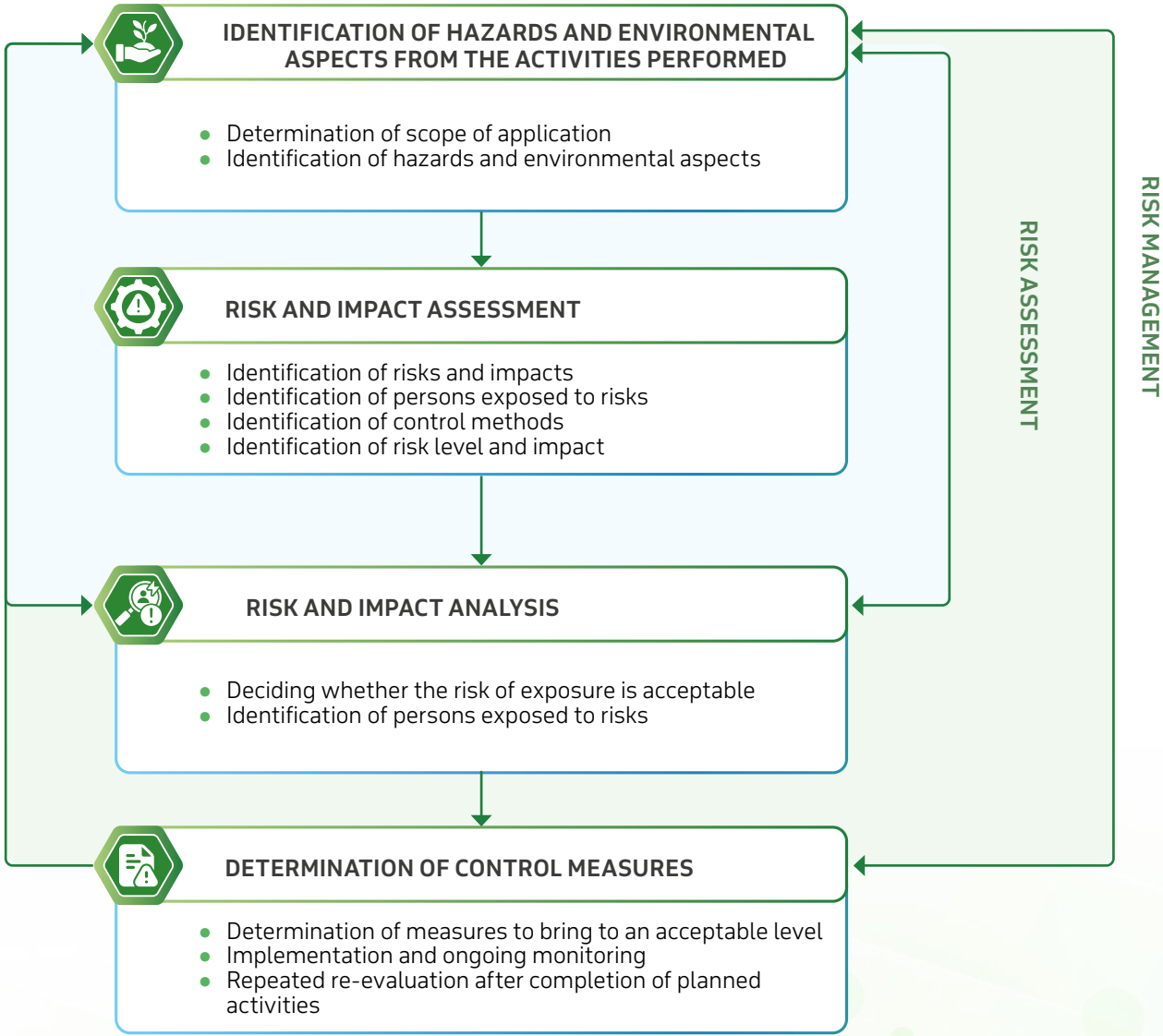
Another key area of risk management, in which the Company has developed detailed regulations and procedures, is the identification and assessment of corruption risks.

Since 2023, the Company has had a methodology for identifying and assessing corruption risks, which is based on the decision of the President of the Republic of Uzbekistan No. PQ-240 dated May 11, 2022 "On measures to improve mechanisms for eliminating corruption risks in public administration and expanding public participation in this area". According

to the methodology, the identification and assessment of corruption risks involves the development of a corruption risk map, anti-corruption programmes and a list of positions with a high corruption risk. Corruption risks in the activities of the Enterprise are determined on the basis of internal and external sources of information. Internal sources of information include internal audit materials, minutes of ethics commission meetings, internal monitoring of the results of anti-corruption activities, surveys conducted by structural units, including based on the results of sociological research. External sources include appeals and statistical

data on violations of business activities, surveys conducted by government organisations regarding the activities of the Enterprise, materials provided by law enforcement agencies and other sources. The level of corruption risks in the activities of the Enterprise is assessed as low, medium or high based on the criteria defined in the methodology. Based on the results of identifying the risk level, further measures are taken,

such as reducing the human factor and digitalisation of the activities of structural units, measures to regulate the activities of individual structural units, eliminating bureaucratic regulatory mechanisms, conducting explanatory work and preventive interviews, carrying out daily monitoring of full compliance by employees with internal documents on counteraction. corruption and conflict of interest management.





# ENVIRONMENTAL RESPONSIBILITY

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Waste Management	73
Tailings Management	74
Radioactive Waste Management	75
Biodiversity Conservation	75

## Guiding documents valid in 2023:

- Law of the Republic of Uzbekistan "No. LRU-363 dated December 27, 2013 "On environmental control";
- Law of the Republic of Uzbekistan No. 754-XII of December 9, 1992 "On Nature Protection";
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 202 dated April 12, 2021 "On further improvement of economic mechanisms for protecting the natural environment on the territory of the Republic of Uzbekistan";
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 14 dated January 21, 2014 "On approval of the Regulations on the procedure for developing and approving draft environmental standards";
- Sanitary rules for the liquidation, conservation, repurposing of enterprises for the extraction and processing of uranium and productive solutions (SP LKP – 2007);

- Radiation safety standards (NRB –2006) and basic sanitary rules for ensuring radiation safety (OSPORB-2006) (SanPiN RUz No. 0193-06);
- Law of the Republic of Uzbekistan "On the rational use of energy";
- Policy of the integrated management system in the field of quality, ecology, health protection and occupational safety of the SOE "Navoiyuran";
- Energy management system policy;
- Regulations on the Environmental Protection Service;
- Regulations on the department of the chief power engineer.

## Highlights for 2023:

- As part of the Yashil Makon (Green Space) programme, 107 thousand trees were planted to preserve and restore biodiversity, protect soil from erosion and pollution;
- 30 hectares of reclaimed land.

# ENVIRONMENTAL MANAGEMENT SYSTEM

## GRI 3-3

SOE "Navoiyuran's" commitment to sustainable development is based on a deep understanding of environmental and social responsibility. In addition to complying with environmental regulations, we actively seek ways to reduce our environmental impact and improve the quality of life for our employees and local communities.

Responsibility for managing environmental issues is assigned to the Environmental Protection Service (EPS), which reports to the First Deputy General Director. In its activities, EPS is guided by the legislation



of the Republic of Uzbekistan and internal regulations of the Enterprise.

In 2023, the certification body CERT International LLC conducted an audit that confirmed the compliance of the environmental management system with requirements of ISO 14001:2015 standard.

The audit assessed the environmental processes and practices of the Enterprise, identifying areas for improvement.





# ENVIRONMENTAL COMPLIANCE



The company adheres to environmental standards as part of its quality, environmental, health and safety management strategy. We strive to comply with the standards established by the legislation of Uzbekistan, carrying out activities in accordance with the approved policies and regulations prescribed by the President of the Republic of Uzbekistan, laws and regulations on environmental protection and rational use of natural resources.

Over the past year, we have focused on addressing environmental issues such as reducing pollutant emissions, managing water discharges and managing waste. We have developed more than 35 documents covering various aspects of environmental protection and sustainable use of natural resources. These documents are aimed at improving the quality of the atmosphere, water resources and proper waste management.

The examination of the State Committee for Ecology and Environmental Protection evaluates our

GRI 307-1

Compliance with applicable environmental standards and requirements is an integral part of the activities of SOE "Navoiyuran". Government authorities annually carry out inspections of the Enterprise's facilities

projects in terms of their compliance with standards, implementation efficiency and potential impact on the environment and human health.

We also actively use environmental impact assessment (EIA) when developing new projects, taking into account the current state of nature and developing development scenarios taking into account the impact of our activities. To regulate emissions and discharges, we develop internal documents on maximum permissible emissions (MPE) and discharges (MPD), as well as waste management standards (WMS). This allows us to strictly comply with environmental standards and effectively manage waste management and disposal processes.

In addition, we regularly pay compensation for environmental emissions in accordance with the data received. Our goal is to reduce the negative impact on the environment, so we develop and present environmental action plans that include a wide range of measures aimed at improving the environmental situation.

to confirm compliance with environmental protection requirements.

In 2023, the specialised prosecutor's office of the Navoiy region of the Republic of Uzbekistan conducted an audit of the activities of the State-Owned Enterprise "Navoiyuran" for compliance with the environmental legislation of the Republic of Uzbekistan. According to the results of the inspection of the regional prosecutor's office in the Navoiy region, no violations were identified.

During the audit, an analysis of the Enterprise's approach to compliance with the requirements of the Law of the Republic of Uzbekistan "On Environmental Control" was carried out. At the same time, the effectiveness of the measures taken by the Enterprise to ensure

compliance with environmental norms and standards established by the legislation of the Republic of Uzbekistan was assessed. The results of the analysis allowed us to conclude that the Enterprise is actively working to comply with environmental control requirements and is taking the necessary measures to minimise the negative impact on the environment.

During the reporting period, not a single major environmental incident was recorded and there were no complaints from the local population against the State-Owned Enterprise "Navoiyuran".

# RESPONSIBLE APPROACH TO THE EXPLOITATION OF DEPOSITS



The enterprise's activities in extracting uranium using underground in-situ recovery help reduce the negative impact on the environment. The main objects of impact are subsoil, groundwater, soil cover and soils.

According to the requirements for state environmental assessment, the opinion of the population is taken into account. Before starting economic activity, specialists provide a positive expert opinion on the selection and allocation of land plots for the development of fields. Environmental impact assessment projects developed by third-party companies are considered.

Upon completion of work at the fields, a project is being developed for the decontamination and technical reclamation of areas to restore damaged areas of the soil cover. The company follows legal standards, having reclaimed 30 hectares of land in 2023.

Having completed the work, the Enterprise is developing a plan for the removal of used equipment and infrastructure, as well as a project for decontamination and technical reclamation of deposit areas in order to restore damaged areas of the soil cover.



# CLIMATE CHANGE

## Highlights for 2023

- **2.137 thousand GJ** – total electricity consumption;
- **32,003 tonnes** – total amount of steam sold;
- **49,398 tonnes CO<sub>2</sub>-eq** – total greenhouse gas emissions (Scope 1).

# ENERGY MANAGEMENT

GRI 3-3

State-Owned Enterprise “Navoiyuran” accepts responsibility for its role in protecting the environment and ensuring the efficient use of resources. We are committed to optimising our energy consumption while adhering to the principles of environmental and social responsibility.

As part of our commitment to sustainability and production efficiency, SOE “Navoiyuran” pays special attention to the implementation of an energy management system in accordance with the international standard ISO 50001 requirements . This approach includes the development and adoption of an energy management policy, energy management goals, internal audit procedures, non-conformity

GRI 302-1

State-Owned Enterprise “Navoiyuran” strives to increase energy efficiency and use of renewable energy sources. Its total electricity demand is 646.7 GJ per year. At the Uchkuduk production site there is a steam turbine plant with a capacity of 6 MW, which covers 80% of the needs for sulphuric acid production.

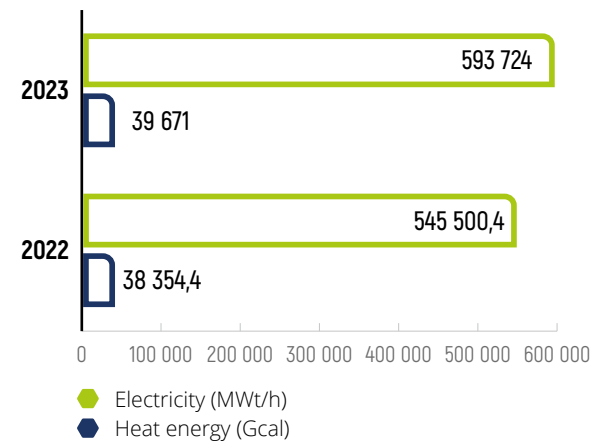
In 2023, the company expanded the capacity of the photovoltaic plant to 600 kW to convert solar energy into electricity. The excess steam produced is transferred to JSC NMMC. In the same year, 32,003 tonnes of steam were supplied to this company. Production facilities receive electricity from the networks of NMMC JSC and the Nurabad mine administration receives electricity from National Electric Networks of Uzbekistan JSC.



management and corrective actions, strategic management and risk management.

We actively analyse our energy consumption and energy efficiency, striving for continuous improvement. Implementing an energy management system helps us identify opportunities to reduce energy consumption and reduce negative environmental impacts.

## CONSUMPTION OF ELECTRICITY AND HEAT ENERGY



# ELECTRICITY AND HEATING POWER CONSUMPTION

GRI 302-1

In 2023, electricity consumption at the State-Owned Enterprise “Navoiyuran” increased by 7.5% compared to the previous year. The bulk of electricity is spent on maintaining the operation of equipment and systems necessary for underground in-situ recovery of uranium ore. This process accounts for 87% of the plant’s total energy consumption. The 6.3% increase in drilling volume

also had a significant impact on the increase in electricity consumption. This made it possible to increase uranium production by 9.5%. Thus, the efficient use of electricity plays a key role in ensuring the stability and productivity of the uranium mining process at the State-Owned Enterprise “Navoiyuran”.

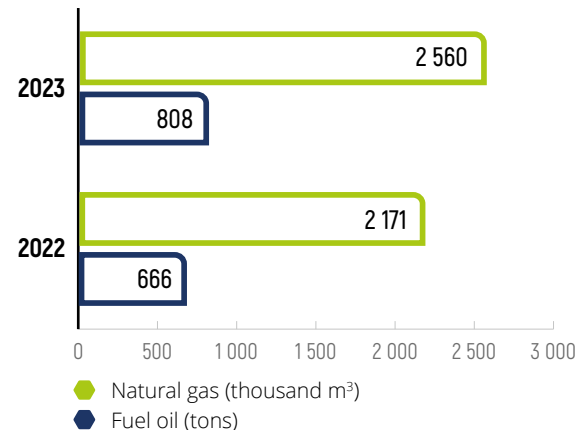
## ENERGY CONSUMPTION BY SECTION IN 2023 MWH

Production process	2022	2023
For uranium production	470,907	538,645
For the production of finished goods	12,954	15,274
For the reclamation of the uranium mining waste dumps	5,081	9,879
For the production of ammonium perrhenate	2,246	2,191
For the production of sulphuric acid	42,761	48,540
For the production of tubular goods	2,615	3,175
For drilling	750	2,479

The company currently uses non-renewable fuels for its production processes and the production of electricity and heat, despite their negative impact on the environment. This has both positive and negative sides. Positive aspects include high energy density, reliability of energy supply and cost-effectiveness in certain cases. However, there is a high level of environmental pollution due to emissions of greenhouse gases and other pollutants from fuel combustion, as well as limited resources.

As part of its strategic plans, the Company aims to increase the share of renewable energy sources (RES), which will reduce greenhouse gas emissions and limit the negative impact on the environment. The increase in the use of non-renewable energy sources by 17% compared to 2022 is explained by their main use in the production divisions of the Enterprise.

## CONSUMPTION OF NON-RENEWABLE FUELS





CONSUMPTION OF NON-RENEWABLE FUELS

GRI 302-3

With an increase in uranium production in the State-Owned Enterprise "Navoiyuran", there is a decrease in the intensity of electricity consumption by 24% compared to 2022. This demonstrates the importance of the enterprise's environmental responsibility and its commitment to sustainable development. Reducing

the intensity of energy consumption not only promotes resource efficiency, but also reduces the negative impact on the environment. Such efforts are aimed not only at business development, but also at creating an ecological balance in society.

ENERGY CONSUMPTION INTENSITY (302-3)

Indicator name	2022	2023
Energy consumption intensity, GJ / UZS million of revenue	7.7	6.0
Energy consumption intensity, GJ / (product output)	0.6	0.5
Energy consumption intensity, GJ / per.	234.6	238.6

REDUCTION OF ENERGY CONSUMPTION

GRI 302-4



SOE "Navoiyuran" decided to reduce energy consumption, improving the environmental and social efficiency of its activities. The introduction of energy-efficient technologies and optimisation of production processes have become key steps in this direction. These measures not only help conserve resources and reduce operating costs, but also comply with modern standards of sustainable development and responsible business.

In 2023, the State-Owned Enterprise "Navoiyuran" successfully continued its initiative, reducing electricity consumption to 204.795 MWh. Updating equipment and switching to more energy-efficient solutions, including the introduction of frequency converters, led to significant energy savings.

The increase in photovoltaic (PV) plant capacity to 0.6 MWh in 2023 and the planned increase to 1.5 MWh in 2024 are important steps towards increasing the share of renewable energy sources in the overall energy mix of the enterprise. This not only helps reduce the environmental impact, but also improves the sustainability of production processes.

Additionally, SOE "Navoiyuran" plans to conduct an audit to assess the compliance of the energy management system with ISO 50001 standard's requirements. This step is aimed at more efficient energy management and reduction of energy costs in the future.

GREENHOUSE GAS EMISSIONS

GRI 3-3

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.

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 2023, the EPS assessed greenhouse gas emissions from the activities of the Enterprise (Scope 1) in accordance with the principles of combating climate change. The assessment included emissions from stationary and mobile sources, including from the vehicle fleet, using the international IPCC methodology. This tool of standardised approaches ensures comparability of data across regions and countries.

Reducing greenhouse gas emissions by 36% is a significant achievement, which was achieved through



the implementation of a set of measures to improve technical equipment and technological processes. This result confirms the effectiveness of the measures taken and the strategic attention paid to environmental and sustainable development issues. Optimising work processes, introducing modern technologies and using environmentally friendly solutions have become key factors in reducing greenhouse gas emissions.

GREENHOUSE GAS EMISSIONS BY SCOPE 1

Index	Unit	2022	2023	Change, %
Total Greenhouse Gas Emissions (Scope 1)	t CO <sub>2</sub> - eq.	65,103	49,398	-36%

In the future, the Company plans to develop a strategy for reducing greenhouse gas (GHG) emissions and assess climate risks in accordance with the requirements

of international standards. This plan includes an assessment of greenhouse gas emissions (Scope 2).



# ENVIRONMENTAL SUSTAINABILITY

## Highlights for 2023

- **USD 100 thousands**– total amount of compensation payments for pollutant discharges

- **505 tonnes** – total volume of emissions of pollutants into the atmosphere
- **6 287 megalitres**– total amount of water consumption.

## PROMOTING AIR QUALITY

GRI 3-3

For the State-Owned Enterprise “Navoiyuran”, maintaining air quality is at the centre of attention. The company actively reduces the negative impact of its activities on the environment, placing particular emphasis on technological innovation. In accordance with the legislation of Uzbekistan, control over emissions of pollutants is strictly regulated and the Company provides transparent information about its activities, which ensures control over the impact on the environment.

GRI 305-7

The Environmental Protection Service of the State-Owned Enterprise “Navoiyuran” carefully monitors the facilities, monitoring their impact on the atmosphere. The introduction of new technologies and landscaping in the sanitary protection zone are aimed at reducing environmental pollution and highlight the importance of these environmental efforts to society.

When making decisions related to air quality, the interests of all stakeholders are taken into account. Interaction with residents of nearby communities, government agencies, local authorities, public environmental organisations, shareholders and business partners are carried out by informing about planned measures at public hearings and involving in the process of sampling and analysis of results together with independent laboratories.

Sulphur oxides (SOx) constitute a significant portion of emissions from the Company's activities resulting from heating of metal and electrodes. Uranium mining activities, including mining, ore processing and drilling operations, also produce particulate matter generated by crushing and moving rocks and using specialised equipment. In 2023, the share of particulate matter in total emissions was 14.94%.

TABLE 11. VOLUME OF SIGNIFICANT EMISSIONS INTO THE ATMOSPHERE, TONNES (305-7)

Pollutant emissions	2022	2023
NOx emissions	74.08	74.08
SOx emissions	183.33	183.33
Resistant organic compounds	18.22	18.22
Particulate matter	75.55	75.46
CO emissions	127.48	127.48
Volatile organic compounds	5.09	5.09
Total	505.51	505.42

# WATER RESOURCE MANAGEMENT

GRI 3-3

The approach of the State-Owned Enterprise “Navoiyuran” to water resource management is aimed at minimising the negative impact on the environment and creating favourable conditions for the development of social stability and economic prosperity in the regions where the Enterprise operates. Water management at all sites is carried out as part of environmental initiatives. The enterprise actively assesses the current

GRI 303-1

The enterprise consumes water resources from two sources: underground and surface. The process of mining ore using the underground in-situ recovery method uses groundwater, which plays an important role in production processes. Surface water obtained from the central water supply is used for domestic and economic needs.

In-situ recovery, when properly managed and controlled, can be a safe method of mining with minimal negative impacts on water resources. However, the impact of uranium mining in deposits requires special attention and control.

GRI 303-2

State-Owned Enterprise “Navoiyuran” controls the quality of wastewater generated at the facilities and does not allow their discharge into natural water bodies. The quality of wastewater is determined

GRI 303-3

In 2023, the State-Owned Enterprise “Navoiyuran” used water from underground sources and central water supply for its production activities. 39% of the water was taken from underground sources and 61% from the central water supply.

These differences in the use of water resources are due to the characteristics of technological processes. The main method of uranium mining in the State-Owned Enterprise “Navoiyuran” is underground in-situ recovery, in which valuable components are extracted from the ore using special solutions.

situation, sets goals, systematically monitors and takes corrective measures in the use of water resources. The environmental protection system of the State-Owned Enterprise “Navoiyuran” regularly assesses the state of water resources and the quality of water during discharge in order to ensure environmental sustainability and social well-being in the regions where the enterprise operates.

The enterprise complies with standards for the use of underground water resources, regularly monitoring their quality. The results of analyses carried out in 2023 showed that the parameters met the established standards. Monitoring is carried out every six months, which ensures systematic control and safety of groundwater resources.

Surface water coming from the central water supply is sent for treatment before use or discharge.

quarterly by an accredited laboratory; according to the analyses performed, the quality indicators do not exceed the established standards in accordance with the Law of the Republic

State-Owned Enterprise “Navoiyuran” strictly adheres to the principles of sustainable water consumption and environmental protection. The company does not take water from regions with water scarcity, which is an important aspect of the responsible use of natural resources.

The 6.4% increase in water withdrawals in 2023 compared to 2022 levels is due to an increase in the number of wells used for ore extraction. This growth is due to the need to ensure sufficient water resources for technological processes with increased activity in resource extraction.



TOTAL VOLUME OF WATER WITHDRAWN, MEGALITRES (303-3)

Water withdrawn by source	2022		2023	
	In all regions	In regions with water scarcity	In all regions	In regions with water scarcity
Surface water (total amount)				
Fresh water	2,374	0	2,478	0
Groundwater (total volume)				
Fresh water	3,522	0	3,809	0
Total volume of water withdrawn	5,896	0	6,287	0

GRI 303-4

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

When using groundwater, there is no water discharge process, since the complete or reuse of water resources is implied. The Enterprise's wastewater

is discharged as a result of the activity of the power plant; industrial and domestic wastewater is collected and sent to the central sewer system for further treatment. The amount of water discharged has not changed compared to 2022 – this is due to the fact that the Enterprise operates with a fixed volume of available water for transfer and use.

TOTAL VOLUME OF WATER DISCHARGED, MEGALITRES (303-4)

Water discharge volume		2022		2023	
		In all regions	In regions with water scarcity	In all regions	In regions with water scarcity
Water discharged by direction	Third-party water (total amount)	100	0	100	0
Total amount of water discharged		100	0	100	0

GRI 303-5

Water consumption represents the actual volume of water resources used. In 2022, the volume of water consumption at the facilities of the State-Owned Enterprise "Navoiyuran" amounted to 5,896 megalitres, in 2023 – 6,287 megalitres, the volume of water discharges into the central sewerage system amounted

to 100 megalitres. The increase in water consumption is due to several factors, such as increased industrial activity, an increase in the number of drilling rigs and uranium production. During the drilling and mining of uranium, significant amounts of water are required to cool equipment, wet wells and process operations.

WASTE MANAGEMENT

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

The activities of the State-Owned Enterprise "Navoiyuran" are directly related to the generation of waste. Waste management at the Enterprise is carried out in accordance with the legislation of the Republic of Uzbekistan and is also regulated by internal environmental documentation.

The Enterprise's Environmental Protection Service is responsible for organising and coordinating all aspects related to the storage and disposal of waste at the Enterprise. The organisation of waste management of the Enterprise is carried out on the basis of the following principles:

- Ensuring production control over compliance with production and consumption waste disposal limits, with special attention to control over the storage and disposal of hazard class 1 waste;
- Keeping records of toxic and non-toxic waste and providing state statistical reporting in the prescribed manner;
- Timely calculation of compensation payments for waste disposal in accordance with the law and their payment;
- Taking measures for maximum disposal (processing) of waste with its transfer to other specialised enterprises for disposal or disposal;
- Ensuring timely implementation of environmental measures aimed at minimising the generation of production waste;
- Implementation of targeted work to introduce modern and environmentally friendly methods of recycling production waste.

In accordance with the legislation of the Republic of Uzbekistan, the Enterprise is developing environmental documentation that regulates all aspects of waste management. The project strictly regulates the processes of waste classification, treatment and final management, ensuring efficient and environmentally friendly waste management. State-Owned Enterprise "Navoiyuran" strictly adheres to the regulations 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 disposal at a solid waste landfill.

During production processes at the Enterprise, a number of different types of waste are generated that require treatment and disposal. Among them: waste industrial and gear oil, non-ferrous scrap metal (including copper and aluminium), containers for paints and varnishes, oil-contaminated sawdust, construction waste, used medical materials (syringes, cotton wool, bandages), used LED lamps, worn out clothing, solid household 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.

Waste is classified into six categories, the first two of which are hazardous waste, which has toxic properties with potential negative effects on the environment; Waste categories 3, 4, 5 and 6 indicate non-hazardous waste that must be disposed of. At the Enterprise, the largest part of the generated waste belongs to the third category and amounts to 32% of the total mass at the end of 2023. The smallest contribution to waste generation comes from waste of the first two categories and amounts to only 7% as of December 31, 2023.

In 2023, the Company recorded an increase in the volume of waste generated by 1% compared to 2022. This small increase in waste is associated with the expansion of the Company's production capacity.



TOTAL WASTE GENERATION (306-3)

Waste category	Total volume of waste generation, tonnes	Total volume of waste generation, tonnes
	2022	2023
Category 1	439	442
Category 2	92	94
Category 3	2,443	2,456
Category 4	2,375	2,401
Category 5	888	903
Category 6	1,332	1,348
Total volume of waste generated	7,570	7,646

The municipal solid waste landfill, owned by the State-Owned Enterprise “Navoiyuran”, plays an important role in waste management. This facility is a specially designated area where the collection, disposal and processing of solid waste generated as a result of the activities of the Enterprise is carried out. Owning such a landfill allows SOE “Navoiyuran” to manage

its waste more efficiently, while complying with the necessary environmental standards and regulations. In addition, having your own landfill provides greater control and cost-effectiveness in waste treatment and disposal, which contributes to increased sustainability and environmental responsibility of the enterprise.

TOTAL WEIGHT OF WASTE SENT FOR DISPOSAL, TONNES (GRI 306-5)

Waste class	2022	2023
Hazardous	531	536
Non-Hazardous	7,039	7,110

This waste is transported by specialised transport to tailings dumps for subsequent storage, while solid waste is transferred to third parties for disposal in specialised landfills.

TAILINGS MANAGEMENT

In the mining process, the main waste product is tailings, which is a mixture of small mineral particles and water generated during crushing, grinding and processing of ore State-Owned Enterprise “Navoiyuran” cooperates with JSC “NMMC” for the use of tailings storage facilities, which compensates for the lack of its own tailings storage facilities at State Enterprise “Navoiyuran” and ensures safe and efficient waste management. In 2023, the Enterprise transferred 530 tonnes of solid industrial

waste generated during ore processing to the JSC NMMC’ tailings ponds.

SOE “Navoiyuran” has been using the in-situ recovery method since 1994 which meets the high standards of environmental, social and management responsibility. This method allows the ore to remain in the ground, minimising the impact on the soil cover and preventing the formation of waste rock dumps and tailings. This

makes in-situ recovery an environmentally friendly and sustainable mining method.

Reclamation of the deposit area after production is completed allows the land to be quickly returned

to agricultural use, which contributes to the social and economic development of the regions. The aquifer is naturally restored over several years, highlighting the long-term environmental benefits of this method.

RADIOACTIVE WASTE MANAGEMENT

Radioactive waste resulting from the ore mining activities of the State-Owned Enterprise “Navoiyuran” pose a significant danger to the environment and human health. Their processing and management require strict adherence to regulations and standards aimed at minimising the negative impact on nature and human safety.

The main goal of radioactive waste management is to minimise its negative impact on the environment and human health. Important elements of this process are the safe storage and disposal of waste, as well as training of personnel in the proper handling of radioactive materials and compliance with safety precautions.

In accordance with the Law of the Republic of Uzbekistan “On Radiation Safety,” radiation safety control is carried out by the State Inspectorate for Supervision

of Geological Study of Subsoil, the Ministry of Health, the State Committee for Nature Protection and the State Customs Committee. Production control is carried out by users of ionising radiation sources and manufacturers of materials containing radioactive elements.

At the facilities of the State-Owned Enterprise “Navoiyuran”, responsible persons are appointed for radiation safety, accounting and storage of radioactive waste, organisation of their collection, storage, transportation and disposal. Radioactive waste and scrap metal are removed by specialised transport. Each division has developed internal regulations that define the responsibilities of employees when working with radioactive waste. The main person responsible for radiation safety in the State-Owned Enterprise “Navoiyuran” is the chief engineer of the enterprise and the employees reporting to him.

BIODIVERSITY CONSERVATION

GRI 304-1, 304-2

Biodiversity conservation plays a key role in maintaining the stability of ecosystems and their ability to withstand environmental changes and threats. Biodiversity provides resources for humanity, such as food, medicine and materials. SOE “Navoiyuran” recognises the importance of these aspects and actively participates in their support.

The impact of the activities of the State-Owned Enterprise “Navoiyuran” on biodiversity is taken into account during planning. Potential damage and consequences are assessed during the development of environmental documentation (EIA, EDV, PDS, EIS, MPW), which undergoes public hearings with the participation of local communities and regulatory authorities.

State-Owned Enterprise “Navoiyuran” is actively involved in the Yashil Makon (“Green Space”) project,

a national project of the Republic of Uzbekistan, within the framework of which it is planned to plant at least 200 million seedlings throughout the republic. In 2023, 170 million trees were planted for landscaping and landscaping.

State-Owned Enterprise “Navoiyuran” does not have production units in protected areas or areas with high biodiversity value outside protected and adjacent zones.

Our Company aims to actively participate in the protection of biodiversity. In the near future, it is planned to develop and implement a number of environmental initiatives, including interaction with ecosystems, programmes for the conservation and restoration of natural habitats and the promotion of sustainable business practices.

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### Guiding documents valid in 2023:

- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On the organisation of activities of the State-Owned Enterprise "Navoiyuran";
- Regulations on bonuses to working units of the State-Owned Enterprise "Navoiyuran" for the main (current) results of production and economic activities;
- Labour Code of the Republic of Uzbekistan;
- Collective agreement of the State-Owned Enterprise "Navoiyuran" from 2022;
- Regulations on the HR department of the State-Owned Enterprise "Navoiyuran" dated January 5, 2022.

- Hiring procedure;
- The procedure for selecting, interviewing, agreeing and approving candidates for a leadership position;
- Regulations on the labour dispute commission;
- Regulations on personnel rotation;
- Rules for ethical behaviour of employees.

### Highlights for 2023:

- Staff turnover rate – 5.7%;
- Average headcount – 8 498 employees;
- Total number of employees hired – 154 employees.

## HUMAN CAPITAL MANAGEMENT

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

Since the formation of the State-Owned Enterprise "Navoiyuran", the priority has been the development of the human resources management system, including the development of a strategy to ensure a qualified workforce and effective management. By implementing this strategy, SOE "Navoiyuran" is closing employee skill gaps and developing internal talent. The development programme provides opportunities for learning and growth, promoting employee engagement and retention.

As part of the roadmap "Development of Management Personnel" and the development programme developed jointly with Korn Ferry (USA), it is planned to initiate processes for the development of management personnel and training of a personnel reserve. The company plans to approve the new organisational structure and implement the roadmap before the beginning of the first quarter of 2024. The roadmap includes employee assessment activities for 52 positions, including management positions and an additional 36 positions are planned for assessment. The assessment is carried out by the HR department together with the consulting service and the project office using the Hay Group (Grading) methodology. Leadership positions and employee success profiles have been developed.

Comprehensive diagnostic testing of the HR function identifies strengths, weaknesses and areas for improvement, which helps ensure that HR practices align with the Company's strategic goals and improves employee efficiency and satisfaction. Based on the diagnostic results, an analysis and assessment of managerial positions (managers at the level

of the GD, the GD-1), positions of direct subordination and strategically important positions, as well as positions of functional managers (32 positions at the level of the GD-2) were carried out. Recommendations are given for improving the functions of positions, methods for their formation and assessment tools.

As part of the roadmap, a priority action plan has been developed, including the following initiatives, with an emphasis on environmental and social aspects:

- **Transforming the organisational structure of the HR function:** Increasing the effectiveness of HR management to improve environmental and social working conditions.
- **Reengineering of HR business processes:** Optimisation of processes to reduce environmental impact and improve working conditions.
- **Development of the IT architecture of the HR function:** Introduction of environmentally friendly and energy-efficient IT solutions.
- **Development of HR competencies for internal employees:** Training and development of employees with an emphasis on sustainable development and environmental responsibility.
- **HR Hiring Plan:** Attracting specialists focused on environmentally friendly technologies and social responsibility.
- **Strengthening the workforce planning process:** Considering environmental and social aspects when planning workforce needs.
- **Development of proactive search and selection of personnel:** Search for employees who support the values of sustainable development and social responsibility.



- **Development and implementation of an approach to adaptation of personnel of various categories:** Creation of adaptation programmes taking into account environmental and social standards.
- **Defining a remuneration strategy:** Incorporating the principles of environmental and social responsibility into the system of remuneration and motivation of personnel.
- **Evaluation of positions and construction of a grading system:** Determining the value of a position through factor-scoring analysis taking into account environmental and social criteria.
- **Designing a total reward system:** Creating a reward system that supports the sustainability strategy.

- **Formation of success profiles for all categories of personnel:** Creation and implementation of a competency model with an emphasis on environmental and social responsibility.
- **Establishing leadership development programmes:** Developing programmes to develop leaders who can lead with environmental and social considerations.

According to one of the initiatives, as part of the preparation of a personnel reserve for the profession of engineer, it is planned to identify qualified employees in structural divisions (at least two people are reserved for the 1<sup>st</sup> position), then they are included in the personnel reserve and undergo internship in the prescribed manner.

#### GENDER COMPOSITION OF EMPLOYEES FOR 2022–2023

Region	Permanent employees				Temporary employees			
	2022		2023		2022		2023	
	Men	Women	Men	Women	Men	Women	Men	Women
Navoiy	310	102	345	111	1	2	1	3
Zafarabad, Nurota, GEP	4,575	415	4,964	424	61	41	67	33
Uchkuduk, Bukantau	1,369	139	1,452	138	1	10	2	10
Others (Nurabad, Tashkent, Zirabulak)	1,182	164	1,243	161	–	–	1	3
<b>Total</b>	<b>7,436</b>	<b>820</b>	<b>8,004</b>	<b>834</b>	<b>63</b>	<b>53</b>	<b>71</b>	<b>49</b>



At the end of 2023, SOE “Navoiyuran” employed 8,958 people, of which 883 were women. Men make up 90% of the workforce, reflecting the traditional

male dominance in the mining industry. However, the Enterprise is actively working to eliminate gender barriers and promote diversity and inclusion initiatives.

The core of the workforce consists of permanent employees, whose number has reached 8,838 people, including 834 women, which is 7% more than in 2022. For short-term projects, temporary employees are attracted, the number of which increased by 4% and amounted to 120 people. The overall increase in personnel was 5%.

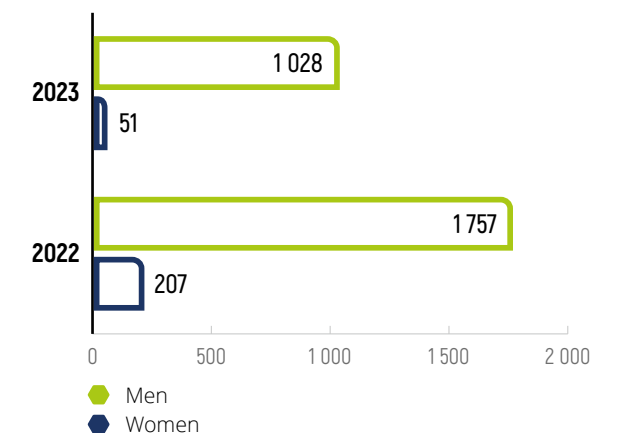
These measures not only contribute to the stability and continuity of production processes, but also have a positive impact on social sustainability by creating jobs and ensuring equal opportunities for all employees.

#### NUMBER AND AGE OF EMPLOYEES HIRED IN 2023

Region	<30 years old		30-50 years old		50< years old	
	Men	Women	Men	Women	Men	Women
Navoiy	16	3	33	8	2	1
Zafarabad, Nurota, GEP	349	8	304	13	13	1
Uchkuduk, Bukantau	81	1	87	1	4	–
Others (Nurabad, Tashkent, Zirabulak)	40	3	88	11	11	1
<b>Total</b>	<b>486</b>	<b>15</b>	<b>512</b>	<b>33</b>	<b>30</b>	<b>3</b>



#### EMPLOYEE RECRUITMENT DYNAMICS



According to the Company's internal reporting, the total number of personnel in the hiring process was reduced by more than 80% compared to 2022 due to low personnel rotation. However, younger workers often bring fresh perspectives, innovative ideas and technological savvy, which can improve productivity and competitiveness.

#### NUMBER OF EMPLOYEES LAID OFF IN 2023

Region	<30 years old		30-50 years old		50< years old	
	Men	Women	Men	Women	Men	Women
Navoiy	5	1	10	1	1	–
Zafarabad, Nurota GEP	116	13	129	9	26	1
Uchkuduk, Bukantau	17	2	44	–	25	–
Others (Nurabad, Tashkent, Zirabulak)	14	–	29	4	29	7
<b>Total</b>	<b>152</b>	<b>16</b>	<b>212</b>	<b>14</b>	<b>81</b>	<b>8</b>

The number of dismissed employees in 2023 was 483 people, most of whom were men under 50 years old and the Company's staff turnover rate was more than 5.7%. The termination of young employees at the Company occurred for a variety of reasons, including productivity problems, restructuring, skills mismatch and labour discipline violations.

The main short-term task set for the Enterprise is the implementation of an automated HR data accounting system (ERP), which will optimise and centralise HR processes, simplifying the management of employee data, tracking personnel information and generating reports.

# SOCIAL SUPPORT FOR EMPLOYEES



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

State-Owned Enterprise "Navoiyuran" attaches great importance to respecting and protecting the rights of employees to freedom of association and conclusion of collective agreements.

All employees of the Company are covered by a collective agreement. Realising 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 Enterprise constantly monitor compliance with regulations and normative documents relating to the socio-economic rights and interests of employees.

The trade union ensures the participation of an equal number of commission representatives. Received proposals are discussed in detail, reports on the work done are drawn up, taking into account the requirements/updates of the Labour Code and other regulatory provisions of the Republic of Uzbekistan.

During 2023, SOE "Navoiyuran" fulfilled the following obligations under the collective agreement:

## EMPLOYER RESPONSIBILITIES

- By successfully fulfilling obligations for production and sales of products, as well as achieving targets for 2023, the Company confirmed its reliability and efficiency, while ensuring employment for its employees.
- In 2023, the forecast for product exports was fully met.
- Thanks to successful production and financial performance, the Enterprise, within the framework of the Investment Programme, implemented investment projects worth USD 62.1 million and innovative projects worth USD 2.1 million.
- The enterprise has developed and approved comprehensive measures to reduce production costs.
- In order to timely inform the Company's workforce about the results of production, economic and social activities, information was provided on social network pages, meetings were organised and materials were transmitted to the Miner's Life («Shakhtyorskaya Zhizn») newspaper.

## PERSONNEL TRAINING AND IMPROVEMENT OF PROFESSIONAL AND INDUSTRIAL QUALIFICATIONS

- The company annually invests in comprehensive training programmes tailored to the needs of its employees, focusing on both professional development and the improvement of general skills. These efforts typically include hosting regular workshops and seminars, encouraging participation in industry conferences and events and facilitating access to external training resources. In addition, the Enterprise strives to ensure that its training initiatives are aligned with its strategic objectives and promotes a culture of continuous learning and development.
- During the reporting period, the plan for fulfilling requests for training of the Company's employees was fully implemented and a report was provided to management, according to which 105,936 hours were spent and 1,967 employees were trained.
- For the management of the Enterprise in the learning process, foreign training and work experience are of particular importance, which can bring, firstly, acquaintance with different working environments, cultures and practices, broadening their horizons and increasing the ability of employees to solve non-standard problems, as well as the opportunity to learn new methods, technologies and methodologies that can be applied to improve processes within the Enterprise. Second, international experience fosters the development of cultural competence and intercultural communication skills, which are valuable in a globalised business environment. In addition, overseas training and work experience can increase employee retention and satisfaction by providing opportunities for personal and professional growth. The Company's employees participated in various seminars and training sessions in South Korea, Turkey and Germany.
- As part of the initiative of the Ministry of Economy and Finance of the Republic of Uzbekistan, courses related to public procurement were organised, in which 32 employees from the Enterprise took part.
- All employees participating in educational courses demonstrated a conscientious approach to their training, diligently complying with all the requirements imposed on them by educational institutions during the training process. Based on the results of completing the courses, they were provided with appropriate diplomas and certificates.

## REMUNERATION OF EMPLOYEES OF THE ENTERPRISE

- In 2023, the average monthly salary of employees of the State-Owned Enterprise "Navoiyuran" was USD 700. The company fulfils its obligations for guaranteed and additional payments in a timely manner. Payments of vacation pay and severance pay, as well as work on holidays and weekends and overtime work were paid at double the rate; additional payments for night work were made in the amount stipulated by the collective agreement. Specifically, USD 50 thousand was paid to 1,235 employees and retirees for 2023. Financial support in the amount of USD 20,000 was provided to 79 individuals from the Solidarity Foundation. Food packages worth USD 10 thousand were delivered to 184 workers who have lost their breadwinners, those in need of social protection, disabled people in the families of workers, as well as single pensioners. The union also works to create decent working conditions for employees. During the year, the company's balance sheet received material assets worth USD 10 thousand, including thermo pots, refrigerators, microwave ovens, etc. Provided support for funeral arrangements and financial support in the amount of USD 20 thousand; financial assistance to non-working pensioners based on their applications – by USD 100 thousand.

## ENSURING HEALTH AND SAFETY

- The total number of recorded accidents in 2023 was 10, which is 2 incidents more than in 2022. The main cause of work-related injuries was the inattention or carelessness of on-site employees. However, as preventive measures, the Enterprise decided to conduct a full cycle (2 stages) of an independent audit of the integrated management system in accordance with the requirements of international standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and also conducted 14 extraordinary and comprehensive checks.
- The company implements various measures consistent with best practices to ensure the health and safety of its employees. This includes providing comprehensive training programmes on safety procedures and protocols, conducting regular inspections to identify and reduce the risk of potential hazards, ensuring access to personal protective equipment (PPE) and proper safety equipment and promoting a culture of safety through awareness campaigns and regular communication. In 2023, USD 700 thousand was spent on personal protective equipment and 17 health and safety training workshops were conducted.



EMPLOYEE HEALTH

- In an effort to support its employees and ensure their health, the Company decided to organise spa treatment. The significant scale of this initiative is reflected in the funds allocated in 2023 for the organisation of therapeutic and preventive nutrition in the amount of USD 2.6 million. The Company also paid bills for dental prosthetics for employees and pensioners who had worked in particularly harmful and difficult working conditions for at least 5 years and at least 10 years in harmful and unfavourable working conditions in the amount of USD 10 thousand.
- Various sports and entertainment events are organised for our employees, allowing them to usefully spend their free time from work, in the direction of organising cultural recreation for employees and involving them in sports. In this direction, the State Institution “NMMC Foundation” closely cooperates with the Enterprise. During 2023, competitions were held in checkers, chess, mini-football, volleyball and streetball, the winners of which were awarded in the prescribed manner. During the year, tourist trips were organised to the cities of Khiva, Tashkent, Bukhara, Samarkand and Shakhrisabz. Approximately 700 workers were employed and USD 0.02 million was spent. In addition, in the direction of domestic tourism, visits were organised by more than 300 employees to the recreation areas of Sarmishsay, Kanorboy ota, Nurota, as well as the shrine of Abdukholik Gijduvani.

MEDICAL SERVICE

- 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 institutions of the NMMC Foundation. In 2023, those undergoing treatment in the Medical and Sanitary Administration and divisions of the NMMC Foundation in 2023, in inpatient conditions, amounted to 2,429 people, while the number of outpatient visits for employees was 139,800. In addition to employees, treatment was also carried out at the expense of the Enterprise for children under 17 years of age, pensioners and disabled people, the total number of which, including employees, was 4,185.
- During the year, no cases of illness due to harmful working conditions were registered.

PROVIDING MEALS

- As a result of the large-scale efforts of the Enterprise in the field of catering, 17 canteens owned by the State Institution “NMMC Foundation” successfully provided employees with a high-quality and balanced menu throughout a 10-day cycle. In accordance with the work schedules of the units, meals were organised in the evening and night shifts. Due to the nature of production, a food package (packed rations) of recommended products has been created for employees working at significant distances from food outlets.

HEALTH CARE ORGANISATION FOR CHILDREN

- During the summer holidays, an agreement was concluded between the State Institution “NMMC Foundation” and the State-Owned Enterprise “Navoiyuran” to organise recreation for the children of employees, which led to the creation of 7 out-of-town and 2 intra-city children’s health centres. In 2023, children were sent on vacation to such children’s health camps as “Kelajak”, “Bolajon”, “Sarmish”, “Sogdiena”, “Pakhlavon”, “Zarafshon”, “Bulbulcha”, “Yulduz” and “Geologist”.

HOUSING DISTRIBUTION

- Within the complex of the SOE “Navoiyuran”, designed to accommodate personnel, service houses and family dormitories are specially allocated for employees of the Enterprise.

OTHER

- Financial support for those going on leave to purchase agricultural products – USD 700 thousand
- Transportation of workers to and from work – USD 2.2 million.
- Purchase of special clothing – USD 900 thousand.
- Payments in connection with events and holidays – USD 300 thousand.

Women employed at the State-Owned Enterprise “Navoiyuran” predominantly take maternity leave, however, the Enterprise does not limit its employees in any way by their gender and strictly complies with the Labour Code of the Republic of Uzbekistan along

with other government regulations regarding payments and benefits for child care, the amount of which is determined legislation and the collective agreement of the Enterprise, as well as regarding the provision of maternity leave.

PARENTAL LEAVE IN 2023

Index	Total	Men	Women
Total number of employees entitled to parental leave	8,958	8,075	883
Total number of employees who took parental leave	89	–	89
The total number of employees who returned to work in the reporting period after the end of parental leave	30	–	30
Total number of employees returning from parental leave in the previous reporting period	15	–	15
Total number of employees who returned to work after the end of parental leave and were still employed 12 months after returning to work	26	–	26

DIVERSITY AND EQUAL OPPORTUNITY FOR EMPLOYEES



GRI 405-1

SOE “Navoiyuran” actively supports equal opportunities for all employees, regardless of gender, race, ethnicity, age or background. It recruits from a diverse talent pool, ensuring a fair and inclusive hiring process. From 2024, diversity and inclusion workshops will be included in training programmes to raise employee awareness and create a culture of respect and understanding within the workforce. The business also plans to create a diversity committee to promote initiatives and monitor progress. Regular reviews and evaluations of these initiatives will help ensure they are effective and meet global standards.

To account for employees, records are maintained that include diversity data such as demographic information, language skills and cultural background. These records help HR track diversity performance. HR records are maintained using secure and standardised systems to collect, store and analyse data, with records regularly updated and reviewed to maintain accuracy. The company strictly maintains the confidentiality of employee data in accordance with the Law of the Republic of Uzbekistan No. LRU-547 dated July 2, 2019.

INFORMATION ON NATIONALITIES OF EMPLOYEES FOR 2023

№	Division name	Number of employees	Nationality						
			Uzbeks	Russians	Tatars	Tajiks	Kazakhs	Karakalpaks	Others*
1	Administration	210	180	8	7	4	2	6	3
2	Zafarabad Mining administration*	4,102	2,851	43	22	10	676	467	33
3	Uchkuduk production site	1,222	999	32	11	3	157	11	9
4	Nurabad production site	887	849	11	22	3	1	0	1
5	Uranium production plant	168	149	8	5	2		2	2
6	Central material and technical base	125	79	0	0	0	19	27	0
7	Central Laboratory of Instrumentation and Automation	45	27	2	1	0	7	6	2
8	Centre for Information and Communication Technologies	57	33	1	2	1	13	6	1
9	The educational centre	3	3	0	0	0	0	0	0
10	Representative office of the SOE «Navoiyuran» in Tashkent	1	1	0	0	0	0	0	0
11	Railway workshop	93	82	0	0	0	2	9	0
	including:								
	Railway workshop management (Navoiy site)	2	2	0	0	0	0	0	0
	Railway section (Zafarabad site)	38	27	0	0	0	2	9	0
	Railway section (Uchkuduk site)	28	28	0	0	0	0	0	0
	Railway section (Nurabad site)	25	25	0	0	0	0	0	0

\* Others – Azerbaijanis, Arabs, Armenians, Koreans, Ukrainians, Uighurs, Germans, Kyrgyz

№	Division name	Number of employees	Nationality						
			Uzbeks	Russians	Tatars	Tajiks	Kazakhs	Karakalpaks	Others*
12	Departmental paramilitary security detachment	576	448	1	0	2	49	70	6
	including:								
	Departmental paramilitary security group (Navoiy Square)	80	77	0	0	1	0	2	0
	Departmental commands of paramilitary security (Zafarabad site)	369	250	1	0	1	45	66	6
	Departmental commands of paramilitary security (Uchkuduk site)	62	56	0	0	0	4	2	0
	Departmental commands of paramilitary security (Nurabad site)	65	65	0	0	0	0	0	0
13	Research Centre for Geology of Uranium and Rare Metals	1,469	1,110	24	11	11	200	100	13
	including:								
	Central administration	173	128	19	7	2	6	4	7
	Nurata field geological research expedition	611	403	2	0	4	120	81	1
	Geological exploration team	138	123	1	0	2	2	8	2
	Bukantau field geological research expedition	290	206	2	2	2	72	4	2
	Zirabulak field geological research expedition	257	250	0	2	1	0	3	1
TOTAL		8,958	6,811	130	81	36	1,126	704	70





As part of the implementation of the Decree of the Ministry of Poverty Alleviation and Employment No. 1-1SN dated January 27, 2023, the State-Owned Enterprise "Navoiyuran" implemented the Protocol dated February 17, 2023 on the creation of the Women's Council. The council is headed by a Chairwoman and consists of members appointed at various levels of the enterprise. She reports to the general director and interacts with the trade union committee and the state language adviser.

The Women's Council provides comprehensive support to women working at the enterprise, improves their socio-economic status and working conditions, promotes the formation of a healthy lifestyle and improves moral well-being. The main tasks of the council include:

- Cooperation with the Department of Family and Women of the Main Directorate for Combating Poverty and Employment of the Population of Navoiy Region;
- Activities on the basis of relevant regulatory documents;

- Development of annual events to maintain women's social activity, strengthen their position in society and protect their rights;
- Organisation of recreational activities to improve women's health;
- Monitoring the implementation of goals and activities, providing a monthly report to the General Director on the work done.

The Women's Council makes a significant contribution to improving the environmental and social environment at the enterprise, supporting women and promoting their active participation in society.

In subsequent years, the Women's Council of the State-Owned Enterprise "Navoiyuran" plans to actively promote the idea of organising fitness lessons, yoga, checkers, chess and similar sports in order to further improve women's health. At the end of 2023, the following work was completed:

Nº	Activities	Date
1	Navoiy MMC JSC, the State Institution NMMC Fund and State-Owned Enterprise "Navoiyuran" jointly held the "Golden Woman NMMC" competition on the occasion of International Women's Day, in the qualifying stage of which 4 employees of the Enterprise took part, of which 1 employee became the winner of the final stage competition.	March, 2023
2	As part of the event "Let every day be Navruz, my dear Uzbekistan," cultural events were organised in cooking, embroidery, creating textiles and jewellery based on national traditions, in which women took part. Sports competitions between women and men were also organised, the winners of which were awarded with souvenirs. Additionally, based on the mayor's resolution, the "Hon Atlas" competition was organised.	March, 2023
3	In order to improve the working conditions of women and ensure compliance with legislation in the field of labour protection and labour activity, regular work was carried out at the workplaces with women working in difficult and harmful conditions. Pregnant women were transferred to easier work.	During 2023
4	Lists of low-income women in need of social protection and with disabled children were created and food packages were distributed to them.	April, 2023
5	In order to ensure a healthy lifestyle for women, doctors of the medical and sanitary department of the State Institution "NGMK Foundation" carried out periodic medical examinations with subsequent consultations and treatment procedures.	During 2023
6	As part of the event dedicated to International Family Day, events were organised on the theme "Family is a sacred place."	May, 2023
7	In order to widely promote guarantees of equal rights and opportunities for women and men working in the SOE "Navoiyuran" and its divisions, seminars were organised with the participation of officials of the region, district and relevant authorities.	During 2023
8	In order to teach women and girls skills that generate additional income, in their free time they organised master classes in the art of carving, embroidery, weaving, jewellery, making flowers from soap and cooking together with professional chefs. A "Golden Hands" competition was held, where employees of the Enterprise who had mastered these professions acted as teachers.	May-June, 2023
9	On the occasion of the International Day for the Elimination of Violence against Women, the departments held meetings and seminars with the participation of officials from local regional administrations, districts and relevant authorities on the topic "We are against violence."	During 2023
10	Individual approaches were developed to solve socio-economic problems identified due to family or other circumstances, as well as to provide socio-legal and psychological assistance to women who find themselves in difficult social situations.	During 2023
11	With the support of the domestic tourism programme "Travel across Uzbekistan", trips (excursions) are organised for women and girls on holidays to get acquainted with archaeological and architectural monuments.	During 2023
12	Cultural and educational events were held to promote interethnic harmony, religious tolerance and interethnic friendship in the Zafarabad mining administration. As part of the People's Friendship Day, the Dostlik festival was organised for the Company's employees.	July-November, 2023
13	Factors and conditions that have a negative impact on the stability of the socio-spiritual environment in the families of employees of the State-Owned Enterprise "Navoiyuran" were studied and analysed, measures to prevent them in the future were determined and meetings were organised on this topic.	During 2023
14	Proposals were made to encourage active employees of the Enterprise, whose management awarded 43 women with letters of gratitude, certificates of honour from the Navoiy region administration and corresponding cash bonuses.	During 2023
15	In order to further expand the scale of attracting women to sports, a cycling marathon was held with the participation of employees of the State-Owned Enterprise "Navoiyuran", JSC "NMMC" and the State Institution "Foundation NMMC" and their children.	IV quarter 2023
16	For employees of the State-Owned Enterprise "Navoiyuran", JSC "NMMC" and the State Institution "Foundation NMMC", the event "Intellectual House "Zakovat"" was held, dedicated to the International Day of the Family, in which 24 employees of the Enterprise took part and took pride of place.	IV quarter 2023

# RELATIONSHIPS BETWEEN EMPLOYEES AND MANAGEMENT

GRI 202-1, 402-1, 405-2

Open communication channels, increased transparency and a culture of trust, regular feedback and employee involvement in decision-making contribute to improved relationships between employees and management. Setting clear expectations, recognising employee contributions and resolving conflicts also play an important role in this process.

Informing employees about significant operational changes through various communication channels and creating feedback mechanisms helps them prepare for the changes.

As part of the initiative to transform the enterprise in accordance with international environmental and social standards, in November 2023 the introduction

of the international standard GRI 402 – Manager-Employee Relations was envisaged.

Fair and transparent pay practices help build trust and loyalty among employees. The average monthly salary of employees of the State-Owned Enterprise “Navoiyuran” in 2023 amounted to USD 700, exceeding the minimum wage in the Republic of Uzbekistan by 751%.

The Regulations on bonuses for employees of the State-Owned Enterprise “Navoiyuran” determine the conditions for bonuses and establish the procedure for calculating bonuses. If overtime is required, the company offers either double compensation or equivalent rest periods, according to the Collective Agreement dated November 4, 2022.

# EMPLOYEE TRAINING AND DEVELOPMENT

GRI 404-1, 404-2

Highlights for 2023:

- The total number of hours spent on professional training of employees is **105,936**;
- The amount spent on staff development in terms of training in additional and second specialties is USD 10,000;
- Geography of international cooperation within the framework of training: Türkiye, Belgium, Great Britain, South Korea, Germany.

Training and advanced training play a vital role in the development of personnel and ensuring the successful operation of our Enterprise. Our initiatives are aimed at providing employees with the necessary technical skills and knowledge to safely and effectively manage complex mining and processing operations. We also support a culture of continuous learning and improvement.

We provide hands-on training, specialised workshops and access to cutting-edge technology to upskill your employees and ensure they have the knowledge they need to perform their jobs. Our training centres create a favourable educational environment in which clear norms and principles of the Enterprise are supported, which promotes a close relationship between production and educational processes.

All types of training at the Enterprise are conducted in accordance with a license issued by the Ministry of Higher Education, Science and Innovation of the Republic of Uzbekistan. Our system for ensuring continuity of retraining and advanced training of personnel includes the following types and forms of training: retraining (obtaining new professional knowledge, skills and abilities, mastering second and related professions), independent acquisition of knowledge, retraining courses, advanced training courses and targeted courses.

## STATISTICS OF PROFESSIONAL TRAINING OF EMPLOYEES OF THE STATE-OWNED ENTERPRISE “NAVOIYURAN”

Indicator Name	Management		Specialists		Workers and other employees	
	2022	2023	2022	2023	2022	2023
Hours	3,080	15,276	4,320	8,042	98,718	82,618
Employees (number)	65	344	108	186	1 914	1 437
Average annual number of training hours per employee	62	45	45	43	68	100

Planning for the organisation of training at the Enterprise is carried out taking into account production needs, as well as the development of new pedagogical technologies and non-traditional forms of retraining and advanced training. First, it ensures that you gain additional skills and knowledge to effectively perform your job responsibilities within the Enterprise, which includes an improved understanding of industry processes, technologies and security protocols. Secondly, training

helps managers and professionals stay abreast of new trends, regulations and best practices in the extractive industry, allowing them to make informed decisions and promote continuous improvement. Overall, training averages, including hours, are unchanged from 2022. During the training process, men and women spend the same number of hours studying a particular programme.

## AVERAGE ANNUAL NUMBER OF TRAINING HOURS PER EMPLOYEE, BY GENDER

Gender	Number of employee training hours by gender, hours		Number of employees of the Enterprise, people		Average annual training hours per employee, by gender	
	2022	2023	2022	2023	2022	2023
Men	103,872	101,651	7,499	8,075	14	13
Women	2,246	4,285	873	883	3	3
Total	106,118	105,936	8,372	8,958	17	16

At the moment, in connection with the development and implementation of an automated laboratory data management system (LMAB) and digitalisation of the geological laboratory of the Research and Production Centre “Geology of Uranium and Rare Metals”, the Enterprise is conducting training for personnel responsible for using the LMAB system, which will be completed by the end of December this

year. In addition, the Company provided the opportunity to take certified courses on the preparation of financial statements in accordance with international standards to accounting personnel, including 15 employees. Based on the results of completing the 3-month courses, certificates from the international association ACCA (DipIFR) were issued.





## INTERNATIONAL COOPERATION IN THE FIELD OF EDUCATION

Since the formation of the State-Owned Enterprise "Navoiyuran" in 2022, its activities and results have undergone significant changes. Optimisation of work processes, introduction of new technologies and increased transparency of activities have become the main areas of transformation. However, managing these changes effectively requires strategic planning, resource investment, and active stakeholder engagement.

In order to improve the skills of specialists in the field of uranium geology, a memorandum of cooperation was signed with the Eurasian Institute of Competitiveness in Belgium and GBS Group Ltd in the UK. A special course was also organised for the enterprise's management team using the experience of the international consulting company Korn Ferry.

As part of cooperation with the international association WorldSkills Uzbekistan, a training programme for the enterprise's training centre was developed in accordance with international standards. Some employees took part in training activities abroad to learn processes that meet global standards.

At all stages of uranium production at the State-Owned Enterprise "Navoiyuran", mandatory training in environmental management and labour protection is planned. Cooperation with the international company IOSH will allow organising IOSH Managing Safety Training courses based on international standards. There are also plans to collaborate with NEBOSH to improve skills in the field of health, safety and environment.

To develop the specialised qualifications of 12 employees of the State-Owned Enterprise "Navoiyuran", joint training was conducted with Janser Consult GmbH and TÜV Rheinland in the area of ESG and the preparation of a report in the field of sustainable development in accordance with the global reporting initiative (GRI) in Magdeburg, Germany.

An important aspect of effective training is its improvement, aimed at providing employees with comprehensive and relevant knowledge. By investing in training, the Enterprise can continue to improve employee productivity and increase its own operational efficiency and productivity. Thus, the Enterprise has introduced an updated approach to personnel training namely:

- Creation of a new electronic platform that combines automated information on training, retraining and advanced training of the Enterprise's employees with an electronic government database;
- Implementation of a set of documents developed according to the system of issuing certificates, diplomas, certificates;
- Attending scientific seminars in foreign countries in order to effectively organise the transformation processes of the Enterprise;
- Organisation of trainings in domestic and foreign educational institutions;
- An additional building was allocated for an educational centre and the current Training Centre was reconstructed and equipped with modern equipment.



## CONTRIBUTION TO SOCIAL DEVELOPMENT

### REGIONAL DEVELOPMENT

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

SOE "Navoiyuran" is one of the largest employers of the Republic of Uzbekistan, is represented in the Navoiy region of the country and makes a significant contribution to the development of the region of its presence. The main areas of activity of the Enterprise are the Uchkuduk production site (northern part of the Navoiy region), the Zafarabad mining administration (Navoiy and Bukhara regions), the Nurabad production site (Samarkand region), the management of the State-Owned Enterprise "Navoiyuran" and the uranium production plant (Navoiy, Navoiy region).

The company is aimed at developing local communities and strives to make a positive contribution to the well-being and social life of all regions of its presence. State-Owned Enterprise "Navoiyuran" invests in social projects that meet the needs of local residents and business objectives in several areas, such as the development of social infrastructure and the urban environment, support for mass and children's sports, improving the quality of services and healthcare, support

for vulnerable categories of the population, support for education, support and development of culture.

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

- Navoiy State Mining and Technological University;
- Institute of Ion Plasma and Laser Technologies named after U.A. Arifov Academy of Sciences of the Republic of Uzbekistan;
- Institute of Nuclear Physics of the Academy of Sciences of the Republic of Uzbekistan;
- Tashkent State Technical University named after Islam Karimov and others.
- The total amount given to charity and sponsorship in 2023 was USD 2.7 million.

## SPONSORSHIP IN 2023

Nº	Organisations	Types of sponsorship	Amount, USD million
1	Samarkand regional administration	Repair of road 4P-52 Nurabad-Tim-Navoiy in Nurabad district	0.77
2	Repair of road 4P-52 Nurabad-Tim-Navoiy in Nurabad district	Sponsorship	0.91
3	Navoiy Regional Department of the National Guard	1 underground vertical well for supplying technical water to the field training site	0.02
4	JSC «Urakamebmetgeologiya»	Unbiased financial assistance to cover obligations to the budget and employees, debts to suppliers	0.16
5	Schools of Khatyrchinsky district of Navoiy region	Installation of solar and diesel power plants in 7 schools in the district	0.16
6	Khokimiyat of Navoiy region, customer service department of DUK	4 underground vertical wells to provide technical water to security posts of the State Security Service troops	0.05
7	Ministry of Mining and Geology	Organisation of a conference on the development of the mining and metallurgical industry	0.01
8	National Karate Federation of Uzbekistan	Sponsorship	0.09
9	Ministry of Mining and Geology	Creation of a park of the Ministry of Mining and Geology on the territory of Burchmullinsky forestry, Bostanlyg district, Tashkent region	0.02
10	University of Geological Sciences under the Ministry of Mining and Geology	Introduction of alternative renewable energy	0.06
11	National Committee of Geologists	Holding sports competitions	0.01
12	Ministry of Mining and Geology	Participation in an event organised in the city of Samarkand and accompanying guests	0.01
13	Allocation of transport	Transportation of students from schools No. 28 and No. 16 in the city of Zafarabad, Navoiy region	0.01
14	Navoiy regional organisation of the Red Crescent Society of Uzbekistan	Financial assistance for lonely and elderly people in need of care	0.01
15	Other sponsorships	For people in need of social protection, disabled people, survivors, citizens and workers in need of financial assistance and members of their families	0.01
16	JSC «Urakamebmetgeologiya»	Unbiased financial assistance to cover obligations to the budget and employees	0.4
17	Navoiy regional department, customer service department DUK	Installation of drainage equipment for irrigating planted trees at the training ground of the Navoiy regional administration of the National Guard of the Republic of Uzbekistan	0.00
18	National Media Association of Uzbekistan	Awarding the laureates of the National Renaissance Prize	0.01
19	State Institution «Fund of Navoiy Mining and Metallurgical Combine»	Purchasing medical equipment	0.03
20	Ministry of Mining and Geology	Participation in the International Mining Exhibition in Toronto, Canada	0.01
<b>Total, USD million</b>			<b>2.7</b>

The Enterprise allocates a budget for sponsorship events on an annual basis. In 2023, the Company sponsored education, sports and cultural events and provided support to the population.

In 2023, the Enterprise increased spending on charity and sponsorship by eight times compared to 2022, which shows the Company's great desire to make a significant contribution to the social development of the Republic of Uzbekistan.

OCCUPATIONAL SAFETY AND HEALTH  
MANAGEMENT

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

## Guiding documents valid in 2023

- Policy of the integrated management system in the field of quality, ecology, health protection and occupational safety of the State-Owned Enterprise "Navoiyuran";
- Resolution of the President of the Republic of Uzbekistan No. PD-319 dated July 14, 2022 "On measures to increase the volume of uranium production, processing and transformation of the State-Owned Enterprise "Navoiyuran" in 2022–2030";
- Law of the Republic of Uzbekistan No. LRU-57 dated September 28, 2006 "On industrial safety of hazardous production facilities";
- Law of the Republic of Uzbekistan No. LRU-410 dated September 22, 2016 "On amendments and additions to the Law of the Republic of Uzbekistan "On Labour Protection";
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 271 dated December 10, 2008 "On additional measures to implement the Law of the Republic of Uzbekistan "On Industrial Safety of Hazardous Production Facilities";
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 784 dated October 2, 2018 "On approval of the Regulations on the procedure for conducting industrial safety examinations and issuing examination conclusions";
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 286 of June 6, 1997 "On approval of the Regulations on the investigation and recording of industrial accidents and other injuries to the health of workers related to the performance of their job duties";
- Regulations on the organisation of training and testing of knowledge on labour protection dated August 1, 2022;



- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 263 dated September 15, 2014;
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated September 29, 2021 No. 613 "On a unified state system for monitoring and recording individual radiation doses";
- Radiation safety standards (NRB-2006) and basic sanitary rules for ensuring radiation safety (OSPORB-2006) (SanPiN RUz No. 0193-06).

## Highlights for 2023

- The total number of fatal accidents – 0;
- The industrial injury frequency rate (LTIFR) – 0.7;
- Amount spent on personal protective equipment – USD 700 thousand;
- The number of cases of work-related occupational diseases among employees is 0;
- Successful completion of an independent audit of the Enterprise in the field of occupational health and safety in accordance with ISO 45001:2018.

State-Owned Enterprise "Navoiyuran" pays primary attention to labour protection and industrial safety at all levels of its activities. Safety has become a core value that defines the company's culture. We are committed to the well-being of our employees and the communities where we operate.



Our approach to occupational health and safety includes rigorous training programmes, risk assessments and state-of-the-art safety protocols. We train employees to ensure they are prepared for possible hazards in the workplace. We also strictly follow industry standards and regulations, integrating security measures into our operational processes.

Our company's goal is not only to meet standards, but also to exceed them, striving for continuous improvement in the field of safety. We are developing a safety culture where every employee has the right to express their opinion and take action to prevent incidents.

In 2022, we implemented an integrated quality, health, safety and environmental management system in accordance with international ISO standards. This system takes a holistic approach to risk management and ensures that health, safety and the environment are addressed simultaneously. This improves risk management and ensures compliance with regulatory requirements. It also fosters a culture of responsibility among employees by encouraging them to actively participate in safety and environmental initiatives.

The goals and objectives of an integrated quality, health, safety and environmental management system are multifaceted.

- First, it aims to minimise the risk of work-related injuries, illnesses and accidents through proactive measures and safety protocols.
- Secondly, it strives to ensure compliance with relevant health, safety and environmental regulations and standards, thereby reducing legal and reputational risks.

Expenditure item OH and HM		Amount, USD million
1	Personal protective equipment (PPE)	0.002
2	Therapeutic and preventive meals	2.9
3	Appliances	0.02
Total		2.9

The company monitored working conditions and compliance with sanitary and fire requirements for workers of three geological exploration expeditions. In order to improve working conditions, employees were provided with 7 types of household appliances worth USD 0.02 million.

- Third, it promotes a safety and environmental culture within the organisation by encouraging employee engagement and participation in health, safety and environmental initiatives.
- In addition, it aims to continuously improve health and safety performance through regular monitoring, evaluation and feedback mechanisms.

The Orient Management Systems organisation has implemented an integrated system for managing quality, health, safety and environment at the State-Owned Enterprise "Navoiyuran", having received the appropriate certificates ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 certificates were obtained for the uranium production plant, the Central material and technical base of the State-Owned Enterprise "Navoiyuran" and the Zafarabad mining administration. In addition, the company began implementing the 5S Lean Manufacturing system to ensure a safe culture and working conditions. This system includes sorting, rational arrangement, cleaning, standardisation and improvement, which are the basic principles of managing a productive department. In addition, quality personal protective equipment (PPE) and nutritional therapy for employees play an important role in occupational safety and health management. Providing employees with the necessary PPE can reduce risks and provide a safe work environment. Nutritional therapy aims to promote employee health and can improve immune function, energy levels and resilience to workplace stress, ultimately reducing the likelihood of work-related illness and absenteeism. To provide employees with high-quality PPE, USD 0.002 million was allocated and USD 2.9 million was allocated for Therapeutic and preventive meals.

To comply with the law, a compulsory employer's civil liability insurance agreement was concluded. Insurance plays an important role in providing financial protection to workers in the event of a work-related injury, illness or disability and also encourages employers to improve workplace safety.

Moreover, in March 2023, the first stage of the certification audit of the integrated management system was carried out according to the standards ISO 14001:2015, ISO 45001:2018. The audit identified problem areas and identified positive aspects. After correcting

## RADIATION SAFETY

Adhering to the principles of radiation safety in 2023, the Enterprise carried out regular monitoring of the radiation situation in workplaces, premises, production areas and controlled areas in accordance with the requirements of the 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 comply with the standards of the IAEA and the International Labour Office.

There were no radiation accidents or incidents at the Company's production sites during 2023. 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 2023 was 5.5 mSv/year.

The group monitoring the working conditions of the uranium production plant carries out additional monthly radiation measurements at workplaces. In 2023, the average dose of radiation exposure in workplaces was 1.28 mSv/hour. These regular measurements are necessary to ensure safety and compliance with established IAEA radiation protection standards.

## PRIORITISING OCCUPATIONAL SAFETY AND INJURY PREVENTION

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

Ensuring safety at work and preventing injuries are the top priorities of the State-Owned Enterprise "Navoiyuran" in the field of sustainable development. The business supports the creation of safe and secure workplaces

the problem areas, a second audit stage was carried out, the results of which were presented to management in May 2023. The management system analysis complies with international and local standards.



The maximum annual effective dose to personnel interacting directly on site with radioactive materials was 16.5 mSv/year, which is 82.5% of the permissible dose limit, established by the IAEA – 20 mSv/year.

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

- Renovation of premises and modernisation 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 authorised bodies;
- Therapeutic and preventive nutrition;
- Annual additional leave; reduction of working hours.

and emphasises its commitment to the well-being of its employees and the communities with which it interacts.

An action plan was developed to prevent accidents and create additional conditions for labour protection, technical and industrial safety in the structural divisions of the Enterprise. The plan was approved by the General Director on October 6, 2023. The main attention is paid to creating safe working conditions and the correct implementation of technological processes. The Occupational Safety and Health Expertise Commission works at production sites on an ongoing basis. Great importance is given to testing the knowledge of commission members in accordance with standard Regulation No. 272 "On training and testing knowledge in labour protection."

	2022	2023
Total number of recorded work-related injuries (accidents)	8	10
Total number of industrial injuries with severe consequences (excluding fatal cases)	4	6
Total number of fatal accidents	–	–
Occupational injury frequency rate	0.66%	0.70%
Serious Injury Frequency Rate	0.33%	0.42%
Fatality rate	–	–
Total hours worked	12,082,997	14,357,262

In the structural units of the State-Owned Enterprise "Navoiyuran" in 2023, 10 accidents occurred, including 6 severe, 1 moderate and 3 mild. These incidents affected 10 employees. Investigations were carried out by special commissions; the results were transferred to the competent authorities. Compared to last year, the number of accidents increased by 25% (from 8 to 10) and similarly the work injury frequency rate (LTIFR) increased to 0.70%.

The increase in injuries is mainly due to careless personnel behaviour, inadequate training and inadequate supervision, which can lead to the use of unsafe work practices.

A number of measures have been taken in the field of labour protection and technical safety:

- Employees of the administration of the State-Owned Enterprise "Navoiyuran" were certified in accordance with the requirements of the Regulation "On the procedure for certification of workplaces for working conditions and risks", 520 workplaces were certified in the Zafarabad RU and State Expertise conclusions were received for 1184 workplaces;

Execution of the plan requires training and continuous development for several reasons. Training enables employees to effectively identify and mitigate potential hazards and take proactive measures to prevent accidents and injuries. Ongoing training ensures compliance with industry standards and legal requirements.

During 2023, 17 inspections were carried out on labour protection and industrial safety in the structural divisions of the Enterprise. 14 extraordinary targeted and comprehensive inspections were organised, during which 116 violations were identified and 49 managers and specialists were brought to disciplinary liability.

- CCTV cameras have been installed at workplaces to monitor work processes and prevent safety violations and accidents;
- The condition of the labour protection premises was checked and brought into compliance with established standards and requirements. Provided with modern technical means, teaching aids and samples, demonstration and information materials;
- A list of employees of structural units who must undergo a medical examination by December 2023 has been compiled in accordance with the order of the Minister of Health of the Republic of Uzbekistan No. 200 dated July 10, 2012;
- The condition of the utility premises of the structural divisions was checked;
- Unscheduled large-scale inspections are carried out jointly with specialists from the Enterprise's occupational safety and health service to prevent accidents and comply with safety rules and requirements;
- A foreign trip of specialists to Germany was organised to train and exchange skills in occupational health and safety.

**Plans for the forthcoming periods:**

- Maintain records/statistics on accidents/deaths among contractors and contract employees;
- Consider investing in advanced safety technologies such as wearable sensors, remote monitoring drones and real-time hazard detection systems to improve workplace safety;
- Improve safety training programmes: Develop comprehensive safety training programmes that include virtual reality (VR) simulations and interactive modules to provide hands-on experience and increase worker safety awareness;
- Encourage open communication among staff, active participation in safety initiatives and recognition of safe behaviour through incentive programmes;
- Implement a programme to minimise the risk of musculoskeletal injuries and improve workplace

- ergonomics through ergonomic assessments, improved workstation design and employee training;
- Develop initiatives to address mental health and wellbeing issues in the workplace by providing access to counselling services, stress management programmes and promoting work-life balance;
  - Continue to collaborate with industry partners, regulators and professional bodies to share best practice, knowledge and continually improve health and safety standards;
  - Invest in health promotion initiatives such as wellness programmes, fitness centres and health screenings to support employee well-being and prevent work-related illnesses;
  - Continuously evaluate and improve health and safety processes through feedback mechanisms, data analytics and innovation to stay ahead of emerging risks.

**STRATEGY AND EMERGENCY RESPONSE MEASURES**

State-Owned Enterprise "Navoiyuran" annually conducts preventive exercises to respond to emergency situations to maintain the effectiveness of the group in various conditions. On October 19, 2023, an exercise was held where the actions of the management and personnel of the geotechnological mine No. 2 of the Zafarabad Mining administration were analysed during the localisation and elimination of a spill of harmful substances after strong earthquakes at the solution processing site. The forces and means of the territorial and functional services of the State Emergency Prevention System (SSES) of the Tamdy region took part. The total number of participants included 60 people and 4 pieces of equipment. The evaluation of the results was positive, all participants and equipment were ready to complete the tasks. Over the previous two years, two similar exercises were conducted with the involvement of government services at the Zafarabad mining administration.

**Plans for the forthcoming periods:**

- Conducting comprehensive risk assessments to identify potential hazards and vulnerabilities in mining operations;
- Develop clear communication protocols and procedures to ensure timely dissemination of information during emergencies;
- Creation of evacuation plans indicating collection points and routes and familiarisation with them to all interested parties;
- Develop continuity plans to ensure essential operations continue during and after an emergency;



- Regularly review and update emergency preparedness plans based on lessons learned from exercises, incidents, or changes in operating conditions;
- Developing detailed emergency response plans that describe procedures for various types of incidents, including fires, explosions, chemical spills and radiation releases. These plans should include roles and responsibilities, evacuation procedures and communication and coordination protocols with external emergency services.

The above initiatives include elements that together form a comprehensive emergency preparedness system to effectively respond to emergencies and protect the well-being of employees, communities and assets in the mining industry.



# ABOUT THE REPORT

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## GRI 2-3, 2-14

State-Owned Enterprise "Navoiyuran" presents to your attention the Sustainable Development Report for 2023, addressed to a wide range of stakeholders. This document covers in detail the activities and achievements of the Enterprise in the field of sustainable development. The first separate Sustainability Report in the history of the Enterprise was the report for 2022 and henceforth it is planned to provide public non-financial reporting annually.

The report has been prepared in accordance with the GRI Standards for sustainability reporting (hereinafter referred to as the "GRI Standards") and reflects progress made in contributing to the achievement of the UN Sustainable Development Goals. The application of standards and the index of GRI standard elements are published in Appendix 1 to the Report.

The process of generating the Report and disclosing key topics is managed by the ESG implementation department with the involvement of the relevant structural divisions of the Enterprise. Verification and final approval of the document is carried out by the Supervisory Board.

The Enterprise's Sustainable Development Report for 2023 reflects the main aspects of its economic, social and environmental activities within the framework of sustainable development from January 1 to December 31, 2023. The comparison period is from January 1 to December 31, 2022. The document covers all areas of the Enterprise's activities, including its dependent structures.

The Report may also mention events that occurred before or after the reporting period in order to provide more complete information.

In the section on financial indicators, information is presented based on financial statements according to NAS for the 12 months of 2022 and 2023.

## REPORTING BOUNDARIES

### GRI 2-2

Information on sustainable development presented in the Report relates to the State-Owned Enterprise "Navoiyuran" and its structural divisions.

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

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

## PRESENTATION CURRENCY

The national currency of the Republic of Uzbekistan is the Uzbek sum, which is the functional currency of the Enterprise. This Report is presented in US dollars.

Results whose functional currency differs from the presentation currency are translated into the presentation currency using the following procedures:

- assets and liabilities are translated at the exchange rate at the specified reporting date;
- income and expenses, total investments made during the year are recalculated at the average rate;
- other transactions carried out on an individual basis are recalculated as of the date of their actual completion.

The entity applied the following exchange rates for translation into presentation currency using the above procedures:

### UZBEKISTAN SUM TO US DOLLAR EXCHANGE RATE

Average rate for 2023	11 741.89
Rate as of December 31, 2023	12 338.77

## INDEPENDENT REVIEW OF THE REPORT

### GRI 2-5

The procedure for external certification of the Report for 2023 was not carried out. However, the Enterprise recognises the importance of external assurance of sustainability information and is considering the possibility of verifying non-financial information in the future.



# APPENDICES

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## APPENDIX 1. GRI INDICATOR TABLE

Indicator index	Indicator	Page of the Report	Sections of the Report	Comments
GENERAL REPORTING TOPICS				
GRI 2: General Disclosures 2021				
2-1	Organisational details	pg. 111, 10	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. 10, 14, 101	About the Company	
2-3	Reporting period, frequency and contact point	pg. 111, 101	About the Report	
2-5	External assurance	pg. 101	Independent Assurance	
2-6	Activities, value chain and other business relationships	pg. 28, 29	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. 79	Human Capital Management	The Company does not practise irregular or temporary employment
2-9	Governance structure and composition	pg. 47	Corporate Governance	
2-10	Nomination and selection of the highest governance body	pg. 47	Corporate Governance	
2-11	Chair of the highest governing body	pg. 47	Corporate Governance	
2-12	Role of the highest governing body in overseeing the management of impacts	pg. 33	Sustainability Management	
2-14	Role of the highest governing body in sustainability reporting	pg. 101	About the Report	
2-15	Conflict of interest	pg. 57	Corporate Governance, Business Ethics	
2-16	Communication of critical concerns	pg. 57	Corporate Governance, Business Ethics	



Indicator index	Indicator	Page of the Report	Sections of the Report	Comments
2-18	Evaluation of the performance of the highest governing body	pg. 47	Corporate Governance	
2-19	Remuneration policy	pg. 47	Corporate Governance	
2-20	Process to determine remuneration	pg. 47	Corporate Governance	
2-22	Statement on sustainable development strategy	pg. 7	Statement from the General Director	
2-26	Mechanisms for seeking advice and raising concerns	pg. 57	Corporate Governance, Business Ethics	
2-27	Compliance with laws and regulations	pg. 57	Corporate Governance, Business Ethics	
2-28	Membership Associations	pg. 10, 41	About the Company Membership associations and adherence to international principles	
2-29	Approach to Stakeholder Engagement	pg. 39	Sustainability Management, Stakeholder Engagement	
2-30	Collective agreements	pg. 79, 83	Human Capital Management, Support for Employees	
<b>GRI 3: General Disclosures 2021</b>				
3-1	Process to determine material topics	pg. 39	Sustainability Management, Material Topics	
3-2	List of material topics	pg. 39	Sustainability Management, Material Topics	
3-3	Management of material topics	pg. 65, 68, 71-73, 79, 95	Environmental Responsibility, Occupational Health and Safety Management	

Indicator index	Indicator	Page of the Report	Sections of the Report	Comments
<b>MATERIAL TOPICS</b>				
<b>GRI 200: Economic 2016</b>				
201-1	Direct economic value generated and distributed	pg. 20	Overview of Financial Performance	
201-3	Defined benefit plan obligations and other retirement plans	pg. 82	Personnel Social Support Policy	
201-4	Financial assistance received from the government	pg. 22	Tax Policy	
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	pg. 90	Relations between Labour and Management	
203-1	Infrastructure investments and services supported	pg. 93	Contributing to Social Development, Regional Development	
204-1	Proportion of spending on local suppliers	pg. 28	Procurement Practices	
205-1	Operations assessed for risks related to corruption	pg. 57, 60	Corporate Governance, Business Ethics	
205-2	Communication and training about anti-corruption policies and procedures	pg. 57, 60	Corporate Governance, Anti-Corruption	
206-1	Anti-Competitive Behaviour	pg. 57, 60	Corporate Governance, Anti-Corruption	
207-1	Approach to tax	pg. 22	Tax Policy	
<b>MATERIAL TOPICS</b>				
<b>GRI 300: Environmental 2016</b>				
302-1	Energy consumption within the organisation	pg. 68-69	Climate Change, Energy Management	The Company uses RESs to generate electricity. STP generates electricity only to produce sulphuric acid.
302-3	Energy intensity	pg. 70	Climate Change	
302-4	Reduction of energy consumption	pg. 70	Reduction of Energy Consumption	
303-1	Water and Effluents	pg. 73	Water Resource Management	The Company uses only the kinetic energy of water to generate electricity without affecting the quality of water resources.

Indicator index	Indicator	Page of the Report	Sections of the Report	Comments
303-2	Management of water discharge-related impacts	pg. 73	Water Resource Management	
303-3	Water withdrawal	pg. 73-74	Water Resource Management	
303-4	Water discharge	pg. 74	Water Resource Management	
303-5	Water Consumption	pg. 74	Water Resource Management	The Company does not collect water from regions with water shortages.
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	pg. 77	Biodiversity Conservation	
304-2	Significant impacts of activities, products and services on biodiversity	pg. 77	Biodiversity Conservation	
305-1	Direct (Scope 1) GHG emissions	pg. 71	Greenhouse Gas Emissions	The Company quantified direct GHG emissions from mobile fuel combustion. The Company does not generate biogenic CO <sub>2</sub> emissions.
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	pg. 72	Promoting Air Quality	The Company emits no persistent organic compounds, solids, volatile organic compounds or hazardous class 1 substances into the atmosphere.
306-2	Management of significant waste- related impacts	pg. 75	Waste Management	
306-3	Waste generated	pg. 75-76	Waste Management	
306-4	Waste diverted from disposal	pg. 75	Waste Management	

Indicator index	Indicator	Page of the Report	Sections of the Report	Comments
<b>MATERIAL TOPICS</b>				
<b>GRI 400: Social 2016</b>				
401-1	New employee hires and employee turnover	pg. 79	Personnel Composition	
401-3	Parental leave	pg. 79, 82	Human Capital Management, Personnel Social Support Policy	
402-1	Minimum notice periods regarding operational changes	pg. 79, 90	Human Capital Management	
403-1	Occupational health and safety management system	pg. 95	Occupational Health and Safety Management	
403-2	Hazard identification, risk assessment and incident investigation	pg. 95	Occupational Health and Safety Management, Ensuring Occupational Health and Safety	
403-3	Occupational health services	pg. 95	Occupational Health and Safety Management	
403-4	Worker participation, consultation and communication on occupational health and safety	pg. 95	Occupational Health and Safety Management	
403-5	Worker training on occupational health and safety	pg. 97	Ensuring Occupational Health and Safety	
403-6	Promotion of worker health	pg. 97	Ensuring Occupational Health and Safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pg. 95	Occupational Health and Safety Management	
403-8	Workers covered by an occupational health and safety management system	pg. 95, 97	Occupational Health and Safety Management, Ensuring Occupational Health and Safety	
403-9	Work-related injuries	pg. 97	Ensuring Occupational Health and Safety	



Indicator index	Indicator	Page of the Report	Sections of the Report	Comments
404-1	Average hours of training per year per employee	pg. 90	Employee Training and Development	
404-2	Programmes for upgrading employee skills and transition assistance programmemes	pg. 90	Employee Training and Development	
405-1	Diversity of governance bodies and employees	pg. 47, 85	Diversity and Equal Opportunity, Personnel Composition	
405-2	Ratio of basic salary and remuneration of women to men	pg. 79, 90	Human Capital Management, Relations between Labour and Management	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	pg. 82	Personnel Social Support Policy	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	pg. 57	Business Ethics	
413-1	Operations with local community engagement, impact assessments and development programmes	pg. 39, 93	Regional Development	
415-1	Political contributions	pg. 57	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*h	Megawatts per hour
IPCC	Intergovernmental Panel on Climate Change
MW	Minimum wage
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
LLC	Limited Liability Company
GHG	Greenhouse Gases

MPE	Maximum permissible emissions
MPW	Maximum permissible waste
MPD	Maximum permissible discharges
STP	Steam turbine plant
RoU	Republic of Uzbekistan
IPM	Individual protection means
MM	Mass media
EPS	Environmental Protection Service
US	United States
EMS	Environmental management system
SPS	Solution processing site
SDG	Sustainable Development Goal
GRI	Global Reporting Initiatives
IPO	Initial Public Offering
ISO	International Organisation for Standardisation
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate-related Financial Disclosures

## 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.

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**State-Owned Enterprise "Navoiyuran"**

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