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every day



2023 Report
on sustainable development

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Chairman of the Board Address

GRI 2-22

Dear shareholders, partners and colleagues!

We present to your attention the First Report on Sustainable Development of JSC "Navoiyazot" for 2023. This document describes our first steps in the field of ESG and reflects the company's achievements and results, demonstrating our commitment to the principles of sustainable development.

JSC Navoiyazot is a reliable partner and leading enterprise in the chemical industry of Uzbekistan, which makes a significant contribution to the development of the country's industrial potential. In 2023, the company continued to implement major investment projects aimed at modernizing production capacities, increasing energy efficiency and reducing the environmental burden. As part of these initiatives, the construction of new production complexes for the production of ammonia and urea was completed, which made it possible to increase the production of mineral fertilizers and ensure their compliance with international quality standards.

Climate change is one of the key challenges of the modern world, and our company does not stand aside from this global agenda. In 2023, we carried out comprehensive work to identify and assess climate risks, which allowed us to understand better their potential impact on business and determine strategic approaches to managing them. An important step was the first calculation of greenhouse gas emissions under Scope 1 and 2, which gave us not only clear idea of the current level of impact, but also opened up opportunities for implementing effective measures to reduce it. We are confident that consistent work in this direction will strengthen our commitment to the principles of sustainable development and will be an important contribution to the transition to a low-carbon economy, creating a sustainable foundation for the future of our company and society as a whole.

Human capital is the foundation of our success. The company employs over 8,000 highly qualified specialists. We create conditions for improving the qualifications of employees, implement modern training and motivation programs for personnel. One of our priorities is social policy aimed at supporting employees and ensuring their well-being.

JSC "Navoiyazot" participates actively in corporate social responsibility. We support educational and scientific programs, provide assistance to veterans, socially vulnerable groups of

the population and contribute to the development of regional infrastructure.

In 2024, the company will continue to modernize, expand production capacity, improve product quality and strengthen its position in the international market. In addition, we aim to strengthen further our sustainability initiatives, implementing actively best practices and methodologies that will help minimize our impact on ESG factors. These steps do not only contribute to improving our operational efficiency, but also expand significantly our contribution to sustainable development, reinforcing our responsibility to future generations.

Thank you for your support, trust and cooperation. Only together we can reach new heights!

Sincerely yours,

Samadov Farrukh Khamzaevich

Chairman of the Board of JSC «Navoiyazot»

In 2023, the production volume of the main products of JSC "Navoiyazot" reached

2,790.8
thousand tons

Investments in social support for employees amounted to

339.427
billion soums in 2023

The total amount of funds allocated for sponsorship and charity amounted to more than

20
billion soums in 2023

Key Events for 2023



JSC "Navoiyazot" together with the Chinese company "CC7 Industries" installed solar panels on the administrative premises in buildings 109, 110A, which provided an annual production of 140.2 thousand kWh of electricity with a capacity of 100 kW.

On May 2, Linde (Germany) signed an agreement to supply "Navoiyazot" JSC with an air separation plant. The project is valued at 90 million US dollars, and the launch is planned for the first quarter of 2026.

May

The project «Summer with Kamalak!» organized by the Youth Union of Uzbekistan dedicated one day to the vacationers of the camp «Oftobjon». During this event, children had the opportunity to compete in chess and table tennis with the Chairman of the Board of JSC «Navoiyazot» O. Temirov. The project «Summer with Kamalak!» is held throughout the country in order to provide meaningful holidays for schoolchildren.

As part of the Youth Month, the competition "The Most Experienced Young Operator of the Year" was held.

June



March

In 2023, the "Year of Youth Support" was declared at "Navoiyazot" JSC, an open dialogue with young people was held in workshop 916, dedicated to discussing current issues and improving the effectiveness of the enterprise's youth policy.



July

As part of the Youth Month, an award ceremony took place for the winners of the most talented young specialists of the year competition and the intellectual tournament «Zakovat» at JSC "Navoiyazot".

JSC «Navoiyazot» was recognized as the «Most Active Organization of 2023 in Supporting Youth» and awarded at the festival held in the Navoi region in connection with the «Youth Day».

Work on installing solar panels has begun at "Navoiyazot" JSC

[Link to the website or news source:](#)



August

In honor of the celebration of the 32nd anniversary of Independence of the Republic of Uzbekistan under the motto «For a new life, for a new Uzbekistan!» sports competitions were held among employees of JSC «Navoiyazot».



September

Air Products (USA) announced that it would invest \$10 billion in projects in Uzbekistan. Air Products implements projects for the processing of industrial gases at Uzbekistan GTL, the production of synthesis gas, oxygen and nitrogen, and the production of liquefied carbon dioxide at Navoiyazot JSC.

October

Solar panels have been installed on the territory of JSC «Navoiyazot», which provide an annual production of 3.6 million kWh of electricity with a capacity of 2480 kW.



November

JSC «Navoiyazot» launches a new enterprise for the production of laminated polypropylene bags of various capacities for packaging products.

Air Products (USA) will invest \$10 billion in projects in Uzbekistan – Uzbekistan News – Gazeta.uz

[Link to the website or news source:](#)



December

A new PVC pipe manufacturing plant will start operating at "Navoiyazot" JSC soon. This will be the possibility to replace previously imported stainless steel and iron pipes with PVC pipes.

The construction of JV LLC «CHEMISTRY INTERNATIONAL» for the production of hydroxypropyl methylcellulose is underway. Construction and installation works worth 5 billion soums have been completed in 5 buildings and structures.

Joint venture LLC "JV CONTINAZ" is being created in "Navoiyazot" JSC in cooperation with Iran. With the launch of the project, 80 thousand tons of sodium cyanide and 8 thousand tons of cyanic acid will be produced per year.

In December, 50 employees visited Andijan, Namangan, and Fergana regions and got acquainted with the sights and historical monuments of the regions. Also, under the "Travel to Uzbekistan" program, other 50 employees were given the opportunity to visit Khorezm region.





Key indicators for 2023

Sustainable Development Indicators



Environmental indicators

Environmental protection costs, thousand soums

2021	1,092.91
2022	602.73
2023	3,933,752.3

Volume of pollutant emissions into the atmosphere, tons

2021	1,092.91
2022	602.73
2023	607.23

Volume of taken water, thousand m³

2021	30,736.965
2022	32,612.777
2023	31,364.315



Social indicators

Headcount, people

2021	8,855
2022	8,714
2023	8,611

Staff turnover, %

2021	6.4
2022	4.8
2023	3.4

Amount of expenses for training, million soums

2021	624.9
2022	899.83
2023	542.7

Number of people covered by the occupational health and safety management system of the Company, undergone the internal audit procedure and external audit

2021	8,855
2022	8,714
2023	8,611

About report

GRI 2-1, 2-2, 2-6

JSC Navoiyazot presents its first Report on Sustainable Development for 2023 (hereinafter referred to as the Report), prepared in accordance with ESG principles and the Global Reporting Initiative (hereinafter referred to as GRI) Standards. It demonstrates the Company's commitment to implementing strategies aimed at long-term conservation of natural resources, social responsibility and compliance with corporate governance principles.

The report covers the key results of activities of JSC "Navoiyazot" in the environmental, economic and social aspects of sustainable development in the region where the Company operates. Particular attention is paid to efforts to reduce greenhouse gas emissions, rational use of resources and the creation of safe and decent working conditions for employees. The report also contains information on the Company's interaction with local communities and stakeholders.

In 2024, "Navoiyazot" JSC began preparing the first ESG report in accordance with the Decree of the President of the Republic of Uzbekistan dated February 21, 2024 No. UP-37 «On the State Program for the Implementation of the Strategy» Uzbekistan - 2030 «in the» Year of Support for Youth and Business «. The decree is

aimed at enhancing transparency and strengthening corporate governance at enterprises with state participation. It obliges large companies, where the state's share is 50% or more, to publish annual reports on the state of corporate social responsibility (CSR), as well as environmental, social and corporate governance (hereinafter – ESG)

The adoption of this decree became a key factor for the creation of a separate ESG report, which reflected the commitment of JSC "Navoiyazot" to the principles of transparency, sustainable development and responsibility to society. The boundaries of the Report cover branches and production enterprises that are part of the structure of JSC "Navoiyazot".



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About the Company

Company Profile

GRI 2-1, 2-6

JSC Navoiyazot is one of the largest and rapidly developing multi-profile enterprises in the chemical industry of Uzbekistan, producing chemical products at four main complexes:

- production of mineral fertilizers;
- production of chemical reagents;
- production of small-tonnage chemicals;
- production of polyvinyl chloride (hereinafter referred to as PVC).

In the Company, there are also workshops that provide the main production with fuel and energy resources, automobile and rail transport, and a workshop for repair and restoration work.

The company produces nitric acid, ammonia and urea, ammonium nitrate, acetylene, acetaldehyde, acetic acid, hydrocyanic acid, ammonium sulfate, acrylonitrile, thiourea, ammonium thiocyanate, ammonium chloride, caustic soda, chlorine, hydrochloric acid, PVC, methanol and others.

Previously, JSC "Navoiyazot" was part of JSC "Uzkimyosanoat", which produced more than 30% of all chemical products in Uzbekistan. However, from March 1, 2023, the Company resigned from JSC "Uzkimyosanoat", and the Agency for Strategic Reforms under the President of the Republic of Uzbekistan became its sole shareholder. Since August 18, 2023, the sole shareholder of JSC "Navoiyazot" is the Ministry of Economy and Finance of the Republic of Uzbekistan.

In 2023, the production volume of the main products of "Navoiyazot" JSC amounted to

2,790.8
thousand tons

and the revenue from the sale of the Company's products reached

4,779.073
billion soums

The Company's divisions carry out a full production cycle. At the same time, new technologies are mastered, automated production and management systems are introduced, existing complexes are modernized, and new production facilities are built.



Our mission

We were created to turn the energy of natural resources to the benefit of man, to promote long-term economic growth and social stability in the regions of the Company's operations, to promote prosperity and progress, to ensure the preservation of favorable environment and the rational use of natural resources, to ensure stable and long-term business growth, to be a reliable supplier of mineral fertilizers, chemical reagents and low-tonnage chemical products.



Our values

All employees are guided by the corporate values of the Company in their daily activities, which serve as a guideline for achieving high results. The main values are highly qualified specialists, continuous growth of qualifications and professionalism of employees, work efficiency, social security of employees and stability in the team.



Our goals

As JSC "Navoiyazot" considers, its goal is the creation of new cost, maintaining high profitability and stability of its business, providing shareholders with a high return on invested capital by increasing the cost of the Company's assets and paying cash dividends. To achieve these goals, JSC "Navoiyazot" will use all available opportunities, including further efforts to reduce costs, increase the efficiency of its operations, improve the quality of manufactured products and provided services, and apply new advanced technologies.

History of development

GRI 2-1

More than 10 major design organizations from the USSR and Czechoslovakia participated in the large-scale design of Navoi Chemical Plant. The State Institute of Nitrogen Industry (SINI) became the general designer.

In 1964, the plant was put into operation officially, starting production of ammonium nitrate and weak nitric acid. Three months later, the first ammonia was obtained, and by 1968, workshops for the production of organic chemicals were put into operation.

Today, JSC "Navoiyazot" is an enterprise with a complete production cycle, actively implementing advanced technologies and automated control systems. The company modernizes existing complexes, builds new production facilities and implements innovative approaches.

Having reached a new stage of development, the enterprise masters confidently market conditions, demonstrating a high level of technical equipment, progressive technologies and innovative ideas. A close-knit team of highly qualified specialists and engineers makes JSC «Navoiyazot» an example for other enterprises and a source of pride for independent Uzbekistan.

Development strategy

In accordance with the Decree of the President of the Republic of Uzbekistan No. PP-4265 dated 03.04.2019 «On measures to further reform and increase the investment attractiveness of the chemical industry», JSC «Navoiyazot» adheres to the national strategy for the development of the chemical industry until 2030.

The strategic goals of the Enterprise are:

- growth of its capitalization and profitability due to the introduction of innovative technologies;
- diversification of activities;
- development of production of products with high added value;
- construction of new capacities.

To achieve these goals, the Company implements actively investment projects aimed at long-term modernization of technologies and technical renewal of production processes. These activities are aimed at strengthening the competitive position of products in the national and international markets by improving quality and reducing costs.

Compliance of technological processes with high standards of environmental and industrial safety, successful solution of social issues allows the enterprise to fulfill its mission: to bring maximum benefit to society, to help implement transformations that change life for the better through constant growth, sustainable development and responsible attitude to the world around us.



History of the Company's development

1964
December 31

The State Acceptance Committee approved the commissioning of facilities for the production of weak nitric acid and ammonium nitrate with an overall rating of «good». This day marked the beginning of the history of Navoi Chemical Plant.

1965
March 8

The first ammonia was obtained and the design production capacity was reached in the same month.

1965
March 31

The act of commissioning of the first stage ammonia production facilities was signed.

1965
November

Launch of the department for filling cylinders with technical oxygen.


1967

The first ton of ammonia water was obtained.

1988

Launch of the thiourea production plant and establishment of hydrochloric acid production.

1975


Transformation of Navoi Chemical Plant into the production association «Navoiyazot».

1971
October 25

Launch of the first technological chain for the production of Nitron polyacrylic fiber.

1971
March 31

Nitric acid, ammonium nitrate, and third-stage ammonia workshops were commissioned.

1970
December 31

Acetylene and acetaldehyde production facilities were accepted for operation.

1968
August

Commissioning of carbon dioxide and sodium cyanide production workshops.

1968
June

Start of carbon dioxide division.

2001

Launch of the workshop for the production of caustic soda and liquid chlorine in cooperation with the company «Lurgi».

1991-
2014

Production ramp-up of 14 new types of products, including preparations, resins and fertilizers.

2011

Establishment of joint ventures for the production of cosmetic products and baby diapers in Navoi Free Industrial and Economic Zone.

2015-
2016

Implementation of investment projects, in accordance with the Decree of the President of the Republic of Uzbekistan No. PP-2264 «On the Investment Program of the Republic of Uzbekistan for 2015»:

- Construction of ammonia and urea production at JSC «Navoiyazot»;
- Construction of PVC, caustic soda and methanol production complex at JSC «Navoiyazot»;
- Organization of nitric acid production at JSC «Navoiyazot».

2019-
2020

Commissioning of chemical production complexes:

1. production of ammonia and urea at JSC «Navoiyazot»;
2. production of PVC, caustic soda and methanol at JSC «Navoiyazot»;
3. production of nitric acid at JSC «Navoiyazot».

2021-
2023

Establishment of joint ventures for the production of chemical products:

1. production of urea-formaldehyde resins by JV CONTINAZ LLC on the territory of «Navoiyazot» JSC;
2. production of sulfuric acid by «JV CONTINAZ» LLC on the territory of «Navoiyazot» JSC;
3. production of cotton cellulose and hydroxypropyl methylcellulose (HPMC).

Management of activities

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Management of activities

ESG-management

GRI 2-22, 2-24

The company identified key areas and took steps to integrate ESG principles into business processes, striving to comply with the best international standards and increase the transparency of its activities.

The Supervisory Board and the Management Board participate actively in the management of sustainable development, directly participating in the development, approval and updating of statements, policies and strategies in this area. The highest management bodies monitor the implementation of ESG initiatives, ensuring the integration of sustainable development principles into the Company's strategy.

Sustainability reporting is provided to senior management on a quarterly basis, allowing for rapid monitoring of progress and adjustments as necessary. The approval process is carried out by submitting data in writing to the Supervisory Board for review.

Critical issues and problems concerning sustainable development are communicated to senior management in writing. During the reporting period, no critical issues requiring senior management intervention arose.

Interaction with stakeholders

GRI 2-29

JSC "Navoiyazot" builds interaction with stakeholders, taking into account their interests and needs. The Company uses an approach based on transparency and openness, which allows it to respond effectively to the requests and expectations of local communities and other key stakeholder groups. Key stakeholders are identified taking into account their influence on the Company's activities and the Company's influence on their interests. JSC "Navoiyazot" maintains regular dialogue with these groups in order to create long-term and sustainable relationships, comply with all legislative and regulatory requirements, and prevent possible negative consequences.



Key stakeholder groups of the Company

	Goals of interaction	Forms of interaction	Events, results in 2023
Shareholders and investors	<ul style="list-style-type: none"> Ensuring the growth of the Company's value in the long term prospective. Informing about the Company's development strategy. Improving the quality of corporate governance. Maintaining the level of liquidity and prices of the Company's shares. 	<ul style="list-style-type: none"> Investors conferences. Individual meetings with investors. Ongoing work with analysts. Annual General Meetings of Shareholders and mandatory reporting of the Company. Corporate website. 	<ul style="list-style-type: none"> 7 General Meetings of Shareholders of JSC "Navoiyazot" were held.
Government bodies / regulators	<ul style="list-style-type: none"> Assistance to the socio-economic development of the regions of presence. Compliance with legislation. Implementation of state programs and initiatives. Identification and minimization of corruption risks. Monitoring compliance with contractual obligations. 	<ul style="list-style-type: none"> Conducting negotiations, meetings. Checking compliance with legislation. Issuing permits and supervising activities 	<ul style="list-style-type: none"> In 2023, 3 cases of dismissal or punishment of employees for corrupt actions were recorded. 2 contracts with business partners were terminated due to violations related to corruption. In 2023, the Company concluded 1,847 contracts, of which 156 were concluded directly.
Employees and Trade Unions	<ul style="list-style-type: none"> Creating conditions for professional career growth and social well-being of the Company's employees. Workplace safety. Improving the remuneration system. Increasing staff motivation. Social support for current and retired employees. Efficient use of labor resources. 	<ul style="list-style-type: none"> Meetings of employees with the management of enterprises. Internal communication channels. Public hearings. Collective agreements and interaction with trade unions. Conducting research on employee engagement. 	<ul style="list-style-type: none"> In 2023, the Company implemented 38 events on social partnership and trade union activities worth about 38 billion soums. In 2023, 1,534 people underwent treatment and rest at the sanatorium and health resort of JSC "Navoiyazot". In 2023, about 39.5 billion soums were spent on implementing activities under the collective agreement on labor protection. The total amount of payments to persons with industrial injuries and occupational diseases amounted to 191.8 million soums. 29.6 million soums of financial assistance were allocated to 70 non-working pensioners.



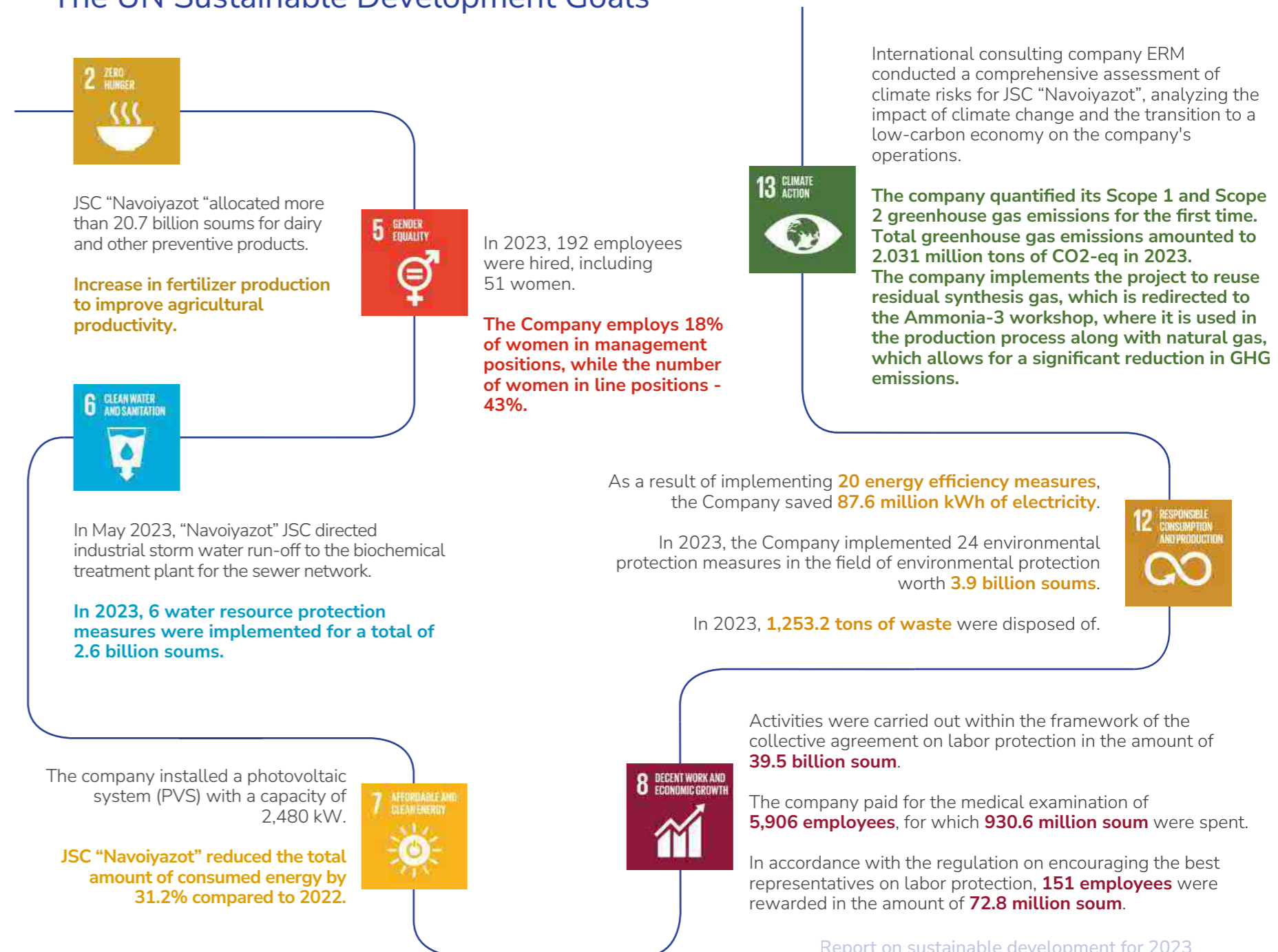
	Goals of interaction	Forms of interaction	Events, results in 2023
			<ul style="list-style-type: none"> 241.9 million soums were allocated to 62 employees for inclusion in the honorary board of JSC Navoiyazot. 304.6 million soums were allocated for organizing sports events and rewarding winners.
Consumers, suppliers and contractors	<ul style="list-style-type: none"> Providing guarantees and consumer confidence in the high quality and safety of products. Expanding sales markets and product range. Compliance with contract terms. Improving the reliability and safety of technological processes and equipment. 	<ul style="list-style-type: none"> Interaction on product and quality assurance issues. Meetings and negotiations. Signing contracts and agreements. Company website. Company reporting. 	<ul style="list-style-type: none"> In 2023, 18 tenders were announced, as a result of which contracts worth 43.95 billion soums were concluded.
Local communities	<ul style="list-style-type: none"> Stability of the socio-economic situation in the regions of presence. Assistance to socially vulnerable groups of the population. Charity. Reducing the level of impact on the environment. Implementation of the Company's strategy taking into account the interests of local communities in the regions of presence. 	<ul style="list-style-type: none"> Conducting meetings with local community representatives. Website and social media. Publishing press releases and informational messages. Supporting charities and conducting aid campaigns for vulnerable groups.. 	<ul style="list-style-type: none"> During the reporting period, the Company allocated 20.644 billion soums for sponsorship events. The Company supports the Navoi Regional Judo Federation by transferring funds. Starting from May 2023, industrial storm water run-off was transferred to treatment facilities, stopping the discharge of wastewater into the Zarafshan River.
MASS MEDIA	<ul style="list-style-type: none"> Formation of a positive image of the Company. Strengthening reputation in business circles. Increasing openness and transparency. 	<ul style="list-style-type: none"> Press releases. Interviews and comments from the Company's top officials. Website and social networks. Company reporting. Press conferences and management interviews. 	<ul style="list-style-type: none"> JSC Navoiyazot received 325 calls to the Hotline. 69 media appearances. All appearances were published on the Company's website, in the Telegram channel and in Navoi Kimyogari newspaper.

Contribution to achieving the UN SDGs

JSC "Navoiyazot" recognizes the importance of all 17 Sustainable Development Goals (hereinafter referred to as the UN SDGs) adopted by the UN General Assembly in 2015 and participates actively in their achievement in its activities. Taking into account the industry specifics and the mission of the Company, JSC "Navoiyazot"

has identified 8 priority SDGs to which it can make the greatest contribution. The Company has developed activities aimed at achieving these goals, and has also identified key aspects of sustainable development that correspond to these priorities.

The UN Sustainable Development Goals





Corporate governance system

Corporate governance structure

GRI 2-9, 2-12

The governance of JSC «Navoiyazot» is carried out in strict accordance with the legislation of the Republic of Uzbekistan and internal corporate documents, including the Charter and related Regulations. The management system of JSC «Navoiyazot» will follow the recommendations of the Corporate Governance Rules for enterprises with state participation from January 1, 2024. This decision was made in accordance with the decision of the Sole Shareholder dated February 12, 2023. These rules, approved by the order of the Agency for State Assets Management of the Republic of Uzbekistan dated June 23, 2023 No. 145, emphasize the Company's commitment to honest and transparent business practices.

The Company has Corporate Governance Code (hereinafter referred to as the Code), which serves as a guide for joint-stock companies, providing recommendations, the implementation of which is carried

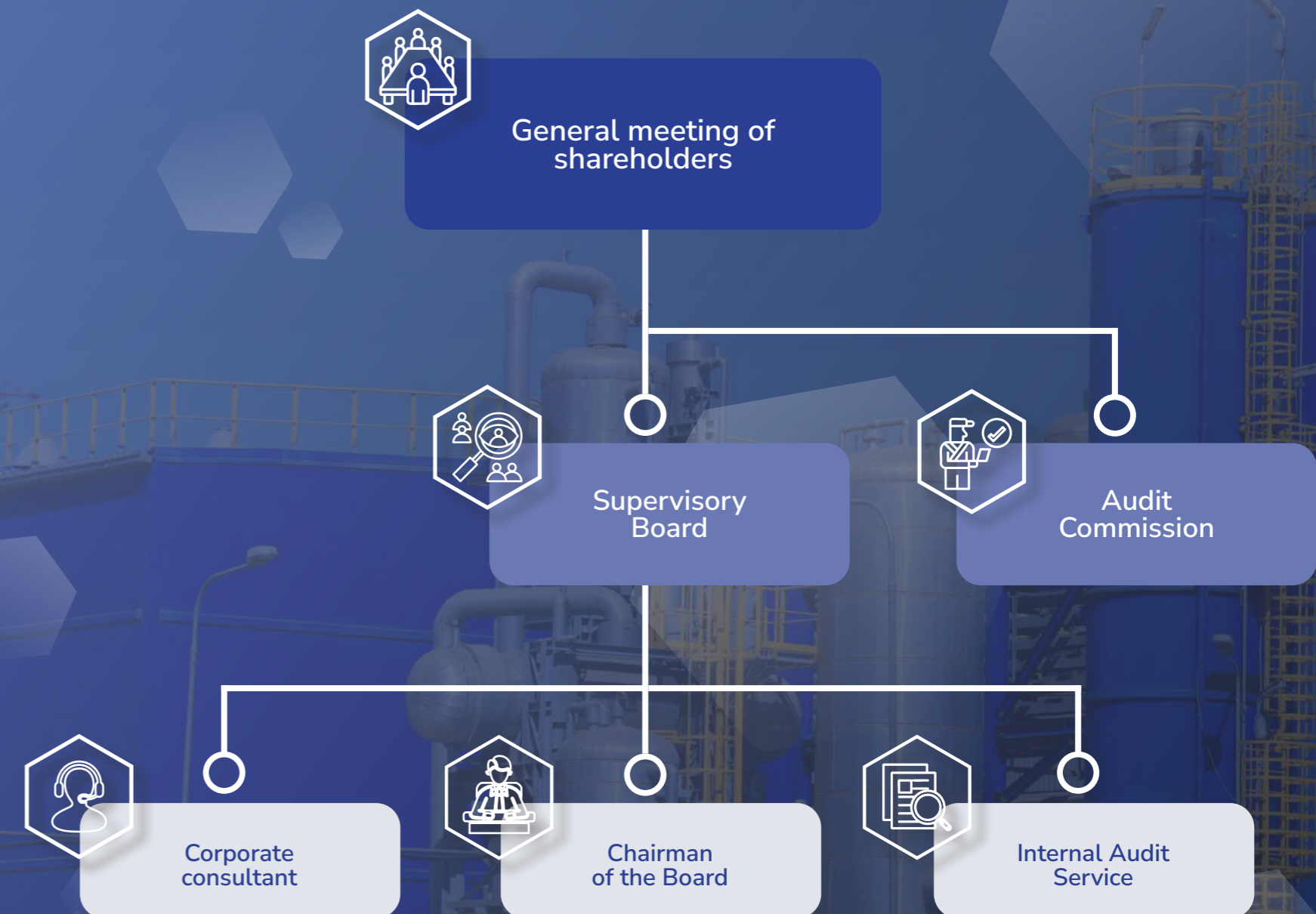
out on a voluntary basis. The Code is based on the legislative norms of the Republic of Uzbekistan and international principles of corporate governance.

The Code considers corporate governance as a system of relationships between the Management Board, the Supervisory Board, shareholders, representatives of the workforce and other stakeholders, such as creditors. The main goal is to achieve a balance of interests of all participants to ensure the effective organization of the activities of JSC «Navoiyazot», modernization and technological renewal of production facilities, as well as increase in the competitiveness of products and their export to foreign markets.

The Code is a set of recommendations in key areas aimed at the effective organization of the work of the Company's management bodies.



Organizational structure of JSC «Navoiyazot»



General meeting of shareholders

The supreme governing body of JSC “Navoiyazot” is the General Meeting of Shareholders, whose activities are regulated by the «Regulations on the General Meeting of Shareholders» (hereinafter referred to as the Regulations), developed on the basis of the Law of the Republic of Uzbekistan «On Joint Stock Companies and Protection of Shareholders’ Rights» (as amended on April 26, 1996). The Regulations include current changes in legislation, the requirements of the Decree of the President of the Republic of Uzbekistan dated April 8, 2022 No. UP-101, and also determine the status and regulate the work of the General Meeting of Shareholders, including the procedure for holding Annual and Extraordinary convocations.

The Annual General Meeting of Shareholders is held at least once a year, no later than six months after the end of the financial year, while the Extraordinary General Meeting of Shareholders is convened as necessary. The Annual General Meeting of Shareholders considers and approves the annual report, financial results, profit distribution, auditors’ and audit commission reports, as well as the Supervisory Board’s report on compliance with corporate governance standards. In addition, the agenda includes issues of election of the Supervisory Board and the Audit Commission, appointment of members of the Counting Commission, as well as extension or termination of contracts with the management of JSC “Navoiyazot”.

This corporate governance structure is aimed at ensuring transparency, active involvement of shareholders and support for strategic goals in the field of sustainable development.

The General Meeting of Shareholders of JSC “Navoiyazot” performs key management functions and makes decisions on issues related to the organization and development of the Company. The competence includes:



- Amending the Charter and approving a new version, which ensures compliance with internal and external regulatory requirements.
- Determining the composition of the Supervisory Board and its members, as well as their election and early termination of powers. This helps maintain the effective work of the governing bodies.
- Approving the annual report, financial statements and profit distribution, which promotes transparency and information openness to shareholders and stakeholders.
- Resolving issues related to increasing or decreasing the Company’s Authorized Fund, issuing corporate bonds and own shares, as well as reorganizing or liquidating the Company.
- Defining the policy on major transactions and interested-party transactions, which helps manage financial risks and the interests of all shareholders.
- Approving the Company’s annual business plan and hearing reports of the Supervisory Board and the Audit Commission, including on compliance with legal requirements.

These actions and decisions taken at the General Meeting of Shareholders form the basis for the strategic management of the Company and ensure sustainable development, promote transparent corporate governance in accordance with international standards and best practices in the field of sustainable development.

In 2023, 7 General Meetings of Shareholders were held, where the issues of amending the charter of JSC “Navoiyazot”, additional issue of shares of JSC “Navoiyazot”, change in the composition of the meeting, distribution of profits for 2022, the procedure and amount of dividend payments were discussed. At the Meetings, reports on the results of activities for 2022 were heard and approved: the report of the Management Board on the results of financial and economic activities, the implementation of the business plan, the annual report.

Supervisory Board

GRI 2-10, 2-14, 2-17

The Supervisory Board exercises general management of the Company’s activities, with the exception of issues referred by law and the Charter to the exclusive competence of the General Meeting of Shareholders, coordinates the activities of the Management Board, the Company’s internal control bodies, collegial bodies created in the Company, and, if necessary, engages experts to organize the Company’s development plans and monitor the achievement of the goals outlined therein.

The Supervisory Board of JSC “Navoiyazot” plays a key role in ensuring strategic management and supervision. Its competence includes a wide range of tasks aimed at implementing the Company’s goals, protecting the interests of shareholders and observing the principles of corporate governance.



The main functions of the Supervisory Board include:

- Defining strategic directions: The Supervisory Board approves the Company’s priority areas of activity, regularly hearing the Management Board’s report on the implementation of the strategy.
- Organizing and holding shareholders’ meetings: The Supervisory Board organizes the convening of the Annual and Extraordinary General Meetings of Shareholders, prepares their agenda, approves the date and place of holding, as well as the date of forming the register of shareholders for notification of meetings.
- Control over internal audit and audit checks: includes the creation of an internal audit service, the appointment of its employees and regular hearing of reports. The Supervisory Board also makes decisions on conducting audit checks, approves the audit organization and the maximum amount of payment for its services.
- Preparation and approval of business plans: The Supervisory Board reviews and approves the Company’s annual business plan, monitors its implementation, and evaluates the implementation of the production program.
- Management and control of major transactions and transactions with affiliated persons: includes approval of major transactions and transactions with affiliated persons in accordance with the law.
- Establishment and liquidation of subsidiaries, branches and representative offices: The Supervisory Board makes decisions on the establishment or liquidation of subsidiaries and dependent business entities, as well as branches and representative offices of the Company.
- Asset and investment management: The Supervisory Board monitors issues of acquisition or construction of new real estate, acquisition of shares in other business entities, as well as disposal of property and investment in the authorized capital.
- Review and approval of socially significant initiatives: The Supervisory Board approves the policy and procedure for providing charitable, sponsorship or gratuitous assistance within the framework established by the General Meeting of Shareholders and legislation.
- Ensuring transparency and corporate governance: within the competence of the Supervisory Board - access to documents of the Management Board for control and effective performance of duties, observing the use of information exclusively for official purposes.



The quantitative composition of the Supervisory Board is determined by the General Meeting of Shareholders, the Charter, and cannot be less than the quantity established by law and can be changed by decision of the General Meeting of Shareholders of the Company. Members of the Supervisory Board of JSC "Navoiyazot" are elected by the General Meeting of Shareholders in the manner prescribed by law and the Charter of the Company for a period of three years

In accordance with the legislation of the Republic of Uzbekistan, the Company uses a two-tier management system, in which shareholders elect a Supervisory Board consisting only of non-executive directors, and the Management Board, in turn, consists of executive directors. Thus, there are no executive directors in the Supervisory Board. Only members of the Company's Management Board can be executive directors.

Meetings of the Supervisory Board of the Company are held as necessary for prompt consideration of issues and decision-making. The convening of a meeting may be initiated by the Chairman of the Supervisory Board on the following grounds:

- on his own initiative;
- at the request of any member of the Supervisory Board;
- at the request of the Audit Commission;
- at the request of the Chairman of the Board.

During the reporting period, 20 meetings of the Supervisory Board were held. They considered issues related to the audit, participation of JSC "Navoiyazot" in the authorized capital of JV LLC "JV Continaz", transactions, amendments to the Charter and the Regulation «On the Supervisory Board of JSC "Navoiyazot», establishing the market value of the property of JSC "Navoiyazot", the amount of authorized shares and the draft charter of JSC "Navoiyazot". Particular attention was paid to the consideration and approval of the Annual Report for 2022, quarterly and annual reports on the Company activity results.

Composition of the Supervisory Board for 2023

GRI 2-11

Nº	Full name	Place of work	Job title
1	Nasritdinkhodjaev Omonullo Zabikhullaevich	First Deputy Minister of Mining and Geology of the Republic of Uzbekistan	Chairman of the Supervisory Board
2	Mirzamakhmudov Zhurabek Tursunpulatovich	Minister of Energy of the Republic of Uzbekistan	Member of the Supervisory Board
3	Mirzaev Shukhrat Shakhabutdinovich	Deputy Manager of Qishloq Qurilish Bank	Member of the Supervisory Board
4	Sokhibov Botir Gafurovich	Head of the consolidated information department of JSC Uzkimyosanoat	Member of the Supervisory Board
5	Mirzaev Tulkin Eshkobilovich	Director of the Department of the Ministry of Finance of the Republic of Uzbekistan	Member of the Supervisory Board
6	Sharipov Otabek Bekmuradovich	The Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan	Member of the Supervisory Board
7	Vafaev Shukhrat Abdusharifovich	Executive Director of the Fund for Reconstruction and Development of the Republic of Uzbekistan	Member of the Supervisory Board

Assessment of the activities of the Supervisory Board

GRI 2-18

The activities of the members of the Supervisory Board are assessed annually based on their work during the reporting period. The assessment is carried out by shareholders at the General Meeting of Shareholders and includes the following stages:

- Review of the annual report of each member of the Supervisory Board.
- Summation of the results of the assessment of their activities.

The annual report of a member of the Supervisory Board contains:

- Information on participation in the work of the Supervisory Board;

- A list of issues prepared and presented by this member at meetings of the Supervisory Board, as well as decisions taken on them and their contribution to the Company's activities;
- An assessment of the impact of the implemented proposals of the Supervisory Board member to improve the Company's activities;
- Conclusions and proposals for the development of the Company.

This process ensures transparency and efficiency of the Supervisory Board and contributes to the implementation of the Company's strategic goals.

Committees and their activities

Regulations on the Audit Committee

The Audit Committee is a consultative and advisory body created to assist in the effective performance of the functions of the Supervisory Board of JSC "Navoiyazot" in terms of control over the financial and economic activities of the Company. The activities of the Audit Committee are carried out in accordance with the competence defined by the Regulation on the Audit Committee. The Committee is not a management body of the Company and does not have the right to act on behalf of the Supervisory Board.

The main tasks of the Audit Committee are:



- supervision over the formation of the Company's accounting (financial) statements;
- control over the reliability and efficiency of the internal control and risk management systems;
- ensuring the independence and objectivity of the internal audit function;
- supervision over the conduct of external audit and the selection of an external auditor;
- control over the efficiency of the system for combating unfair actions by employees and third parties.

The Audit Committee is created and liquidated by decision of the Supervisory Board of the Company, which has the right to terminate the powers of any member of the Committee or re-elect its members at any time. The staff of the Audit Committee is elected from among the members of the Supervisory Board and includes at least three people, while the majority of members must be independent. The members of the Committee are elected at the meeting of the Supervisory Board and hold their positions until the election of a new staff of the Supervisory Board at the General Meeting of Shareholders of the Company.

Regulations on the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a collegial advisory body of the Supervisory Board of JSC "Navoiyazot" and was created to work out issues and prepare recommendations to the Supervisory Board on issues within its competence in the field of personnel and social policy, as well as the remuneration policy of the Company's management. The Nomination and Remuneration Committee is fully accountable to the Supervisory Board and acts within the powers granted to it by the Supervisory Board, in accordance with the Regulation on the Nomination and Remuneration Committee.

In its activities, the Nomination and Remuneration Committee is guided by the legislation of the Republic of Uzbekistan, the Company Charter, the Regulation «On the Supervisory Board of JSC "Navoiyazot"», decisions of the Supervisory Board, the Regulation on the Nomination and Remuneration Committee and other internal documents of the Company approved by the General Meeting of Shareholders and the Supervisory Board, as well as decisions of the Nomination and Remuneration Committee.

The main goal of the Nomination and Remuneration Committee is to develop, analyze and submit recommendations to the Supervisory Board on issues related to:

- personnel appointments in the management and control bodies and key managers of the Company's divisions;
- personnel planning, professional composition and effective work of the Management Board, attracting qualified specialists to the management of the Company and creating the necessary incentives for their successful work;
- the motivation and remuneration system for the Company's employees, the formation of an effective and transparent practice of remuneration of the Company's management;
- and other issues within the competence of the Supervisory Board in terms of the appointment and remuneration of the Company's employees.

The Nomination and Remuneration Committee is formed from members of the Supervisory Board and includes at least three persons. The majority of the members of the Committee must be independent members of the Supervisory Board.

The members of the Nomination and Remuneration Committee are elected at the meeting of the Supervisory Board from among its current members and hold their positions until the election of a new Supervisory Board at the General Meeting of Shareholders. The decision to elect members of the Committee is made by a simple majority of votes from the total number of members of the Supervisory Board.

Regulations on the Strategy and Investment Committee

The Strategy and Investment Committee is fully accountable to the Supervisory Board and operates within the powers granted to it by the Supervisory Board, in accordance with the "Regulations on the Strategy and Investment Committee".

In its activities, the Strategy and Investment Committee is guided by the legislation of the Republic of Uzbekistan, the Charter, the Regulation «On the Supervisory Board of JSC Navoiyazot», decisions of the Supervisory Board, the Regulation on the Strategy and Investment Committee and other internal documents approved by the General Meeting of Shareholders and the Supervisory Board.

In accordance with the Regulations on the Strategy and Investment Committee, the main goal of the Strategy and Investment Committee is to develop, analyze and submit recommendations to the Supervisory Board on issues related to:

- determining the strategic and priority areas of the Company's activities;
- control of the Company's procurement and investment activities;
- assessment of the effectiveness of promising investment projects and their impact on increasing the Company's shareholder value;
- other issues within the competence of the Supervisory Board.

In accordance with the goals, the Strategy and Investment Committee performs the following tasks:

- preliminary review and preparation of recommendations to the Supervisory Board on matters of strategic planning and investment policy, long-term plans, main activity programs, annual and long-term business plans of the Company, as well as reports on their implementation;
- assessment of the effectiveness of interaction between the structural divisions of the Company responsible for strategic planning and investment management, with the Supervisory Board and preparation of recommendations based on the results of the assessment;
- assessment of the effectiveness of the Company's activities in the long term and development of recommendations for the Supervisory Board on adjusting the strategy and development directions taking into account market trends, the results of the Company's activities and its competitors, as well as other factors.

The Strategy and Investment Committee carries out its activities in cooperation with the Management Board and authorized specialized divisions of the Company. The procedure for receiving information from the Company by the Strategy and Investment Committee is established by the Regulations on the Strategy and Investment Committee.

Remuneration of members of the Supervisory Board

GRI 2-19, 2-20

Members of the Supervisory Board may receive remuneration and compensation for the performance of their duties, the amount of which is established by the decision of the General Meeting of Shareholders. The key criteria for the payment of remuneration are participation in meetings of the Supervisory Board, voting on agenda items, fulfilling assigned tasks, fulfilling additional duties such as chairmanship, as well as contributing to improving the corporate governance of the Company. Remuneration is paid on a monthly basis based on the results of the quarter, but is not accrued to members who have not participated in more than 75% of meetings without good reason.

Expenses incurred by members of the Supervisory Board in the performance of their functions (e.g., transportation and accommodation costs) are reimbursed upon provision of supporting documents, within the limits established by the legislation of the Republic of Uzbekistan and the internal documents of the Company.

Management Board

GRI 2-13

The Management Board of JSC "Navoiyazot" operates in accordance with the Charter, preparing strategic and operational decisions that can be submitted then for approval to the Supervisory Board or the General Meeting of Shareholders. As an executive body, the Management Board includes eight members: the Chairman, First Deputy Chairmen and Deputy Chairmen. All members are elected by the Supervisory Board on the basis of an open and transparent competitive selection, which allows attracting highly qualified specialists to the team in such areas as production, marketing, finance, personnel management, projects and strategic planning.

In order to expand the management potential and integrate the best international practices, the competition for positions in the Management Board is also open to foreign specialists. This approach contributes to the implementation of advanced management approaches and increased efficiency of the Management Board.

In order to ensure a quorum and objective decision-making, meetings of the Management Board are considered competent if more than 50% of the members are present. This procedure allows for timely and comprehensive consideration of issues requiring a solution.

The members of the Management Board are appointed for the term of three years. In order to enhance the transparency and accountability of the Company, the Chairman is limited to the number of consecutive terms: he cannot hold this position for more than two consecutive terms.

Thus, the structure and activities of the Management Board are aimed at maintaining effective management of the Company, ensuring continuity of management and introducing sustainable practices into the Company's strategic and operational processes.



Composition of the Management Board as of December 31, 2023

Powers of the Chairman of the Board

The Chairman of the Management Board is conferred broad powers that allow him to manage effectively the activities of JSC "Navoiyazot" and represent the interests of the Company at all levels. Acting on behalf of the Company without the need for a power of attorney, the Chairman represents it in relations with other organizations, participates in negotiations and concludes transactions on behalf of the Company. In addition, the Chairman of the Management Board coordinates the work of all divisions, making key decisions and providing general guidance on strategic and operational issues, which allows the Company to pursue its goals and interests in the market.

The following is among the key powers of the Chairman of the Board:

- independent management of the operational, production, financial and commercial activities of the Company;
- conclusion of agreements and contracts, including labor contracts, as well as delegation of the right to conclude labor contracts;
- issuance of orders and instructions that are mandatory for all employees, and the application of disciplinary measures in the event of violations of labor discipline;
- management of the Company's bank accounts and disposal of property within the framework provided for by the Charter;
- coordination of the preparation and holding of the General Meeting of Shareholders, including organizational and informational activities;
- approval of the staffing schedule, organizational structure and the list of persons authorized to sign banking documents.

The Chairman is also authorized to delegate certain issues to the heads of structural divisions and approve regulations on the structural divisions of the Company. These powers are aimed at ensuring effective management and transparent interaction at all levels of the corporate structure.



Jalilov Dilshodjon Dilmurodovich

Position:

Deputy Chairman of the Management Board for Economics and Finance of JSC "Navoiyazot" - Member of the Management Board.

Date of birth:

April 1, 1978.

Education:

- 1999 – Navoi State Pedagogical Institute;
- 2004 – Tashkent Financial Institute.

Place of work and positions held in organizations over the past five years:

- from 2017 to 2020 - Deputy Manager of the Main Department of the Central Bank of the Republic of Uzbekistan in Navoi Region;
- from 2020 to 2022 - Manager of Navoi branch of JSCB Asaka Bank;
- from 2022 to present - Deputy Chairman of the Board for Economics and Finance of JSC "Navoiyazot".



Samadov Farrukh Khamzaevich

Position:

Acting Chairman of the Board.

Date of birth:

May 1, 1986.

Education:

- Tashkent Financial Institute, Bachelor's, Master's degree programme.

Place of work and positions held in organizations over the past five years:

- from 2019 to 2022 - Head of the Department of Finance, Treasury Operations and Procurement of "Uzkimyosanoat" JSC;
- from 2022 to 2023 - Acting Director of the Kyzylkumfosforit Complex Limited Liability Company of "Uzkimyosanoat" JSC;
- 17.07.2023 - Acting Chairman of the Board of "Navoiyazot" Joint Stock Company.



Suyarov Nazirjon Saidullaevich

Position:

Deputy Chairman of the Management Board for Investments of JSC "Navoiyazot" - Member of the Management Board.

Date of birth:

July 21, 1974.

Education:

- Navoi State Mining Institute.

Place of work and positions held in organizations over the past five years:

- from 2016 to 2019 – process engineer, project manager for "Construction of ammonia and urea production" of the Directorate of investment projects under construction;
- from 2019 to 2020 – acting Deputy Chairman of the Management Board – Director for Prospective Development and Investments of "Navoiyazot" JSC;
- from 2020 to present – Deputy Chairman of the Management Board for Investments of "Navoiyazot JSC".

**Turdiev Umar Tilavovich****Position:**

Deputy Chairman of the Management Board for Capital Construction and Social Issues of JSC "Navoiyazot" - Member of the Management Board.

Date of birth:

March 26, 1965.

Education:

- Tashkent Institute of National Economy, Academy of State and Social Construction under the President of the Republic of Uzbekistan.

Place of work and positions held in organizations over the past five years:

- from 2014 to 2020 - Deputy General Director for General and Personnel Issues, Deputy General Director for General Issues and Coordination of Production Activities of LLC Plants of COCA-COLA Ichimligi Uzbekistan LTD;
- from 2020 to present - Deputy Chairman of the Board for Capital Construction and Social Issues of "Navoiyazot" JSC.

**Shononov Akhmatillo Rakhmatilloevich****Position:**

Deputy Chairman of the Management Board for Logistics of JSC "Navoiyazot"- Member of the Management Board.

Date of birth:

February 15, 1987.

Education:

- Tashkent Institute of Railway Engineers.

Place of work and positions held in organizations over the past five years:

- from 2017 to 2018 - Head of Security Service, Head of Binokor Station of Bukhara Regional Railway Junction of Uzbekistan Temir Yollari JSC;
- from 2019 to 2021 - Acting Deputy Head of Transport and Operations Department of Bukhara Regional Railway Junction of Uzbekistan Temir Yollari JSC;
- From 2021 to the present - Deputy Chairman of the Management Board for Logistics at JSC "Navoiyazot".

Assessment of the Board's activities

GRI 2-20

The procedure for assessing the performance of members of the Management Board is carried out in accordance with the Regulation approved by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated July 28, 2015 No. 207 «On the implementation of criteria for assessing the performance of joint-stock companies and other business entities with a state share». The main goal of the regulation is to ensure transparency, objectivity and effectiveness of the management of enterprises with a state share. The document sets out the main approaches and criteria for assessment that are applied to the activities of the Management Board and other governing bodies. It is worth noting one of the key approaches to assessment - the development of key performance indicators (hereinafter - KPI), which is an important process aimed at an objective assessment of the performance of joint-stock companies or organizations with a state share. KPIs should cover both financial and non-financial aspects of the activities of "Navoiyazot JSC".

Remuneration of the members of the Management Board

GRI 2-19

The principles of remuneration and compensation of the members of the Management Board are aimed at creating an incentive and fair system that supports sustainable development and long-term goals of the organization. The approach to remuneration is based on unified standards and commitment to the principles of fairness and transparency, which helps attract and retain qualified personnel.



Basic provisions and criteria of assessment:

Financial indicators:

- Profit, profitability, liquidity and other metrics characterizing financial stability.
- Ensuring timely fulfillment of obligations to the state (for example, tax payments).

Operation indicators:

- Fulfilment of production plans.
- Optimization of costs and improvement of labour productivity.

Innovative activity:

- Degree of implementation of new technologies.
- Updating production equipment and increasing the competitiveness of products.

Social and environmental responsibility:

- Implementation of social projects.
- Reduction of negative impact on the environment.
- Efficient use of natural resources.

Monitoring and reporting system:

- The Management Board shall submit regular reports on the implementation of approved KPIs.
- The results of the assessment of the Management Board's activities are analyzed by the Supervisory Board or the state body authorized to monitor the company's activities..

The Cabinet of Ministers' Resolution requires joint-stock companies to prepare reports that demonstrate:

- Achieving the set goals.
- Implementation of strategic development plans.
- The impact of made decisions on the financial and social stability of the enterprise.



Key elements of the remuneration system:

- Uniform and fair conditions: Salaries are determined based on job responsibilities and skill levels, which helps ensure fair compensation for the functions performed.
- Support for sustainable results: The system provides for rewards for achieving key indicators and forecasts, contributing to improved performance and sustainable development of the company.
- Proportional payments and social support: Includes social benefits such as assistance for medical treatment, support for retirement, and payments for important life events of employees such as marriage or the birth of a child. These social benefits emphasize the company's socially responsible attitude towards its employees.

No bonuses were provided for members of the Management Board based on the results of 2023.

External and internal audit

Internal audit

The Internal Audit Service is a structural division of the Company responsible for the implementation of internal control functions. It was created on the basis of the Regulation on the Internal Audit Service, approved by the decision of the Supervisory Board of JSC "Navoiyazot".



The main tasks of the service include:

- Providing the Supervisory Board with accurate information and recommendations to improve the efficiency of the Company's operations based on the results of audits.
- Preparing proposals for the Management Board to eliminate identified deficiencies and monitoring their elimination.
- Ensuring the protection of the rights and legitimate interests of all shareholders, including minority shareholders.

The service complies completely with regulatory requirements, and its employees have the necessary experience in accounting, auditing, financial or tax control (at least two years out of the last ten years) and have the necessary qualifications: audit certificates or higher economic education recognized in Uzbekistan. Certification of employees is carried out in accordance with the established procedure by national professional associations of auditors and the Ministry of Finance.

The Company's Internal Audit Service complies with the established standards. The service has three employees, but in fact, two specialists worked during the reporting period. The head of the service, as well as one of the auditors, have the necessary professional certificates, which confirms their high level of qualification. Annual planning of the service's activities and preparation of the cost estimate are carried out by the head and approved by the Supervisory Board.

Maintaining the professional level is ensured by regular advanced training of employees in licensed educational institutions. Also, employees undergo annual certification conducted by the Supervisory Board, which contributes to the effective and compliant work of the service.

External audit

To confirm the reliability of the financial statements of JSC "Navoiyazot" for the reporting year, it engaged independent audit organization, KPMG Audit LLC, to conduct an audit in accordance with International Financial Reporting Standards (hereinafter referred to as IFRS), as well as TTT-Audit LLC to verify the compliance of the financial statements with the requirements of the National Accounting Standards of the Republic of Uzbekistan.

Audit checks are conducted annually and cover financial statements and operational processes for the previous year. The selection of an audit company is carried out on the basis of competitive procedures provided for by the legislation of the Republic of Uzbekistan.

Quality Management

The company strives for continuous improvement of processes and products, ensuring high quality standards at all stages of activity. As part of this work, a quality management system is implemented and maintained in accordance with the international standard ISO 9001.



The principles of ISO 9001 help:

- Improve operational efficiency and manageability of business processes.
- Ensure compliance of products and services with customer requirements and legislation.
- Implement risk monitoring and management mechanisms.
- Continuously improve internal processes based on data analysis and feedback.

The quality management system is integrated into corporate governance and contributes to the achievement of the company's strategic goals, ensuring sustainable development and competitiveness.

Fight against corruption

GRI 3-3, 2-23, 2-24

JSC "Navoiyazot" adheres to high moral and social standards in its financial and economic activities, paying special attention to the development, implementation and control of anti-corruption policies and procedures. In 2020, in accordance with the Decree of the President of the Republic of Uzbekistan No. UP-6013 dated June 29, 2020, the Compliance Service was established, which began functioning in January 2021.

The Company has Anti-Corruption Policy (hereinafter referred to as the «Policy»), which is a set of basic principles and elements of the anti-corruption system, and also includes provisions of international anti-corruption legislation and the legislation of the Republic of Uzbekistan. It is aimed at preventing corruption offenses, defines measures to minimize corruption risks and establishes standards of conduct that are mandatory for all employees.



The policy has been developed in accordance with the requirements of the legislation of the Republic of Uzbekistan and taking into account the recommendations of international organizations on anti-corruption activities, as well as based on the best world practices and the international standard ISO 37001:2016 "Anti-corruption management systems - Requirements with guidance for use". As part of the implementation and compliance with ISO 37001:2016 standard, "Navoiyazot" JSC has developed and implemented more than 30 internal regulatory documents. In January 2023, the Company passed successfully an external certification audit for compliance with the requirements of the ISO 37001:2016 standard and received the corresponding certificate. In January 2024, the certificate was confirmed during a repeated external audit by the independent company "CERT International".

As part of the implementation of the Policy, the Company introduces mechanisms to combat corruption that take into account existing corruption risks, existing experience and available resources.



Objectives of the Company's Anti-Corruption Policy

- achieving radical liquidation of corruption;
- increasing legal awareness and legal culture of the Company's employees, forming an intolerant attitude towards corruption;
- confirming the Company's commitment to the principle of «zero tolerance» towards corruption;
- creation and maintenance of corporate culture of rejection of any corrupt practices;
- reducing anti-corruption risks by communicating the Company's anti-corruption principles and requirements to the parties to civil contracts and the general public;
- summation of the principles, goals and measures to minimize the risk of the Company and its employees being involved in corrupt activities;
- implementing measures to prevent corruption in all areas of the Company's activities;
- timely detection of corruption offenses, their elimination, as well as the elimination of the causes and conditions that contribute to their occurrence, ensuring liability for corruption violations.



Key documents on fighting corruption

In order to fight effectively against corruption and ensure transparency of its activities, JSC "Navoiyazot" complies with a number of legislative and internal regulatory documents.

Legislative acts:

- Law of the Republic of Uzbekistan No. ZRU-419 dated 03.01.2017 «On Fighting against Corruption».
- Decree of the President of the Republic of Uzbekistan No. UP-5729 dated 05.27.2019 «On measures to further improve the anti-corruption system in the Republic of Uzbekistan».
- Decree of the President of the Republic of Uzbekistan No. UP-5618 dated 01.09.2019 «On radical improvement of the system of raising legal awareness and legal culture in society».
- Decree of the President of the Republic of Uzbekistan No. UP-6013 dated 06.29.2020 «On additional measures to improve the anti-corruption system in the Republic of Uzbekistan».
- Resolution of the President of the Republic of Uzbekistan No. PP-5177 dated 06.07.2021 «On additional measures for the effective organization of anti-corruption activities».
- Resolution of the President of the Republic of Uzbekistan No. PP-5171 dated 02.07.2021 «On additional measures to ensure transparency and improve the efficiency of public procurement».



Internal regulatory documents:

- Order on approval of documents of the anti-corruption management system.
- Regulation on compliance management.
- Job descriptions of compliance management specialists (production, financial, control).
- Job descriptions of the antimonopoly compliance service.
- Anti-corruption policy of JSC Navoiyazot.
- Code of professional ethics.
- Regulation on the professional ethics commission.
- Policy on giving and receiving gifts, organizing and participating in business events.
- Procedure for identifying and assessing corruption risks.
- Regulation on receiving and processing messages through communication channels.
- Policy on implementing charitable and sponsorship activities.
- Internal audit policy.
- Regulation on conflict of interests management.
- Procedure for interaction with law enforcement agencies.
- Procedure for monitoring and control of compliance with anti-corruption procedures.
- Procedure for reporting violations of the law.
- Review of criteria and indicators for assessing the effectiveness of activities.
- Regulations for reporting on anti-corruption issues.
- Procedure for financial control.
- Regulation on internal audit according to the ISO 37001:2016 standard.
- Regulation on confidential office work.
- Regulation on the internal control system.
- Instructions for checking job candidates.

These documents provide a comprehensive approach to managing anti-corruption processes and facilitate compliance of JSC "Navoiyazot" with high standards of business ethics and transparency.

The Company's anti-corruption initiatives are aimed at:

- prevention of corruption;
- identification, elimination and investigation of corruption;
- minimization and/or elimination of the consequences of corruption.

The Company's compliance (anti-corruption) control service has direct and prompt access to the Supervisory Board.



«CERT INTERNATIONAL» s.r.o. certification body basing on the results of the audit conducted in accordance with certification procedures confirms that the anti-bribery management system of:

«Navoiyazot» JSC

5, Navoi street, Navoi city, 210101, Republic of Uzbekistan

within the scope:

Production of mineral fertilizers

meets the requirements of the following standard:

ISO 37001:2016

Certificate №: ABMS-0685/A
Order №: 917/01
Valid from: 23.01.2023
Valid till: 22.01.2026
(subject to annual surveillance audits)



Head
of the Certification Body
23.01.2023

Measures for the Prevention and Counteraction of Corruption

GRI 205-1

In 2023, JSC "Navoiyazot" implemented a number of measures to prevent and fight against corruption, including:

- Conducting round tables and preventive events with the participation of key divisions of the Company to form an intolerant attitude towards corruption.
- Using Telegram bot, the official website of the Company and internal publications to inform employees about regulations and activities in the field of combating corruption.
- Conducting an internal audit and analysis for conflicts of interest: 12 real and 7 potential cases were identified when transferring from one position to another, and explanatory work was carried out.
- Comprehensive check of 183 newly hired candidates and 24 officials from the high-risk group for compliance with the requirements of the standard ISO 37001:2016.

The Company has Regulation on the procedure for the operation of the «helpline» and «hotline» for considering appeals from individuals and legal entities, for the effective reception and recording of appeals. These lines operate in accordance with the legislation of the Republic of Uzbekistan and are designed to increase transparency and efficiency in handling appeals.

Assessment of Corruption-Related Risks

GRI 205-2

In 2023, "Navoiyazot" JSC conducted a comprehensive assessment of corruption-related risks in accordance with internal regulations and the requirements of ISO 37001:2016. The analysis covered key business processes, including public procurement, contracting, and personnel management. The purpose of the assessment was to identify risk areas and implement preventive measures to minimize corruption.

Main results of the assessment:
Procurement and tenders:

During the reporting period, 18 tenders were announced, as a result of which contracts worth

43.95
billion soums

were concluded. The tendering processes were controlled strictly in order to exclude abuses.

Contract management:

In 2023, the Company concluded

1,847
contracts

of which 156 were concluded directly. Particular attention was paid to checking contracts for corruption risks, including monitoring compliance with procedures and standards.

Charity and representation expenses:

Within the framework of the «Policy in the Field of Charity and Sponsorship Activities», the Company carried out events worth

20.64
billion soums

Expenses for representative needs amounted to 835.32 million soums, of which 800.84 million soums were spent on receiving guests. Additional sponsorship expenses in excess of the approved business plan were not incurred, which confirmed compliance with financial discipline.

Risks related to personnel:

In 2023,

183
employees

were employed and employment contracts were terminated with 274 employees. Of these, 25 people were dismissed due to staff reductions, 101 by mutual agreement, and 59 -at their own request. During the internal audit, 208 cases of violations of labor discipline and internal regulations were identified, for which employees were subject to disciplinary sanctions.

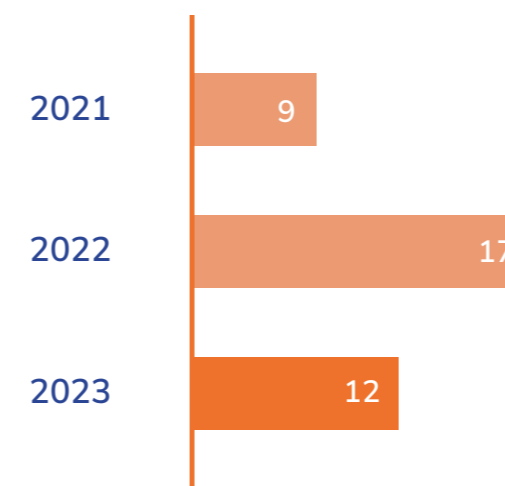
Confirmed cases of corruption

GRI 205-3

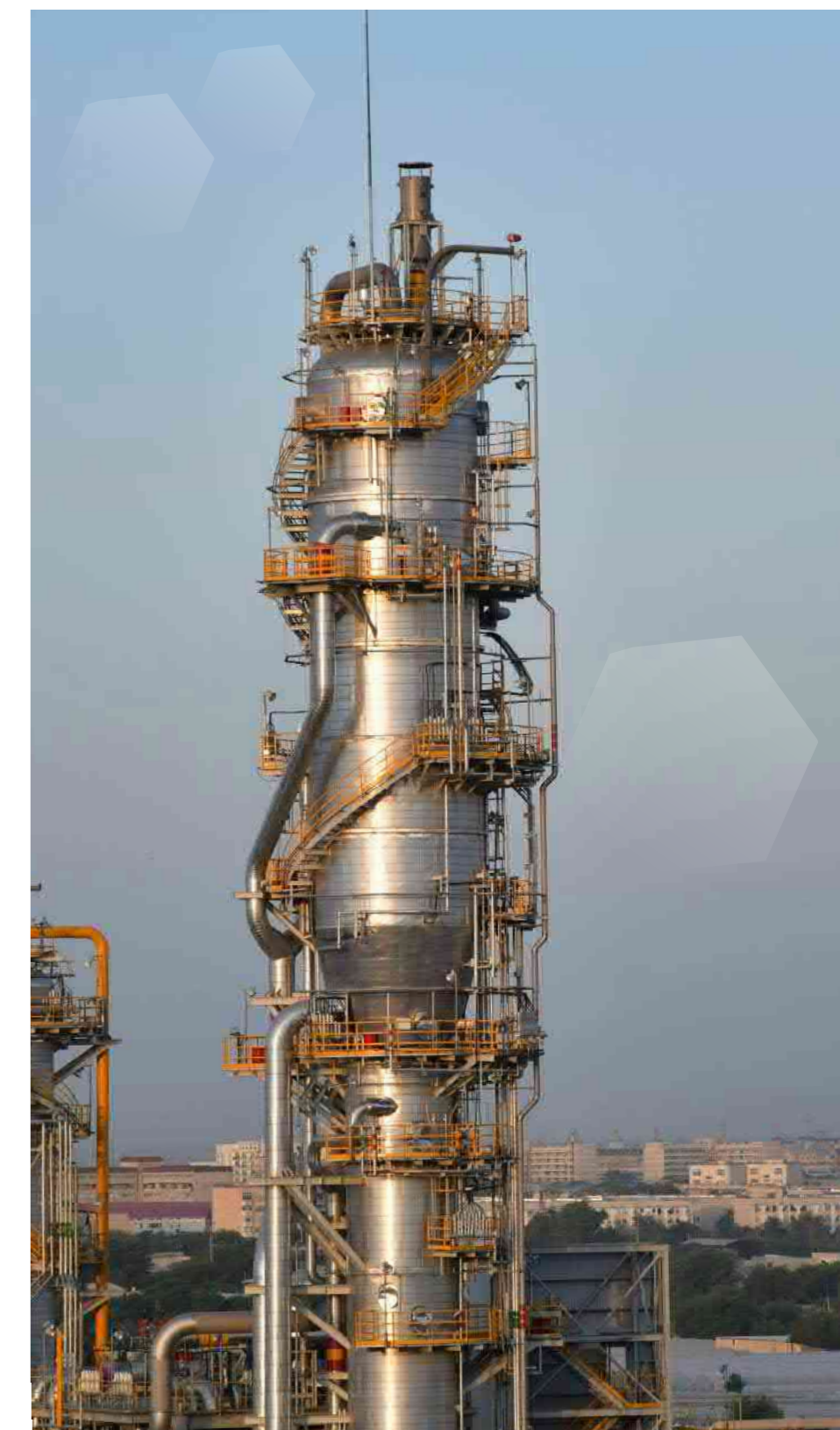
During the reporting period, 12 cases of corruption were confirmed at JSC "Navoiyazot", reflecting violations at the level of contract execution, compliance with employee labor rights and management responsibility. During the specified period, employees who were dismissed wrongfully were reinstated, due to which the Company incurred expenses for compensation for forced absenteeism and moral damage. Also, during the inspection of contractual obligations with counterparties, facts of shortage of mineral fertilizers in warehouses were revealed. Violations of instructions were established when working with precious metals and special products, and shortcomings in the activities of the management of individual departments were identified.

GRI 205-3

Total number of confirmed cases of corruption



In response to the identified violations, disciplinary measures were taken to prevent recurrence of incidents. The most serious cases were referred to the prosecutor's office and the courts for further investigation. The company intends to strengthen internal controls to minimize corruption risks and improve the transparency of processes.



Indicator	2021	2022	2023
Total number of cases of dismissal or punishment of employees for corrupt actions	11	7	3
Total number of confirmed cases of non-renewal or termination of contracts with business partners due to corruption-related violations	35	24	2
Number of public court cases related to corruption brought against the organization or its employees during the reporting period	9	5	3

Compliance with the law

GRI 2-27

In the reporting period for 2023, there was one case of non-compliance with the requirements of laws and regulations, which resulted in a fine. There were no such cases during 2021 and 2022. The fine imposed in 2023 amounted to 2.61 billion and was paid in the same reporting year.

Conflict of interests

GRI 2-15

Conflict of interest is a situation in which the personal interests of employees may conflict with the interests of the Company, which may affect their objectivity and honesty in decision-making. The Company's goal is to minimize the risks associated with conflicts of interests, as well as to ensure transparency and trust in business practices. For this purpose, mechanisms of conflict of interest management have been developed aimed at the timely identification, prevention and resolution of situations that may affect the Company's activities and its reputation.

Approach to managing conflicts of interest

In accordance with the Regulation on Conflicts of Interest Management, JSC "Navoiyazot" has established the main types of conflicts of interest, approaches to their resolution, as well as the duties and responsibilities of employees. All employees of the Company are required to comply with the standards and requirements set out in this document, regardless of their position and official powers.



Key principles for managing conflicts of interest include:

- Preventive measures and priority of public interests. Employees are obliged to put the rights, freedoms and legitimate interests of citizens and the state above their personal interests, making decisions based on transparency, honesty and impartiality.
- Disclosure of information about conflicts of interest. Each employee is obliged to disclose promptly information about potential or actual conflicts of interest, which allows the Company to take measures promptly to resolve them.
- Maintaining corporate culture of intolerance to conflicts of interest. The Company maintains culture of transparency that excludes persecution of persons who report conflict of interest. Persons who report such situations are protected from negative consequences for their actions.
- Honest and impartial approach to conflict resolution. All cases of conflict of interests are considered impartially, based on collective decisions and an objective assessment.

If an employee has informed promptly about the existence of conflict of interest, is ready to give up personal interests in favor of the interests of the Company and act within the framework of the established rules, this cannot serve as a reason for his dismissal. This approach is aimed at creating fair environment where honest interaction and compliance with high ethical standards are the basis of corporate culture.

Feedback mechanisms

GRI 2-16, 2-25, 2-26

JSC "Navoiyazot" provides citizens and legal entities with convenient opportunity to request promptly information or submit their appeals through the feedback system (hereinafter referred to as the Hotline). The work of the Hotline is regulated by the internal Regulation on the «procedure for considering appeals from individuals and legal entities» and is carried out in accordance with the legislation of the Republic of Uzbekistan. The main goal of creating the Hotline is to increase transparency and efficiency in working with appeals, as well as to ensure quick interaction with applicants and prompt resolution of emerging issues.



Organization of the hotline operation:

Communication channels:

Applications via the hotline can be accepted by telephone, e-mail or other available means of communication, which are published in the public domain for the convenience of citizens.

Working hours:

The hotline operates on working days in accordance with the approved schedule. Outside working hours, the applicant can leave a message, which will be reviewed on the first working day after receiving it.

Registration of appeals:

All appeals received via the hotline are subject to mandatory registration in accordance with the established procedure. During registration, the applicant's details, the essence of the appeal, the date and time of its receipt are recorded.

Procedure for processing appeals:

Appeals received via the hotline are considered by responsible employees in accordance with the Law of the Republic of Uzbekistan «On Appeals of Individuals and Legal Entities». A response to the appeal is provided within the term:

- Up to one month for applications requiring additional study or verification.
- No later than fifteen days for appeals that do not require additional study.

Control of execution:

Appeals received through the hotline are monitored by responsible managers until they are fully reviewed and the applicant is provided with a response.





Data confidentiality:

JSC Navoiyazot guarantees the confidentiality of applicants' data in accordance with applicable law.

In 2023, 325 appeals were received through the Hotline and Virtual Reception, of which:

- 177 applications were received through the Virtual Reception;
- 148 appeals were sent directly by individuals.

The received appeals were reviewed by officials represented by the Chairman of the Board, the Chairman of the Trade Union Committee and members of the Management Board of JSC Navoiyazot».

As part of the analysis and processing of appeals, the following decisions were made:

- 94 applications were satisfied;
- 66 were rejected;
- clarifications were provided for 160 appeals;
- 2 appeals were sent to authorized organizations;
- 3 were under study at the end of the year.

Based on the analysis, the majority of satisfied appeals concerned the transfer of employees to other positions, the provision of financial assistance to disabled and low-income workers, as well as the resolution of employment issues.

To ensure transparency, the Company publishes regularly information on the results of reviewing appeals through official communication channels. In 2023, such materials were posted on the corporate website, in Telegram channel and in Navoi Kimyogari newspaper, the total number of publications amounted to 69.

Responsible supply chain

GRI 204-1

The company adheres to the principles of transparency and responsibility in supply chain management, guided by internal regulatory documents, including the Procedure for Working with Counterparties and Partners, the Procedure for Verifying Counterparties, the Regulation on the Conclusion and Execution of Contracts, and the Regulation on the Work of the Purchasing Commission.

In 2023, the Company concluded

1,847

contracts

of which 156 were executed directly.

The selection and evaluation of suppliers is carried out through the state platform e-tender.uz, which ensures a high level of standardization and transparency of the process. All criteria and rules for the selection of suppliers are developed by an external regulator, which eliminates the possibility to adjust the procedures by the Company independently. This ensures equal conditions for all participants and increases confidence in the procurement process.



Our People

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**WE
CREATE
THE FUTURE EVERY DAY**





Our People

Approach to management

GRI 3-3, 2-23

The company is convinced that sustainable development depends directly on the well-being of its employees. JSC "Navoiyazot" improves actively its practices of personnel management, striving to meet the expectations of the team, ensuring the protection of employees' rights and creating opportunities for career growth and development. These measures contribute not only to employee satisfaction, but also have positive effect on the operational efficiency of the business.



JSC "Navoiyazot" builds personnel management system in accordance with the legislation of the Republic of Uzbekistan in the field of labor resources, labor protection, as well as internal regulatory and legal documents, including:



- regulations and instructions of JSC «Uzkimyosanoat»;
- directives of the khokimiyats of Navoi region and the city of Navoi;
- orders and instructions of the Chairman of the Board of JSC «Navoiyazot»;
- orders of the Head of the HR Department;
- the current Collective Agreement and internal labor regulations for employees;
- the Charter and regulations of JSC «Navoiyazot», including the Regulation of HR Department dated 08/28/2023;
- instructions and reference materials on HR work, such as «Labor and rights of enterprise employees» and «Planning and organization of the work of HR Department»;
- plan for the comprehensive, economic and social development of JSC «Navoiyazot».

The social and personnel policy of JSC "Navoiyazot" is based on the Personnel Policy and the Collective Agreement concluded between the Company and its employees. The Collective Agreement was developed on the basis of the industry agreement of JSC "Uzkimyosanoat" and the Republican Council of the Trade Union of Chemical and Pharmaceutical Industry Workers and covered 100% of the staff, which emphasized the commitment of the Company's management to protecting the social rights of employees and caring for the well-being of each member of the team. Both documents cover such aspects as personnel policy, social support, diversity and inclusiveness.

Work with personnel

GRI 2-7

As of December 31, 2023, the total number of employees of JSC "Navoiyazot" is

8,611

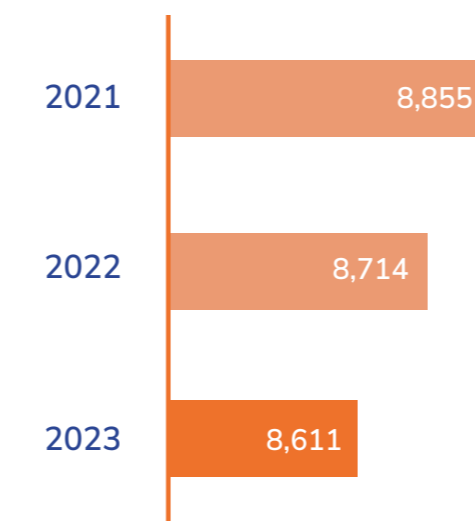
people

The number of employees decreased slightly in 2023 compared to 2022.

Headcount at the end of the year, persons

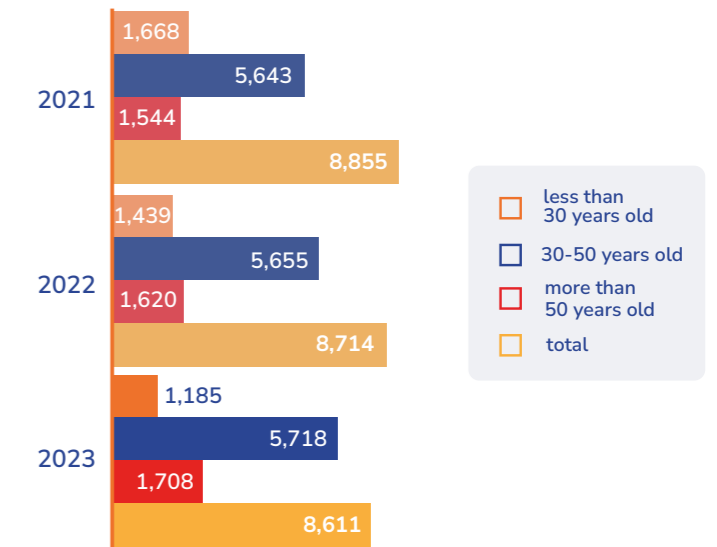
GRI 2-7

Total number of employees



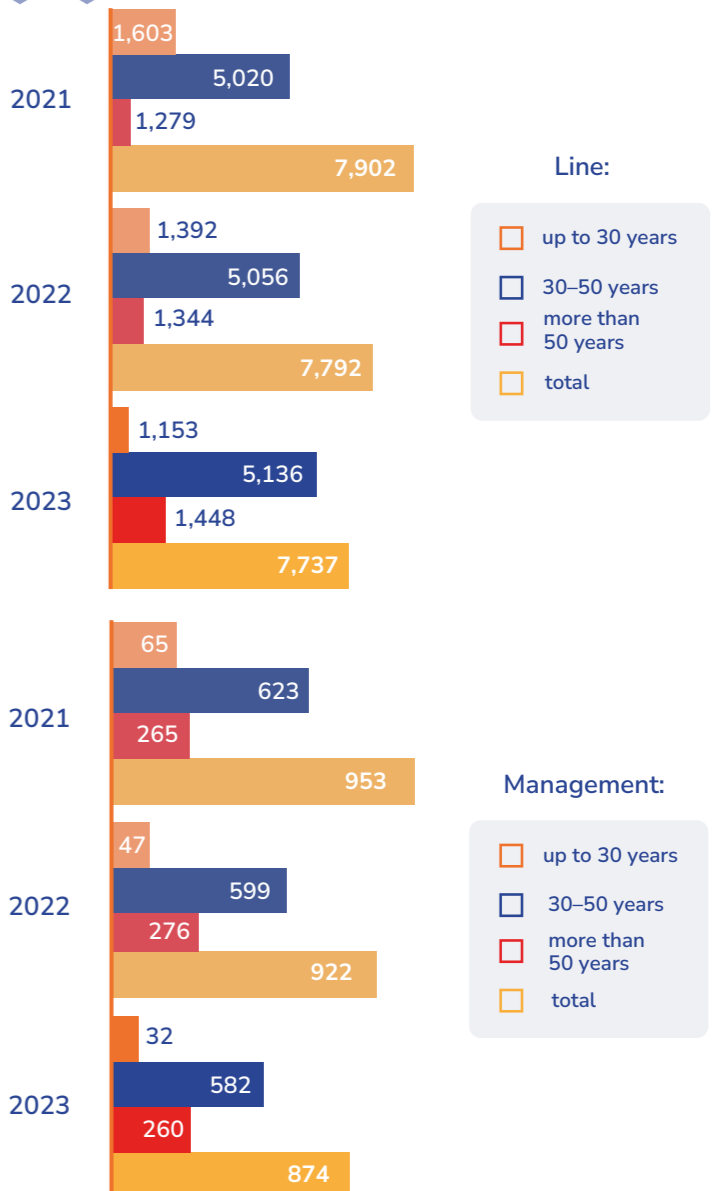
The majority of the Company's employees are employed on full-time basis, while the number of part-time employees remained stable over the period 2021–2023. Part-time employment involves working part-time, while full-time employment involves performing duties on a full-time basis.

Number of employees by age groups, people



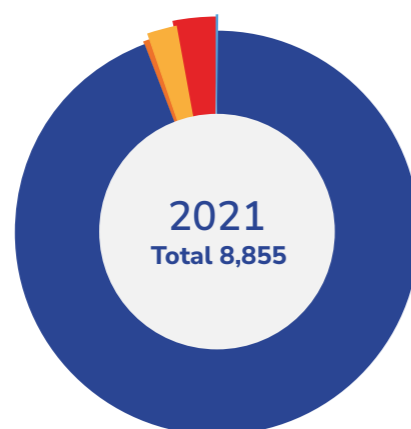
Number of employees broken down by age and job groups, people

GRI 405-1



Number of employees by ethnic groups, people

- Uzbeks - 8,345
- Kazakhs - 51
- Russians - 183
- Kyrgyzs - 1
- Others - 275



The majority of the employed are between 30 and 50 years of age, at that, 60% - male, due to the specifics of the chemical industry, as well as restrictions for women to work in certain positions in the chemical industry. The number of pensioners in the Company is

351

people

Recruitment

GRI 401-1, 402-1

Recruitment of personnel at JSC Navoiyazot is carried out in accordance with the Company's HR Policy and the Regulation on Competitive Selection. The Company aims to attract specialists who share the Company's values and worldview. The process of recruitment and hiring of personnel is based on the principles of transparency, non-discrimination based on race, nationality, gender and age.

Hiring consists of the following stages:

1. publication of an announcement of the competition;
2. acceptance of the candidate's documents and their verification (for completeness, accuracy and compliance with qualification requirements);
3. conducting testing, interviews and (or) practical tests for candidates
4. announcement of the results of the competition.

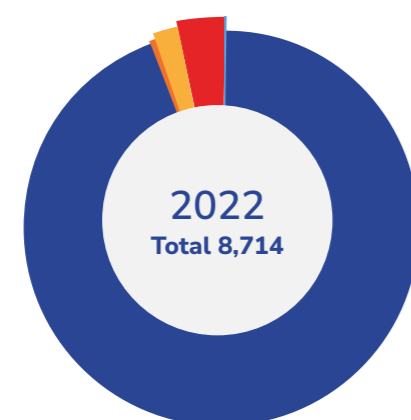
For each new employee, adaptation programs are provided, aimed at the fastest possible integration into the workforce and ensuring the fastest possible application of their skills. Also, new employees of the enterprise who do not have production skills undergo vocational and technical training that meets the entry-level qualification requirements for their specialty. Training is organized on the basis of individual programs and the course method in the enterprise's training center, which allows each employee to master effectively basic professional skills.

Another distinctive feature of the recruitment system in the Company is the use of rotation practices - when hiring, preference is given to «internal» candidates. The main document regulating the rotation process in the Company is the Regulation on the rotation of personnel of JSC «Navoiyazot».

Thus, in the reporting year, the total number of hired people was 192, at tha the majority made up men under 50 years of age - 179 people. JSC "Navoiyazot" is located in the city of Navoi, so the entire staff of the Company is also concentrated in this region. It is important to note that the share of women among hired employees increases annually, the growth in 2023 is 5%, while the share of hired men decreases gradually.

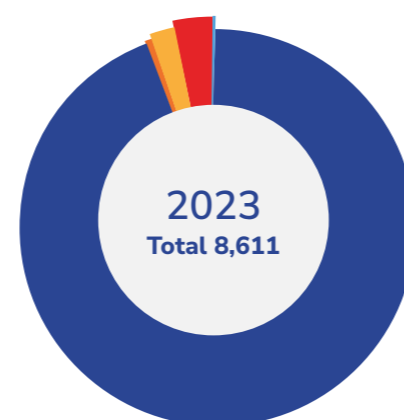
Number of employees by ethnic groups, people

- Uzbeks - 8,240
- Kazakhs - 49
- Russians - 164
- Kyrgyzs - 1
- Others - 260



Number of employees by ethnic groups, people

- Uzbeks - 8,172
- Kazakhs - 32
- Russians - 149
- Kyrgyzs - 1
- Others - 257

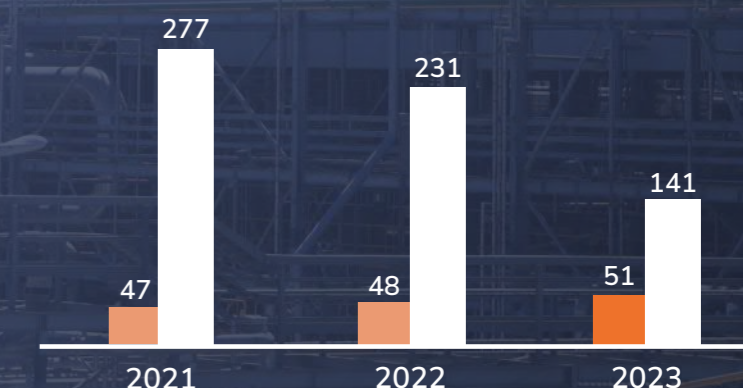


The Company takes into account the following main criteria:

- high level of literacy;
- positive grades from secondary specialized educational institutions and universities;
- possession of work skills;
- achieving results using non-standard methods;
- demonstration of initiative;
- recommendations for improving business processes;
- desire to be part of a team;
- professionalism;
- responsibility.

Number of hired workers by gender and age groups, people

GRI 401-1



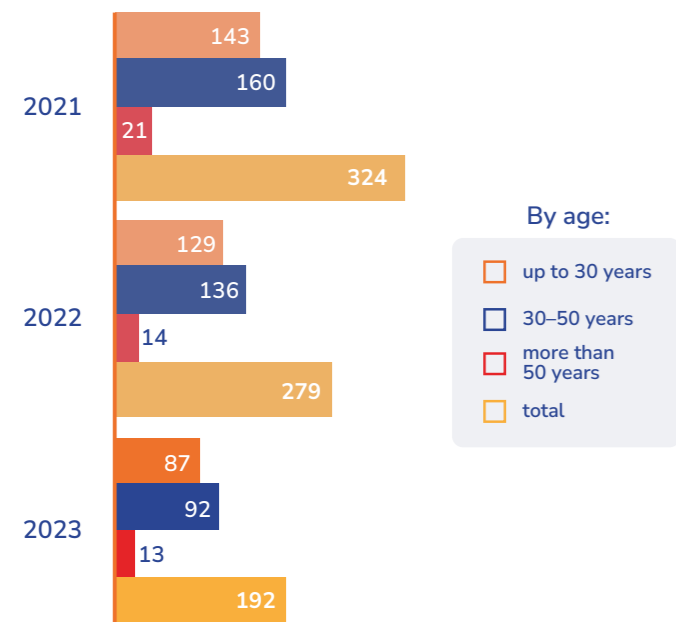
By gender:

- Men
- Women



Number of hired workers by gender and age groups, people.

GRI 401-1



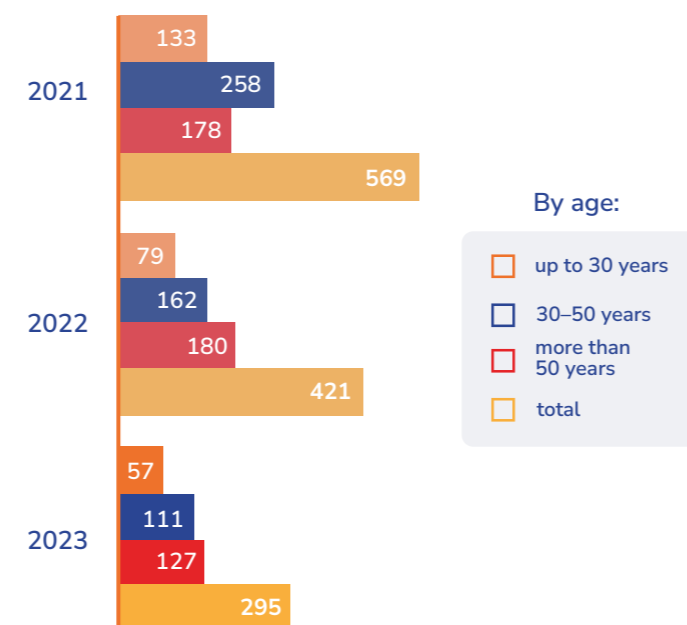
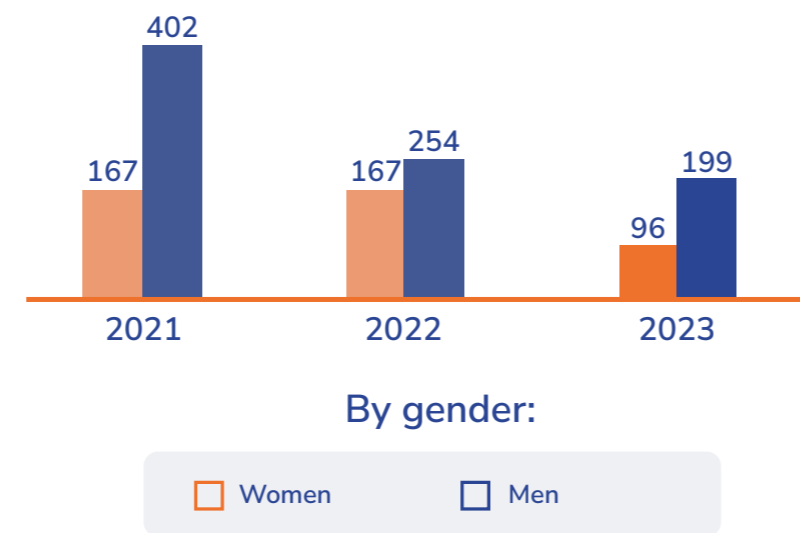
In 2023, the largest share (43%) of employees whose employment contracts were terminated fell on the categories of "men" and "over 50 years old". The main noted reasons were:

- Employer's initiative – 82;
- Staff reduction – 25;
- Retirement – 52;
- By agreement of the parties – 112;
- At the employee's request – 86.

In 2023, the procedure for terminating employment contracts, which required the consent of the trade union committee, was strictly followed, and dismissals were carried out only with the consent of the trade union.

Number of employees whose employment contracts were terminated by age and gender groups, persons

GRI 401-1

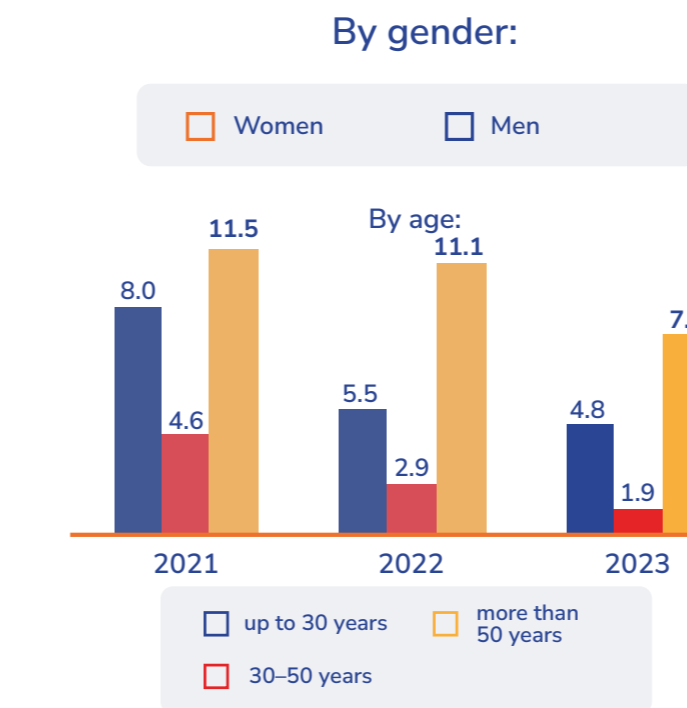
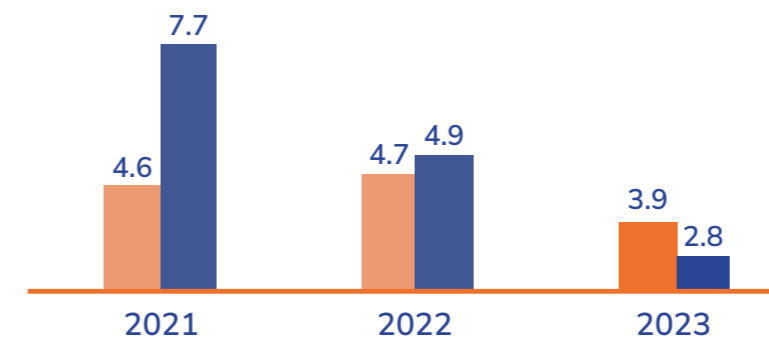


JSC "Navoiyazot" has a steady trend towards a decrease in staff turnover among employees of various age and gender groups. This indicates the stability of the team and demonstrates favorable working climate and high level of employee satisfaction, which contributes to strengthening the corporate culture.

According to the Labor Law of the Republic of Uzbekistan, the Company is obliged to notify at least two months in advance about changes and reasons related to organizational or technological working conditions.

Staff turnover, %

GRI 401-1



Employee motivation

The enthusiasm and drive to results of each team member form the basis of the Company's success in the market. In this regard, JSC Navoiyazot has a unified remuneration system, which consists of a basic salary, formed on the basis of a tariff scale, and allowances that take into account the presence of an academic degree and high qualifications. The Collective Agreement provides for the following allowances:

- Increment for positions combining.
- Additional payment for performing the duties of a temporarily absent employee.
- Increment for increased volume of work.
- Additional payment for work on holidays.
- Additional payment for work at night.
- Allowance for work in special conditions.
- Allowance for being awarded an honorary title in accordance with the current legislation of the Republic of Uzbekistan.
- Additional payment for working with military mobilization agencies.
- Increment for an academic degree.
- Increment for leading a team.

In 2023, the average monthly salary at the enterprise was

5,821,300
soums

The Company has incentive programs that are aimed at rewarding employees who perform their duties efficiently and conscientiously. The incentive system consists of two parts:

- material, which includes payment of wages and monetary rewards based on work results;
- non-material, which includes announcing gratitude, awarding a certificate of honor, entering on the company's honor board, nominating for a government award for great achievements, publishing the most effective employee on the company's official website, providing opportunities for training and development of employees.



Personnel training and development

The Company believes that the development of the enterprise goes hand in hand with the professional growth of its employees. The main emphasis is on mastering information technologies, which allows the Company and its team to keep up with the time. The main types of training conducted in the Company include:

- Seminars, conferences, exhibitions and trainings (in sales, department management and other areas);
- Advanced training courses;
- Additional education.

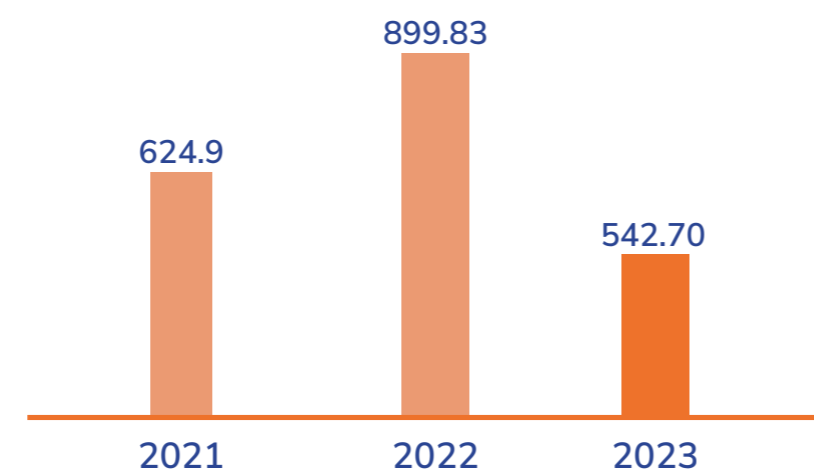


There is own training center in the Company, and, in addition, the Company covers the costs of training for talented young specialists in universities in the country and abroad.

In 2023, 721 employees of the Company were trained, of which 470 completed courses at the corporate training center. The total costs of employee training amounted to 542.7 million soums for the reporting year. The main areas of training include:

- Advanced training in republican training centers — 289 people were covered.
- Training in universities of the Republic of Uzbekistan, including Mendeleyev University of Chemical Technology of Russia — 45 people were covered.
- External and internal practical classes — 530 people were covered.

Employee training costs, million soums



In the reporting year, the Company spent

30,315

hours

on training its employees, which averaged 6.66 hours per employee per year.



Number of trained employees by gender and official group

GRI 404-1

Indicator	Line	Management	Total
	men	men	men
Total number of hours of training, hours	18,615	3,564	22,179
Average number of training hours per employee per year, hours	4.17	5.36	4.33

Indicator	Line	Management	Total
	women	women	women
Total number of hours of training, hours	7,191	945	8,136
Average number of training hours per employee per year, hours	2.16	6.14	2.33

The Company regularly evaluates the performance and career development of employees. In 2023, 10% of men and 5% of women underwent such an assessment,

of which the majority were managers among female staff

23%



Employees who received regular performance and career development assessment in 2023

GRI 404-3

Indicator	Line	Management	Total
	men	men	men
Number of employees who received regular performance and career development assessment (activity assessment), persons.	365	132	497
Proportion of employees who received regular performance and career development assessment, %	8	20	10

Indicator	Line	Management	Total
	women	women	women
Number of employees who received regular performance and career development assessment (activity assessment), persons.	141	35	176
Proportion of employees who received regular performance and career development assessment, %	4	23	5



Plans for the medium-term and long-term prospective



The company has identified a number of areas for improvement in the area of personnel training, which will improve management efficiency and strengthen human resources:

- **Improvement of work with personnel.** To improve the quality of recruitment, placement and training of management and promising specialists, taking into account the modern requirements and tasks of the enterprise.
- **Increased management responsibility.** Improve management style and methods by introducing modern knowledge in the field of management theory and practice, economic laws, and automated systems.
- **Study and development of personnel reserve.** Conduct an analysis of the practical work of personnel, paying special attention to mid-level specialists, and also identify among them proactive and capable organizers, form a reserve from them for promotion to management positions, evaluating the results according to economic activity indicators.
- **Strengthening educational work.** To cultivate in workers a sense of responsibility for the assigned task, collectivism and a conscientious attitude to work.
- **Systematic professional development.** Ensure regular professional development of promising and managerial employees, strengthening the work on retraining personnel. Send specialists to short-term courses and training at inter-industry institutes for advanced training.
- **Internships for promising employees.** To organize internships for promising employees in divisions and related enterprises of JSC "Uzkimiyosanoat" related to their functional responsibilities.
- **Implementation of interview and internship practices.** To develop the practice of interviews and internships in the management services of the enterprise, stimulate the study of specialized literature, recommendations of international institutions and advanced foreign experience.

Youth policy

JSC "Navoiyazot" values fresh views of young specialists, interacts with specialized educational institutions, organizes special events to search for and attract graduates of higher educational institutions with high potential.

In order to attract and hire young specialists, the Company has developed a special internship program, which includes several stages of selection, training and professional adaptation of interns. Within the framework of this program, the selection process of specialists is carried out in stages. The announcement of the competition is published on the official pages of the Company, after which applications for participation are accepted online through the Telegram bot. Candidates who pass the initial selection are invited to test, covering basic legal and technical knowledge, including the Constitution, legislation on civil service, the state language and information technology. To ensure the quality of selection, tests are developed by the relevant divisions of the Company, and the testing itself takes place in computer rooms under the coordination of the head of youth work. Candidates who score more than 62% undergo a final interview with a commission that evaluates their results. Based on the results of the interview, an order is issued on the admission of candidates for an internship, and those who successfully complete the program are included in the personnel reserve of JSC "Navoiyazot".

The internship is carried out in accordance with the agreement concluded with higher education institutions, which regulates the conditions, terms and responsibilities of the parties. The duration of the internship is from three months to one year, which allows interns not only to master basic professional skills, but also to gain practical experience in a real work environment. Each intern is assigned a mentor who supervises and provides support in mastering the specifics of work in the Company. The mentor monitors the implementation of the individual plan and compliance with the work schedule by the interns, and also introduces them to safety rules and internal standards of the Company.

The internship itself is divided into three main stages. The first stage is preparatory and begins with an introductory meeting where interns are introduced to the program, its goals, objectives and reporting requirements. At this stage, interns also draw up a personal plan together with the internship supervisor and mentor, who helps them better structure their tasks for the internship period. The second stage is the main stage and involves interns completing the tasks provided for by the program. At this stage, interns have the opportunity to become more familiar with the Company's activities, its structure and specifics of work, as well as apply their knowledge in practice. The final stage involves submitting reports and final assessment. Interns submit a final presentation report, which is assessed and approved by the internship supervisor, mentor and representative of the Youth Affairs Agency.

Graduates who have completed their internship successfully are awarded a certificate, which gives them an advantage when applying for a job at the Company. The internship program is aimed at forming a professional personnel reserve, ready to perform the Company's tasks at a high level.

The company implements a policy aimed not only at developing the professional competencies and skills of young specialists, but also at maintaining healthy mind. In cooperation with the trade union, various sports events are held to strengthen the corporate culture and promote a healthy lifestyle among employees.



Some of them are presented below:

- Five Thousand Steps project, within the framework of which events with the participation of active youth of the enterprise are organized every Saturday around the artificial lake in the Alisher Navoi Park.
- The Best Reader competition.
- I Will Be an Entrepreneur meeting for young employees together with the bank, the Our Future Foundation, the Chamber of Commerce and Industry and business representatives.
- The Manager's Cup, football, volleyball, table tennis and chess tournaments.
- Cultural and sports events in Oftobjon camp to develop children's interest in a healthy lifestyle.
- Professional skills competitions, attended by more than 100 young specialists.

Under the leadership of the trade union, the Company pays financial assistance to young people. Thus, in the reporting period:

- 80 young families received financial assistance in the amount of

25.25
million soums

- 93 employees received assistance in connection with marriage in the total amount of

269.55
million soums

In 2023, JSC "Navoiyazot" organized industrial and pre-graduation practice for 613 undergraduate and graduate students of universities. The list of universities and the number of students are presented below:

- Navoi State Mining and Technological University – 232 students;
- Tashkent Institute of Chemical Technology – 46 students;
- Tashkent Institute of Chemical Technology (Syrdarya, Yangiyer) – 8 students;
- Tashkent Technical University – 48 students;
- Karakalpak State University – 8 students;
- Bukhara Engineering and Technological Institute – 21 students;
- Bukhara Institute of Natural Resources Management – 1 student;
- Tashkent State Technical University – 48 students;
- Jizzakh Polytechnic Institute – 1 student;
- National University – 1 student;
- Samarkand Institute of Economics and Service – 1 student;
- Russian University of Chemical Technology named after D. I. Mendeleev (branch in Tashkent) – 4 students.

Number of students from technical schools and vocational colleges who completed on-the job training:

- Karmana Polytechnic College – 10 students;

- Karmana Professional College – 12 students;
- Navoi City Professional College – 152 students;
- Mono city center "Ishga marhamat" – 38 students;
- Educational center "Sanoat o'quv" – 30 students.'



Social support

GRI 2-30, 401-2, 401-3

The company pursues a comprehensive social policy, providing its employees with a variety of benefits and compensation, as well as organizing events aimed at improving professional skills and developing corporate culture.

Social support is implemented in accordance with the Collective Agreement and the Industry Agreement between JSC "Uzkimyosanoat" and the Republican Council of the Trade Union of Chemical and Pharmaceutical Industry Workers. At the same time, the central role in providing social support to the Company's employees is assigned to the Trade Union. Social support measures cover all structural divisions and include sports, educational and cultural programs that help strengthen team spirit and professional growth of each employee.



The key ones are presented below:

- Coverage of expenses for services in medical institutions.
- Compensation for funeral expenses in case of death.
- Payments for weddings, births, anniversaries.
- Coverage of expenses for education, including education for children
- Support for large families and parents of children with disabilities
- Vouchers to sanatoriums, camps, health centers
- Organization of cultural events and trainings.
- Protection of employees in cases of labor disputes, as well as protection upon dismissal.
- Provision of reduced working hours.
- Events dedicated to public holidays of the Republic of Uzbekistan.

Special Commission operates in JSC "Navoiyazot", which checks the implementation of the provisions of the Collective Agreement on a quarterly basis. Thus, according to the Commission's report, 441 points of the Collective Agreement were implemented in 2023, of which 339.427 billion soums were allocated for the provision of benefits and a number of significant events were carried out:

- Working hours standards were adapted: no more than 40 hours for normal working conditions, no more than 36 hours for unfavorable working conditions and employees with disabilities of groups I and II;
- Cultural and sports events were organized for employees for a total of 2.033 billion soums, contributing to maintaining healthy and active lifestyle. An example is the National Cuisine Day held in 2023, during which the Company's employees competed with professional chefs for the championship;
- Additional benefits were provided for women in accordance with the terms of the collective agreement;
- Medical care was provided to employees for a total of 11.9 billion soums.

Financial assistance was provided in the following areas:

- Loss of loved ones: 279 employees – 418.8 million soum.
- Pensioners not working in the Company: 70 people – 29.5 million soum.
- From the trade union budget: 994 employees – 362.7 million soum.
- Annual leave: 7,014 employees – 2.3 billion soum.
- Jubilee: 222 employees – 212.17 million soum.
- Board of Honor: 62 employees – 241.869 million soum.
- Compensation for food expenses: 5,706 employees - 17 billion soums.
- Additional paid leave for employees working in difficult conditions, as well as in unfavorable natural and climatic zones: 2,297 employees - 5,957 million soums.

Additional payments:

- Disabled persons of groups I and II: 33 people – 117.200 million soums.
- Disabled persons of group III: 23 people – 43.8 million soums.
- Families that have lost their breadwinner: 14 families – 30.725 million soums.
- Before and after childbirth: 594 women – 2.5 billion soums.
- Additional leave for women with children: 25 people – 29.620 million soums.

Treatment and recreation courses for employees and their family members:

- Sanatoriums of Uzbekistan: 200 employees - 668.5 million soums, of which 129 people at the expense of the trade union and 71 people - social insurance.
- Summer camp «Oftobjon»: 1,294 children of employees.

Sanatorium-preventorium:

- A course of treatment for 1,534 people, including 1,203 employees, 304 pensioners and 27 other citizens.
- Dental prosthetics: 469 employees - 394.145 million soums.

Cultural initiatives:

- Organization of excursions to historical places of Uzbekistan for 1,000 employees - 810.39 million soums.

In 2023, the number of female employees of JSC "Navoiyazot" who went on maternity leave was 784 women. In addition, the average duration of maternity leave was 268 days.

According to the Collective Agreement, the Company's management undertakes to satisfy the employees' request for social leave with retention of wages in the cases provided below:

- death of close relatives – 3 days;
- wedding celebrations of the employee himself or his children – 3 days;
- natural disaster – 2 days;
- housewarming – 1 day;
- seeing off a child to first grade – 1 day;
- to the child's father in connection with the birth of a child – 1 day;
- on the day of vaccination against a viral infection – 1 day.



Number of employees who took parental leave

GRI 401-3

Indicator	2021		2022		2023	
	men	women	men	women	men	women
Number of employees entitled to maternity leave or child care leave (according to the Labor Code of the Republic of Uzbekistan)	-	960	-	905	-	784
Number of employees who took maternity leave and parental leave	-	960	-	905	-	784
Number of employees who returned to work after maternity/paternity leave	-	786	-	581	-	597
Number of employees who returned to work in the previous year after maternity/paternity leave and continued working in 12 months	-	174	-	324	-	187
Number of employees who had to return to work after maternity/paternity leave in the reporting year *	-	786	-	581	-	597

*The indicator includes employees who returned and those whose contracts were terminated, excluding employees who extended maternity/paternity leave in the reporting year.

GRI 401-3

Indicator	2021	2022	2023
Average duration of parental leave in the reporting year, days	287	259	268
Return ratio	1	1	1
Retention ratio	0.22	0.41	0.32

Position	2021	2022	2023
	women	women	women
Line positions	43	43	43
Management positions	19	19	18

Diversity and Inclusion

GRI 3-3

At JSC "Navoiyazot", the organization of work is based on the principles of inclusion and gender equality. The level of wages, the amount of incentives and benefits does not depend on gender, age, race and other differences. The company strives to achieve inclusion and diversity at all job levels.

The gender structure remains unchanged in 2021–2023. As of December 31, 2023, the Company employs 3,487 women, most of whom hold line positions, while their presence in management positions remains limited and accounts for 18% of the total number of managers.



Gender structure of personnel by positions, %

GRI 405-1

Position	2021	2022	2023
	men	men	men
Line positions	57	57	58
Management positions	81	81	76

Council for Women's Affairs

JSC "Navoiyazot" implements activities aimed at promoting gender equality and protecting women's rights, where the Women's Affairs Council plays a key role. In the reporting year, one of such significant events was the round tables where gender equality issues were discussed at the corporate and state levels. Participants discussed measures to address identified problems related to the violation of women's rights, and preventive measures to prevent situations where women might become victims of negative impacts.

The Council also organized sports events, including tennis and volleyball tournaments, and launched the Legal Information Day project, where women could receive consultations on legal issues. In cooperation with JSC "Uzkimyosanoat" and the Sanitary and Epidemiological Service of the Republic of Uzbekistan, medical examinations were organized for female employees.

In addition, in the reporting year, visiting receptions of the Advisor to the Chairman of the Board of JSC "Uzkimyosanoat" were held, during which 87 appeals from female employees of the enterprise were considered. All appeals were resolved successfully.

The Company's female employees also participated in the «Mo'tabar ayol» competition, aimed at rewarding the best female employees of the company, thereby contributing to strengthening the corporate culture and developing gender equality.

In the reporting year, the Company, together with the Trade Union Committee, provided financial assistance to women in the following main areas:

- medical services in the amount of 668.4 million soums for 1,603 employees;
- purchase of food products in the amount of 1.9 billion soums for 3,497 employees;
- 153 pregnant women were transferred to light work conditions that excluded exposure to unfavorable production factors, while maintaining the average salary in the amount of 1.5 billion soums;
- 730 women underwent health improvement in the sanatorium-preventorium of JSC «Navoiyazot», for which 2.1 billion soums were allocated.



JSC "Navoiyazot" pays special attention to supporting employees from vulnerable groups, implementing initiatives and programs aimed at improving their working conditions and improving their quality of life.

Large families, single parents and parents of children with special needs

The Company supports actively families with several children and parents of children with special needs, creating additional social benefits for them that help them combine professional duties with caring for their children. The Company employs 32 women with disabled children. The list of provided benefits includes flexible working hours, access to preschool institutions and assistance in organizing summer leisure for children. The Company also provides financial assistance to these employees, helping to strengthen their social and financial well-being.

In 2023, as part of support for large families, single parents and parents of children with special needs, the Trade Union provided the following support:

- Women with two or more children under 12 or children with disabilities under 16 were provided with additional paid leave for a total of 44.9 million soums.
- Families with many children were provided with financial assistance in the amount of 23 million soums.

Workers with disabilities

The Company employs 31 people with disabilities, most of whom are employed in line positions. As part of its support for vulnerable employees, the Company provides the following benefits:



- Possibility of remote work. This option is provided to 9 employees.
- One additional paid day off per month at the expense of state social insurance funds. This benefit is used by 13 employees of the Company.
- Shortened working hours for disabled people of groups 1 and 2.

Number of employees with disabilities by positions, people

GRI 405-1

Indicator	2021	2022	2023
	persons	persons	persons
Line positions	32	30	30
Management positions	1	1	1
Total:	33	31	31

Indicator	2021	2022	2023
	%	%	%
Line positions	0.40	0.39	0.39
Management positions	0.11	0.11	0.11
Total:	0.51	0.50	0.50

Thus, JSC "Navoiyazot" supports social diversity and strives to create an inclusive work environment. Through support programs and initiatives, the Company helps employees overcome life's difficulties

and creates equal opportunities for everyone. This promotes social justice and strengthens the team spirit.

Environmental protection

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**WE
CREATE
THE FUTURE
EVERY DAY**



Environmental protection

Environmental Management System

GRI 3-3,

The management of JSC “Navoiyazot” determines the strategic development of the Company, paying special attention to environmental protection and rational use of natural resources. The Company considers the implementation of environmental protection tasks (hereinafter referred to as EP) a priority, conducting systematic work to reduce the environmental impact of its production facilities in accordance with the legislation of the Republic of Uzbekistan and the resolutions of the Cabinet of Ministers. Among the systematic work of JSC “Navoiyazot”, the following can be highlighted:

- monitoring of emissions into the atmosphere and wastewater discharges of responsible units;
- review of energy use;
- involvement of external specialists to conduct trainings for senior and middle management on accounting of greenhouse gases and other climate impacts;
- implementation of identified environmental risks and TCFD recommendations in the guidelines of JSC “Navoiyazot”.

At the enterprises of JSC “Navoiyazot”, environmental management system (hereinafter referred to as EMS) is implemented and operate successfully that meets the requirements of the international standard ISO 14001. EMS is an integral part of the integrated management system (hereinafter referred to as IMS). In 2023, the Company confirmed successfully the compliance of all its enterprises with the requirements of ISO 14001 standard, ensuring their full coverage (100%).



EMS covers all risks in the field of environmental protection, including their identification, assessment, development and monitoring of measures to reduce them. All procedures and activities are approved by the Chairman of the Management Board. In particular, the working group consisting of the head of IMS department, deputy heads of the department of environmental protection and rational use of natural resources (hereinafter referred to as EP) and the department of labor protection and safety (hereinafter referred to as HSE), and heads of the relevant structural divisions is responsible for the application of procedures for identifying environmental risks and their impact on the environment.

As the Company belonging to the first category of environmental risks, JSC “Navoiyazot” prepared and agreed with the State Committee of the Republic of Uzbekistan on Ecology and Environmental Protection (hereinafter referred to as the State Committee on Ecology) a regulatory document regulating emissions of pollutants into the atmosphere, discharges of wastewater and waste disposal.

JSC “Navoiyazot” has identified all possible processes of activity that may impact the environment in the document «Consolidated list of significant environmental aspects of JSC “Navoiyazot” for 2023». It assesses the significance of the Company’s workshops with a detailed aspect of activities affecting the environment and the persons responsible for the process. According to the document, the key principles of JSC “Navoiyazot” in the field of environmental protection are the following points:

- rational use of natural and raw materials;
- reduction of emissions into the atmosphere;
- prevention of discharge of pollutants with wastewater;
- development and implementation of measures to minimize and utilize waste;
- cooperation with interested organizations and the public in the field of environmental protection and publication of information on environmental activities on the Company’s website;
- paying attention to the health of employees, increasing the level of safety in the organization of work, preventing the impact of possible natural disasters;
- striving to prevent and minimize the impact of the Company’s activities on the environment by adopting a comprehensive environmental protection program.

When planning any new infrastructure project, mandatory environmental impact assessment (hereinafter referred to as EIA) is carried out, including an energy consumption review, environmental assessment and an analysis of compliance with state requirements. Facilities of JSC “Navoiyazot” can be put into operation only if there are positive conclusions from the State Committee on Ecology.

At JSC “Navoiyazot” working groups on ESG issues were created to discuss current issues and achieved results with frequency of holding meetings every two weeks. The working group includes employees of structural divisions of JSC “Navoiyazot”, including managers and specialists in the field of environmental protection:

- Deputy Head of the Technology Department.
- Deputy Chief Engineer for Power Engineering.
- Head of the Department of Environmental Protection and Rational Use of Natural Resources.
- Head of the Industrial and Radiation Safety Service.
- Head of the Ammonia Department and Urea Production Workshop.
- Head of the Ammonia-3 Production Workshop.
- Head of Organic Synthesis and Nitrofiber Production.
- Head of Non-Concentrated Nitric Acid Production.
- Head of the Steam and Gas Supply Workshop.



JSC “Navoiyazot” adopted the document «Procedure for Identification of Environmental Aspects and Their Impact on the Environment», developed to ensure a unified methodological approach to identifying environmental risks of activities, products and services in JSC “Navoiyazot” in accordance with the requirements of the international standard ISO 14001, in order to protect human health and the environment. Deputy heads of HSE and the head of IMS department are responsible for monitoring and compliance with the requirements of this procedure in all divisions and services covered by IMS. In accordance with the document, the working group is responsible for identifying, updating, mapping and preparing measures to prevent environmental risks based on significant impact on the environment.

Processes in the Company:

- Assessment of environmental risks at the level of some operations and divisions, including both primary and auxiliary production.



Documents and data

- Regulatory acts and environmental policies applicable to the organization.
- Manual on equipment operation and process flows.
- Policies and instructions regarding technical and production processes, taking into account all input (raw materials, water, energy) and output (products, emissions, waste, physical factors) data.
- Purchasing and waste disposal guidelines.
- Product characteristics, especially in terms of raw material and chemical safety.
- Results of previous environmental analysis reports.
- Data from industrial subdivisions on environmental impacts (waste, emissions to water and air, soil contamination, etc).
- Emergency and incident reports.
- Reports from inspection control.

The process of identifying environmental risks at JSC “Navoiyazot” includes the following main stages:

- Creation of working group to issue workplace instruction;
- Selection of process or activity type;
- Identification of environmental aspects;
- Identification of environmental impacts;
- Creation of an environmental risk identification map;
- Assessment of the importance of impact on environmental risks;
- Creation of the list of significant environmental risks;
- Annual preparation of measures to reduce significant environmental risks;
- Annual analysis of residual significant environmental impacts.

During the planned annual (end of November) monitoring to identify environmental risks, a working group is created. The commission analyzes external and internal data, including the activities of consumers of the Company’s products, up to the geography of contractors’ activities, determining the list of operations performed at entry and exit with a clear division into blocks. Such a process helps to determine in detail all environmental risks that potentially harm the environment. When identifying risks, according to the regulations, the working group pays special attention to the use, transportation and storage of resources, materials, raw materials; production processes; testing, storage, operation, maintenance of equipment; services provided and products of the Company; rechecking normal, abnormal and emergency modes; waste management.

When analyzing data to identify environmental risks, the commission relies on the following approaches and sources of information of JSC Navoiyazot:

In addition to the direct impact on the environment (emissions into the atmosphere, groundwater pollution, energy consumption), JSC “Navoiyazot” also takes measures to reduce indirect sources of negative impact by continuous improvement of the environmental management system, raising awareness among employees, observing the quality of environmental impact monitoring results, relationships with state environmental authorities and other stakeholders.

An important point in the process of identifying environmental risks is the construction of a map of identified environmental risks, which is updated and approved every three years. This map of identified environmental risks can be updated ahead of schedule due to changes in legislation, in the Company’s activities, requests from stakeholders or due to environmental incidents. Based on all the data and the significance of the environmental risk, an assessment is given, which is divided into 4 levels (A, B, C, D) with the system of 3-point significance of each of them.

Example of analysis of environmental risk levels in JSC “Navoiyazot”

Name	Severity of risk		
	High (3 points)	Moderate (2 points)	Low (1 point)
Compliance with the legal and regulatory system	Systematically violated (more than 10 times a year)	Occasionally violated (less than 10 times a year)	Observed
Ecological (impacts)	Serious systemic effects (substances of hazard classes 1 and 2)	Long-term uncontrolled (substances of hazard class 3)	Short-term with subsequent neutralization (substances of 4 and 5 hazard classes)
Time-dependent (frequency of exposure)	Constant	Periodic	Unlikely
Economic (costs, expenses, losses)	Aspect leading to penalties, losses and additional costs exceeding 10% or more of environmental payments	Aspect leading to additional payments not exceeding 10% of environmental payments	Aspect, not leading to additional losses



The approved environmental risks for the Company that affect the environment are:

- emissions into the atmosphere;
- wastewater discharges;
- waste generation and storage;
- soil pollution;
- use of natural resources;
- use of energy resources;
- physical impact (noise, radiation, heat);
- possible emergencies;
- human factor;
- direct and indirect impacts.

Based on the results of environmental risk identification, the working group conducts an in-depth analysis of the causes of their occurrence and develops approaches to minimize their impact. JSC “Navoiyazot” pays special attention to the fact that risks are taken into account in strategic planning and included in the environmental protection management system. Every year, based on the map and significance of environmental risks, measures are developed to prevent and reduce them. For each significant risk, the heads of structural divisions prepare a list of measures with an assessment of the necessary budget for their implementation by November 10, which are then transferred to the Environmental Protection Department for approval and further integration into activities to minimize the negative impact of the Company on the environment.

Key events are integrated into the Company’s strategic goals in the field of IMS, and their implementation is controlled and monitored by the Environmental Protection Department. Every six months, a report on the work of subprocesses is prepared within the framework of IMS, on the basis of which the environmental performance of the company is assessed. The results of the assessment and key achievements in the field of environmental activities are reflected in the final reports.

In 2023, the Company implemented 24 environmental protection measures worth

3.9
billion soums



Expenses for environmental protection measures of JSC “Navoiyazot” for 2023

Name	Number of events	Amount, thousand soum
Protection of water resources	6	2,640,196.3
For the protection of atmospheric air	7	618,441.7
For industrial and household waste	6	262,622.9
For the protection of land resources	3	122,565.2
For environmental regulatory documents	2	289,926.0

Climate change

GRI 3-3, 2-23

Climate change is considered by JSC “Navoiyazot” as a strategic risk that creates simultaneously opportunities and potential financial risks for the Company and its stakeholders. Tightening environmental regulations, growing awareness of climate change among consumers and investors, and increased attention to sustainable development create both challenges and opportunities for the Company. Compliance with global sustainable development practices can become a competitive advantage for JSC “Navoiyazot”. In its activities, the Company adheres to a number of fundamental principles in the field of environmental protection and combating climate change:

- Recognize that all activities may have an impact on the environment and strive annually to minimize this impact through the implementation of a comprehensive environmental protection program.
- Prevent environmental risks and control accidental pollution to ensure the safety of employees, property and the environment.
- Act in accordance with the development of the regulatory framework.
- Implement energy-saving technologies and reduce the consumption of natural resources and raw materials in production processes.
- Reduce the volume of waste and, where possible, ensure its recycling.
- When developing production, use low-waste technologies that minimize the negative impact on the environment.
- Contribute to the creation of national environmental monitoring through continuous analytical control of emissions.
- Provide professional training and education of employees on environmental protection issues.
- Strive to replace harmful and hazardous substances not only in our own production, but also from suppliers.
- Consider energy efficiency, environmental aspects, safety and quality when purchasing equipment and materials, as well as when developing technological processes.
- Be responsible for possible damage to nature caused by the Company’s activities.
- Support new developments, implement innovations and create conditions for submitting proposals for environmental protection.

Governance structure of issues, related to climate change

In accordance with the recommendations of the Task Group on Climate-Related Financial Disclosure (hereinafter referred to as TCFD), JSC "Navoiyazot" analyzes and discloses the impact of climate factors on its activities. This is the first disclosure of information on the climate of JSC "Navoiyazot", consistent with the recommendations of TCFD. It is built on the basis of the following main principles of TCFD structure:



Management (TCFD)

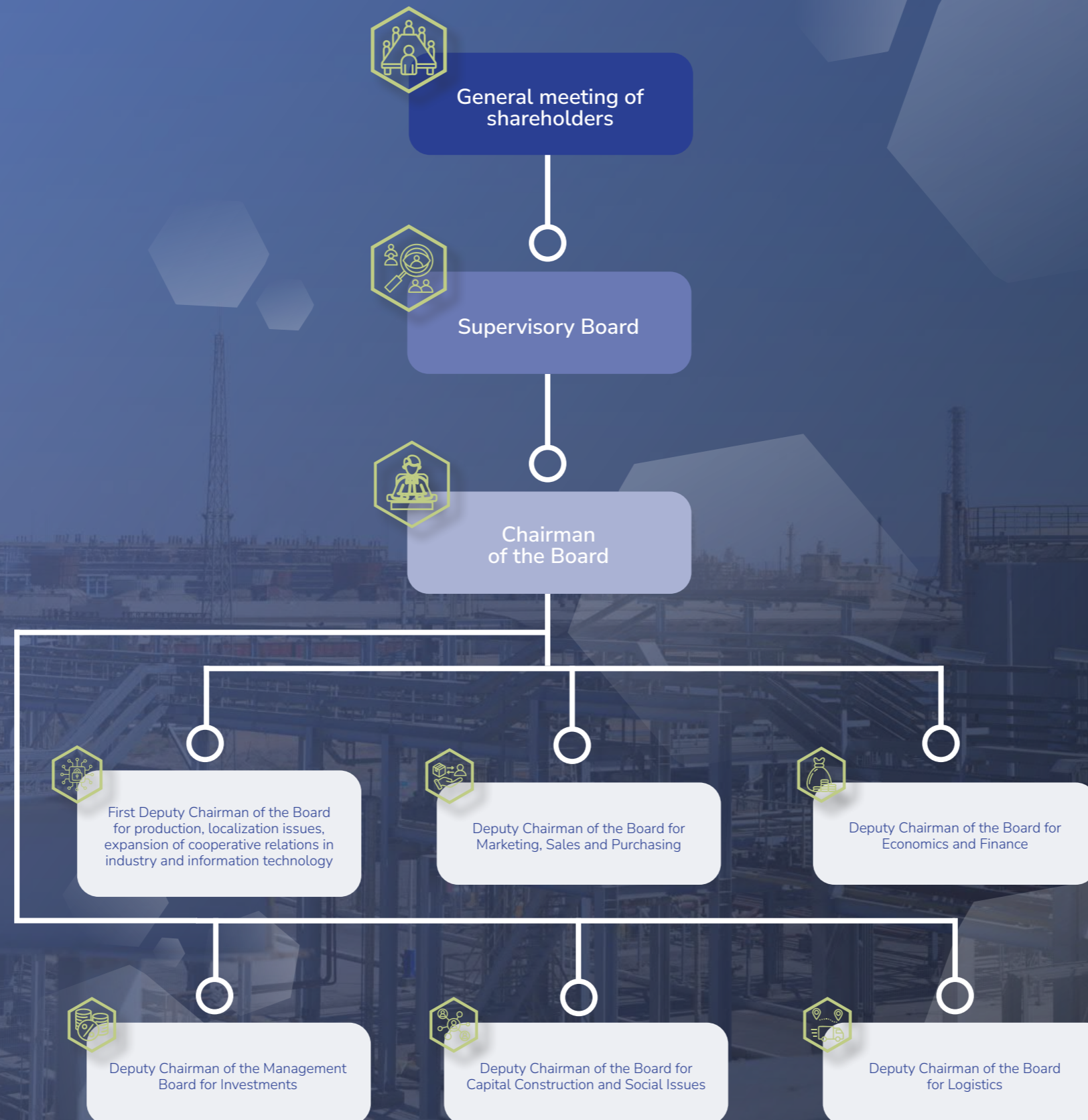
The management of JSC "Navoiyazot" is a three-tier structure, in which the General Meeting of Shareholders is the supreme management body of the Company, and the Supervisory Board is accountable to the General Meeting of Shareholders.

The Management Board of JSC "Navoiyazot" is at the forefront of the mission to define a strategic direction in which environmental protection and rational use of natural resources are an important task for the Company. JSC "Navoiyazot" has begun its way to identify and integrate climate-related issues into the Company's strategy and processes, and has established procedures for communication and reporting on environmental topics (e.g. air and water).

Heads of departments, such as the departments of ecology, labor protection and industrial safety and the chief power engineer, report twice a year to the Deputy Chairmen of the Management Board on the achievement of KPI goals.

In addition, in order to strengthen knowledge and competencies in the field of climate change management, "Navoiyazot" JSC conducted several trainings on capacity building on greenhouse gas emissions accounting, climate-related risks and opportunities for senior and middle management.

A working group is created in the Company that meets every two weeks and is responsible for environmental, social and governance (ESG) issues, including climate change as one of the priority of ESG issues.



Strategy (TCFD)

In 2023, the Company engaged the international sustainable development consulting company ERM to conduct a climate risk and opportunity assessment for JSC "Navoiyazot". The assessment has analyzed how the activities of JSC "Navoiyazot" are affected by physical climate change and what risks and opportunities associated with the transition to a low-carbon economy the Company faces.

The assessment included scenarios analysis to assess how the identified risks and opportunities could evolve over time under low-carbon and high-carbon scenarios. As a result, physical risks and opportunities, such as extreme natural events such as water shortages, drought, wildfires and extreme cold, that could impact significantly production processes were identified. The transition risk analysis has shown that regulatory and market pressure to transition to a low-carbon economy in Uzbekistan and the Company's key markets (Central Asia and Asia) remains limited. However, risks can increase if Uzbekistan's carbon policy is updated or the Company enters markets with existing carbon pricing rules.

To assess the impact of climate change on the Company's operations in accordance with TCFD recommendations, "Navoiyazot" JSC uses two climate scenarios in the baseline and low-carbon scenarios. Data on the transition scenario indicators come mainly from the Climate Scenarios 2022 of the Network for Greening the Financial System (hereinafter referred to as NGFS), supplemented by the World Energy Outlook 2023 of the International Energy Agency:



- Current policy – the scenario is consistent with overall economic progress with an expected temperature outcome of + ~3°C by the end of the 21st century, which is partially integrated into the risk management of JSC Navoiyazot.
- Net Zero 2050 – an ambitious scenario limiting global warming to 1.5°C, achieving zero CO₂ emissions around 2050.

Within the framework of the transition scenarios, the Company has defined two transition scenarios:

- 2°C or lower – NGFS.
- Above 2°C – NGFS.

The assessment took into account three future time horizons together with baseline (current climate) conditions. They were considered to be the most applicable to the business of JSC “Navoiyazot”:

- 2030 - the short-term horizon.
- 2040 –the medium-term horizon.
- 2050 – the long-term horizon..

For analysis baseline (current climate) conditions and two time horizons are used that are most relevant to the business of JSC “Navoiyazot”:

- 2030 (short-term, data for 2015–2044);
- 2050 (long-term, data for 2035–2064).



Climate risks and opportunities of JSC Navoiyazot

Name of the risk / opportunity	Risk Description	Category	Risk / Opportunity	
	Pricing rules on carbon emissions	The transition to a low-carbon economy is expected to require the widespread implementation of carbon pricing mechanisms, which will impact the company's operating costs. (OPEX).	Politics and Jurisprudence	Risk
	Changing preferences of financial stakeholders/investors	A trend is expected to shift investor interest towards lower-emission producers (sustainable investments). Chemical companies that prove they are on track to meet their climate targets or contribute to reducing greenhouse gas emissions with their products and services will be more attractive to investors, while high-carbon companies will attract potentially subdued interest from outside investors.	Markets	Risk
Transition Risk and Opportunity	Enhanced Emissions Reporting Obligations	“Navoiyazot” JSC in Uzbekistan is not required to submit emission reports. Some markets or regulations (e.g. the EU Carbon Border Adjustment Mechanism (CBAM) will require declarations on carbon-related products. Managing ESG issues will require additional resources, which will increase operating costs.	Politics and Jurisprudence	Risk
	Increased energy efficiency	Improving energy efficiency can lead to potential reductions in operating costs through energy savings.	Resource efficiency	Opportunity

Physical risk assessment

Based on the 2021 Intergovernmental Panel on Climate Change (IPCC) Sixth Report (AR6), common socioeconomic pathway (SSP) scenarios were used to assess physical risks in different futures. This assessment used IPCC scenarios SSP1-2.6 and SSP5-8.5 with time horizons of 2030 and 2050, consistent with TCFD best practice.



Evaluated scenarios:

- SSP1-2.6: low-carbon scenario that aims to keep global warming below 2°C by 2100, in line with the goals of the Paris Agreement. Projected warming by 2100: 1,8°C.
- SSP5-8.5: high emissions scenario, following a «business as usual» trajectory without additional climate action, projects CO₂ emissions to triple by 2100. Projected warming: 4,4°C.

Risk management (TCFD)

The risk management system and processes of JSC “Navoiyazot” are based on IMS, which establishes procedures for identifying, assessing risks, developing and monitoring risk mitigation measures, approved by the Chairman of the Management Board. The prepared risk register covers partially physical and some risks associated with the transition to low-carbon economy, such as changes in energy prices, the risk of changes in product prices, the risk of unstable energy supply and failures in the energy supply system, which are included in the risk register (currently not directly referred to as «climate risks»). The risk identification approach includes:



- top-down approach – risks identified at the level of senior management;
- bottom-up approach – risks identified at the level of employees of structural divisions and production.

All possible risks, including natural phenomena and environmental risks, are collected at production facilities and then summarized in the risk register.

Metrics and goals (TCFD)

JSC “Uzkimyoanoat” set ambitious targets to support the global agenda on transition to climate warming scenario by 1.5°C. As a company of JSC “Uzkimyoanoat”, JSC “Navoiyazot” aims to reduce greenhouse gas emissions of Scope 1 and 2 by 42% by 2030 and is working to set a short-term target to reduce Scope 3 emissions by 2025. In addition, to achieve the Net Zero scenario, the Company undertakes to reduce Scope 1–3 greenhouse gas emissions by 90% by 2050 through residual countervailing measures. The Company’s short-term and long-term targets on greenhouse gas (GHG) emission reduction are in line with the global goal of limiting warming to 2°C, thereby contributing to the Paris Agreement.

JSC “Navoiyazot” for the first time conducted quantitative assessment of GHG emissions by categories Scope 1 - direct gross GHG emissions and Scope 2 - indirect energy GHG emissions.

Name of the risk / opportunity		Risk Description	Category	Risk / Opportunity
Transition Risk and Opportunity	Opportunity to sell low-carbon products	Customers in the European, American and/or Asian markets give preference more often to low-carbon products as this helps them achieve their own greenhouse gas emission reduction targets and/or comply with local or regional regulations. Currently, “Navoiyazot” JSC is working/researching ways to decarbonize its production processes	Products and Services	Opportunity
	Extreme heat	Heat waves may result in necessity to increase capital expenditure (CAPEX) to install control systems such as air conditioning. There is also the possibility for impacts on the health and safety of facility personnel.	Acute risk	Risk
	Extreme cold	Cold periods can result in reduced efficiency of temperature-sensitive manufacturing processes and increased costs for installing heating systems to maintain the required manufacturing temperature. There is also possibility for impacts on the health and safety of facility personnel.	Acute risk	Risk
Physical risks*	Water stress and drought	Low water flows may reduce the quality and volumes available for use, leading to increased operating costs for purchasing clean water for use in production processes. Investments in water infrastructure and water efficiency mechanisms may be required, which will impact capital costs significantly.	Chronic risk	Risk
	Wildfires	Wildfires can cause direct damage to operational assets and the health and safety of facility personnel, particularly if the infrastructure is exposed to direct flame and/or heat. This can impact both capital and operating costs.	Acute risk	Risk

* Other physical risks were also taken into account, but their significance was determined as low.

To estimate direct GHG emissions for 2023, the international methodology "IPCC Guidelines for the Preparation of National Greenhouse Gas Inventories, 2006" was used. The main sources of Scope 1 GHG emissions at JSC "Navoiyazot" include:



- mobile combustion sources (use of fuel by motor vehicles);
- stationary combustion sources (use of welding machines and compressors, flare installations, gas combustion to generate steam, etc.);
- emissions from technological processes (production of ammonia from natural gas, acetylene for PVX and other chemicals);
- emissions from industrial waste landfills (mercury-phosphor sludge, coke from pyrolysis reactors, stabilized sediment, lime sludge, etc.).

Specific emission factors are applied for each fuel type, which may be based on national data or on values proposed by IPCC. Global warming potentials (GWPs) according to IPCC Sixth Assessment Report were used in calculating emissions.



Global warming potential of greenhouse gases

Greenhouse gas	Chemical formula	Global warming potential
Carbon dioxide	CO ₂	1
Methane	CH ₄	28
Nitrous oxide	N ₂ O	273



Direct greenhouse gas emissions (Scope 1) for 2023

GRI 305-1

GHG Emission Source Category	CO ₂ , tCO ₂ emissions	CH ₄ , tCO ₂ -eq. emissions	N ₂ O, tCO ₂ -eq. emissions	Total GHG, tCO ₂ -eq. emissions	Percentage share, %
Mobile combustion	2,289.58	35.93	33.49	2,359.002	0.17
Stationary combustion	879,112.91	437.2	427.8	879,977.91	64.6
Industrial emissions	394,399.33	-	85 238.40	479,637.735	35.21
Emissions from waste at the landfill	-	-	-	288.031	0.02
Total:	1,275,801.819	473.132	85,699.697	1,362,262.679	100.00

To estimate Scope 2 GHG emissions (indirect energy emissions) for 2023, international country-specific methodology based on data from the International Energy Agency (IEA) was used. The calculations used country-specific GHG emission factors reflecting the level of emissions from electricity generation in Uzbekistan.

The main sources of indirect energy GHG emissions of Scope 2 at "Navoiyazot" JSC include:

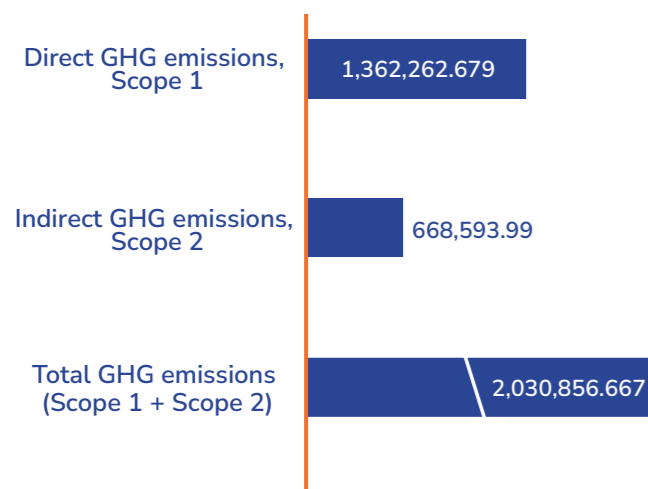
- Purchased electricity;
- Purchased thermal energy.

Indirect greenhouse gas emissions (Scope 2) for 2023

GRI 305-2

Type of purchased energy	Volumes of purchased energy	Unit of measurement	Energy Conversion Factors	Indirect Scope 2 GHG emissions tCO ₂ -eq.
Electricity	1,226,809.56	MWh*	0.482	591,322.21
Thermal energy	137,846.00	Gcal	0.5606	77,271.78
Total:	-	-	-	668,593.99

Total greenhouse gas emissions (Scope 1 + Scope 2) of JSC "Navoiyazot" for 2023, tCO₂-eq.



Emissions into the atmosphere

GRI 3-3

JSC "Navoiyazot" adheres to an integrated approach to managing emissions of pollutants (PP) into the atmosphere. The basis of the approach is strict compliance with the standards of maximum permissible emissions (MPE) established by state regulatory authorities. Control over compliance with the standards is carried out by the Company's sanitary laboratory, which conducts monthly monitoring of emissions jointly with the Regional Inspectorate for Ecology and Rational Use of Natural Resources. This approach allows for prompt identification of deviations from permissible standards and timely measures to eliminate them.

The Company formalized its obligations for monitoring and environmental protection, including control of emissions of pollutants into the atmosphere. These obligations are supported by documented plans approved by the Regional Inspectorate for

Ecology and Rational Use of Natural Resources and the Sanitary Epidemiological Service of Navoi. These plans provide for regular analytical monitoring carried out by the sanitary laboratory of the production facility, which allows maintaining stable air quality and reducing the impact on the environment.

JSC "Navoiyazot" uses both direct measurements and calculation methods of assessment, based on actual and average coefficients. Analyses and calculations are carried out in accordance with approved methods and GOSTs, which ensures the accuracy of the data obtained and the transparency of the environmental impact assessment.

Greenhouse gas emission intensity for 2023

GRI 305-4

Total GHG emissions (Scope 1 + Scope 2)

2,030,856.667
tCO₂-eq.



GHG emission intensity

0.425
tCO₂/ million soums

Proceeds
4,779,073
million soums

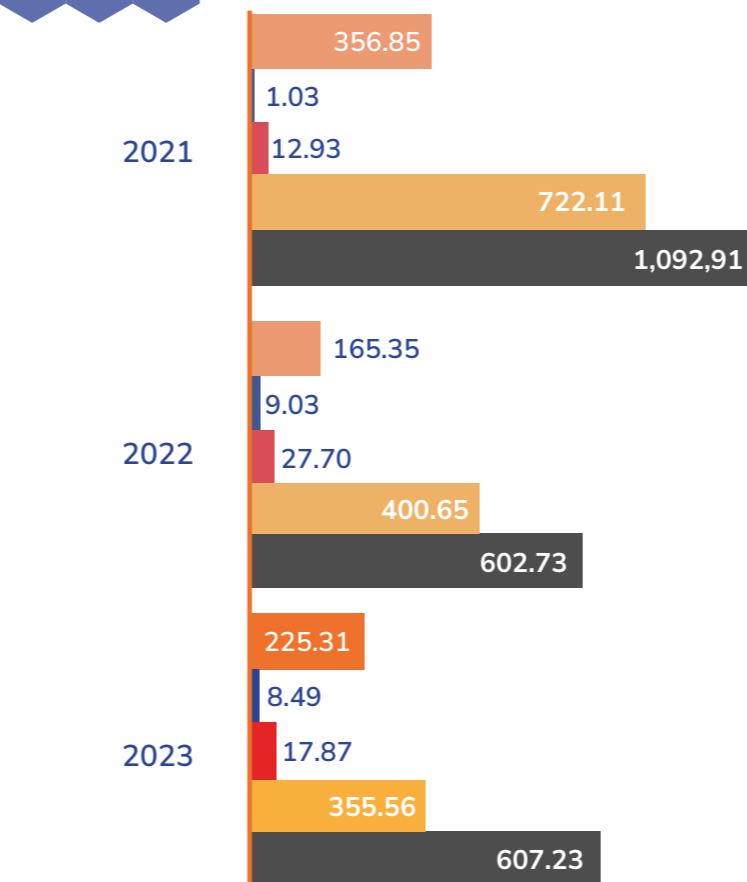
The company launched investment projects aimed at increasing the sustainability of production processes. JSC "Navoiyazot" works actively on the implementation of long-term projects. The company has identified technologies aimed at reducing GHG emissions within Scopes 1 and 2, and develops plans to integrate them into its operations in the future, including:

- electrification with renewable energy sources;
- carbon capture and storage, and reduction of N₂O emissions;
- use of green hydrogen technology.

In 2023, the Company assessed the implementation of these technologies for potential implementation and was working actively on developing an action plan. In the reporting year, GHG emission intensity (Scope 1 + Scope 2) was - 0.425 tCO₂-eq./million soums.

It is worth noting the project for the reuse of residual synthesis gas, which was previously sent for combustion, increasing the volume of greenhouse gas emissions. As part of the new technology, residual synthesis gas is redirected to Ammonia-3 workshop now, where it is used in the production process along with natural gas, which allows for significant reducing in GHG emissions.

GRI 305-7



- Nitrogen oxides (NO_x), tons
- Sulfur dioxide (SO_x), tons
- volatile organic compounds (VOCs), tons
- Carbon oxide (CO), tons
- Total, tons

To reduce emissions of pollutants, “Navoiyazot” JSC implements annual workshop plans for environmental protection and rational use of natural resources. Within the framework of these plans, measures are developed and implemented aimed at reducing air pollution.

In 2023, the Company spent

618,441.9
million soums

for these purposes.

JSC “Navoiyazot” implemented a number of significant projects aimed at environmental protection, including the construction of modern production complexes and the renovation of key production facilities. Among them:



- creation of complexes for the production of ammonia and urea, as well as facilities for the production of polyvinyl chloride, caustic soda and methanol, and new capacities for the production of nitric acid;
- reconstruction and modernization of energy supply infrastructure.

These projects allowed the decommissioning of obsolete technologies in operation since 1965–1967, resulting in significant reductions in energy consumption and pollutant emissions.



Energy management

GRI 3-3

Given the specifics of JSC “Navoiyazot”, energy saving in the Company is one of the most topical problems afflicting the industry, since rising prices for electricity and other energy sources affect production and product costs significantly.

The company sets goals aimed at solving the following problems in the field of energy management:



- reduction of losses in energy consumption, transmission and distribution;
- reduction of energy consumption in buildings and structures, including the use of automated systems, as well as management and forecasting of annual consumption;
- reduction of costs for fuels and lubricants, petroleum products in vehicles and special equipment;
- modernization and/or reconstruction of the main types of performed work using the latest energy-efficient technologies;
- definition of standards used in the modernization of the technological process and mechanisms for their implementation with preliminary calculations of the results achieved in the process;
- implementation of an energy management system in the Company, as well as the selection of enterprises implementing a set of energy management measures, and ensuring a contractual structure.

Employees of JSC “Navoiyazot” follow the Company’s «Technical Policy», which is aimed at increasing energy saving and energy efficiency of production processes, as well as the requirements of ISO 50001:2018 energy management system standard implemented in the Company.



JSC “Navoiyazot” believes that it is necessary to create conditions for saving not only electricity, but also water resources, thermal energy and motor fuel in the context of energy conservation and maintaining high energy efficiency indicator. The Company maintains continuous operation of the internal energy management system aimed at saving energy and increasing energy efficiency, setting a course for the formation of an energy conservation management system based on the best international practices. Continuous study and advanced training of the Company’s employees helps accelerate the achievement of the set goals.

Energy consumption at enterprises is a mandatory element of production, constantly reflected in quarterly and annual reports. The Company conducts mandatory energy checks (energy audits) within the established timeframes and, having determined priorities, develops programs based on their results aimed at the efficient use of energy resources by introducing advanced experience and technologies. Having studied the results, the Company tries to implement innovative (pilot) projects designed to improve the energy efficiency of industrial facilities of the enterprise.

The Company sets targets for energy saving and increasing energy efficiency (energy intensity) annually, in accordance with the developed action plans. To determine and develop goals, objectives and a plan for energy saving, a working group on energy management is created, including experienced specialists and managers (managers) who work within the framework of the development strategy of JSC "Navoiyazot". A register of energy-consuming technologies and equipment is also being developed. A constantly updated system allows comparing current (actual) technical indicators of energy-consuming equipment with the passport characteristics of manufacturers and the requirements of the process mode, which allows identifying deviations in the operation and energy consumption of equipment.

In 2023, the Company brought into operation RES facility — a solar power plant (SPP) with an installed capacity of

2,480
kW

which allows for an effective reduction of the carbon footprint and an increase in overall energy efficiency.



Energy consumption within the organization

GRI 302-1

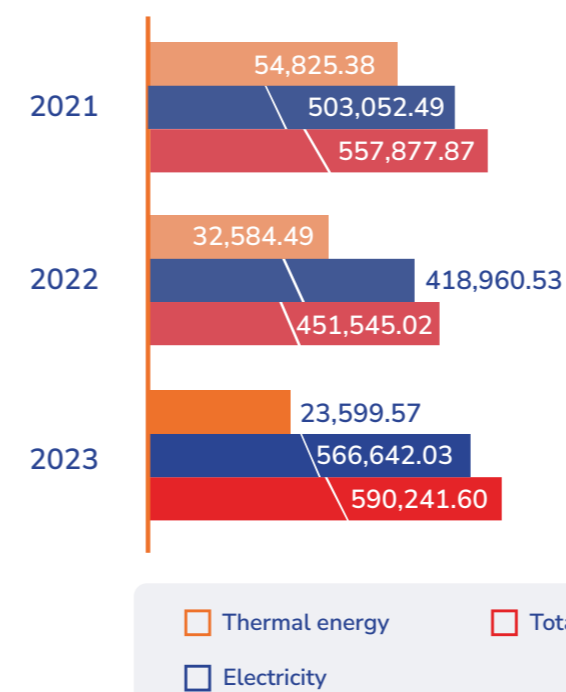
Indicator	Unit of measurement	2021	2022	2023	Change, %
The amount of energy purchased for consumption by its types					
Thermal energy (Heating)	GJ	133,471	114,785	95,132	-20.6
Thermal energy (Steam)	GJ	1,667,206.40	944,357.41	464,924.32	-103
Electricity	GJ	4,853,247.23	4,791,744.58	3 900,194.17	-22.8
Total:	GJ	6,653,924.63	5,850,886.99	4,460,250.49	-31.2

Indicator	Unit of measurement	2021	2022	2023	Change, %
Amount of sold energy by its types					
Thermal energy (Heating)	GJ	167	707	385	-46
Total:	GJ	167	707	385	-
Total amount of consumed energy *	GJ	6,653,757.63	5,850,179.99	4,459,865.49	-31.2

* Without taking into account the consumption of energy from own generation, in order to avoid double counting of purchased energy resources.

Energy costs, million soums

GRI 302-1



Energy consumption of production of main products (works, services)

GRI 302-3

Indicator	Unit of measurement	2021	2022	2023
Total cost of manufactured products, total:	million soum	2,826,888.9	3,840,914.8	3,827,696.9
Total cost of fuel and energy resources for production of goods (works, services):	million soum	1,181,692.31	1,132,070.39	1,642,292.70
Total consumption of fuel and energy resources for production of goods (works, services) in total, including:	tons of reference fuel	1,473,727.9	1,468,060.6	1,272,831.3
	thousand cubic meters	1,077,727.07	1,096,001.82	968,104.53
natural gas	tons of reference fuel	1,250,163.40	1,271,362.11	1,123,001.25
	million soum	618,521.62	673,508.53	1,044,625.64
electricity from third party producers	thousand kWh	1,348,124.23	1,331,040.16	1,083,387.27
	tons of reference fuel	165,819.28	163,717.94	133,256.63
	million soum	503,052.49	418,960.53	566,642.03
motor fuel (gasoline, diesel fuel, liquefied and/or compressed gas, etc.)	tons	566.55	503.29	488.17
	tons of reference fuel	810.16	719.71	698.09
	million soum	5,292.82	7,016.85	7,425.46
thermal energy from third-party producers	Gcal	398,147.00	225,600.00	111,016.00
	tons of reference fuel	56,935.02	32,260.80	15,875.29
	million soum	54,825.38	32,584.49	23,599.57
Technological energy consumption of the main products (works, services), (sub-clause 3/ sub-clause 1)	tons of reference fuel./ million soum	0.52	0.38	0.33
Specific consumption of fuel and energy resources for the production of main products (works, services), (sub-clause 2/ sub-clause.3)	tons of reference fuel./ million soum	0.80	0.77	1.29

For 2022-2026, development and implementation of mechanisms are planned to stimulate the workforce to achieve results in the field of energy efficiency, as well as to reduce the energy intensity of energy consumption by 1.5 times through energy savings and increased energy efficiency, to increase the energy efficiency of buildings and structures by 30%, to increase the use of renewable energy sources by 25%, and to improve renewable energy sources through active financing of projects carried out to achieve target indicators.

GRI 302-4

Energy saving measures carried out at JSC "Navoiyazot reduce significantly energy consumption and thus have a positive effect on the feasibility study of production. For the entire 2023, 20 measures were implemented at enterprises, and, as a result, the Company managed to save

87,579.55
thousand kWh of electricity

which was a great achievement, given the preliminary forecast of

52,257.96
thousand kWh

Plans for the medium-term and long-term perspectives

In 2024, the company plans to continue investing in the implementation of a number of projects on protection of water, the atmosphere, and land resources, as well as projects on household and industrial waste in the amount of

6,318.01
million soums



Other planned projects of the Company are:

- installation of electricity meters to determine process and non-process losses during electricity transmission
- use and automation of LED lamps;
- improvement of energy efficiency of buildings and structures (thermal insulation of walls, replacement of doors and windows, etc.);
- optimization of transport routes and loads;
- precise distribution of loads by phases;
- use of modern means of protection against short circuits on lines;
- periodic monitoring of network insulation resistance, checking of electrical network contacts;
- use of a frequency-controlled electric circuit;
- use of new generation current-limiting reactors;
- imposition of requirements on contractors and suppliers in the field of energy saving and energy efficiency improvement.



Waste management

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

In the course of its activities, JSC «Navoiyazot» pays great attention to the management of industrial waste, following the legislation of the Republic of Uzbekistan in the field of environmental protection and the requirements of the Law on Waste. The main approaches of the Company are the prevention of the negative impact of waste on human health, minimization of waste generation, as well as increase in the efficiency of their use in the production process.

Employees from the engineering and technical staff of each workshop of JSC «Navoiyazot» are appointed responsible for waste accounting and management. These employees keep a special log, where data on waste generation and removal are recorded, and also submit a report to the environmental protection department.

Employees of JSC «Navoiyazot» are guided by the instructions on «collection, temporary storage, accounting and removal of waste of JSC «Navoiyazot». In accordance with it, waste is classified according to the degree of its danger to human health and the environment:

- I hazard class – most hazardous;
- II hazard class – highly hazardous;
- III hazard class – moderately hazardous;
- IV hazard class – less hazardous;
- V hazard class – non-hazardous.



The responsibilities of the Company's divisions in waste management include:

- Compliance with environmental, sanitary-epidemiological and technological standards, rules and measures for environmental protection in waste management.
- Separate collection and storage of household waste from industrial waste.
- Providing conditions that exclude the harmful effects of waste on the environment and human health.
- Using a standard form for drawing up an annual report on the formation, storage, disposal and removal of waste.
- Inclusion of information on the collection, storage and disposal of waste in the technological regulations and inventory lists.
- Ensuring waste transportation with risk minimization, excluding losses, accidents and damage to the environment and human health.

Hazardous waste (I–III classes) is represented by 72 items. The main categories of hazardous waste of JSC Navoiyazot include:

Class I hazardous waste (the most hazardous):
used mercury lamps, which undergo demercurization process at a special facility.

Class II hazardous waste (high hazard):
used compressor and motor oil entering the oil regeneration department. After regeneration, it is returned to production processes. Oil that cannot be regenerated is disposed of through third-party organizations on a contractual basis.

Waste of hazard class III (moderate hazard):
soot sludge generated during the acetylene production process is sent to workshop 56 for sludge treatment. Medical waste is taken away for disposal by incineration in accordance with concluded contracts. Certain types of waste that have consumers are transferred to third-party organizations for further use.

JSC «Navoiyazot» has several landfills for storing solid industrial waste. These sites are protected from wind and equipped with an insulating coating to prevent harmful substances from penetrating into the soil. The sites are equipped with bunkers, containers and barrels for storing waste.

Waste containers are placed on special concrete platforms where containers with household and industrial waste are collected separately. The containers indicate the type of waste («For industrial waste» or «For household waste»), the workshop number and capacity. Specialized containers are provided for more hazardous waste requiring special disposal. For example, used mercury lamps are stored in special boxes in specially equipped areas of

each workshop and are transferred to workshop No. 15 «Organic Synthesis and Nitron Fiber» for demercurization.

Burning waste, regardless of its origin, as well as storing it in places not intended for this purpose, is strictly prohibited.

Waste transportation is carried out in compliance with all necessary precautions to eliminate possible losses, accidents and negative consequences for the environment and human health. Workshop managers are obliged:

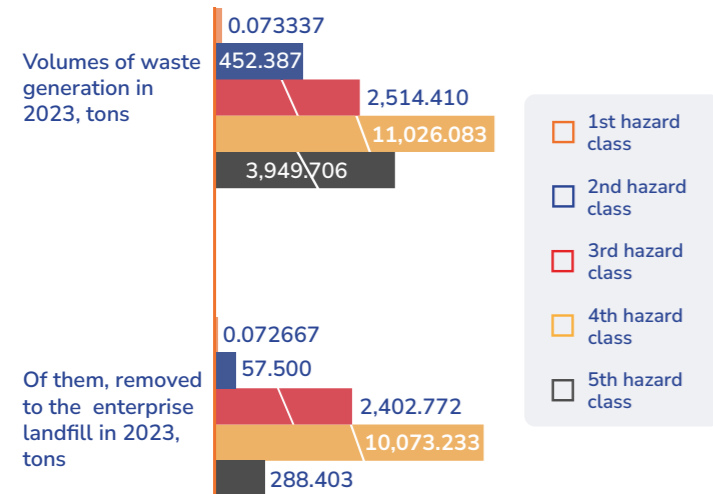


- instruct drivers on waste storage locations;
- warn drivers about disciplinary measures for transporting waste to the wrong landfills;
- issue waste removal coupons and sign them only if the driver has a coupon with the signature of the duty inspector at the landfill;
- submit quarterly reports on waste generation.

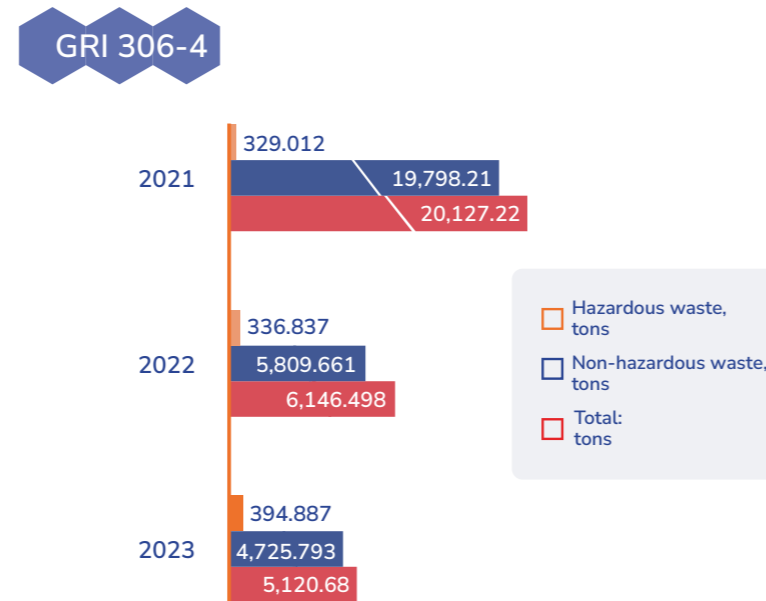
For more hazardous waste, such as mercury lamps, additional disposal instructions are provided.



Volumes of industrial waste generation for 2023



Total volume of disposed waste



In 2023, the Company implemented 6 environmental protection measures in terms of waste management in the amount of

262,622.97
soums

as a result of which

1,231.5
tons of waste

6,724
units of mercury lamps

Water Resources Management

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

Management Approach

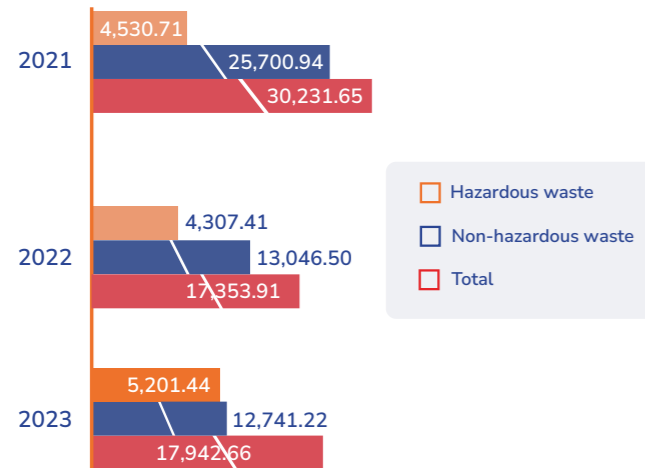
JSC "Navoiyazot" pays considerable attention to the issues of rational water use and minimization of impact on water resources. Water resources are used for technological, fire-fighting, domestic needs, irrigation of green spaces and other purposes, in compliance with environmental standards and norms. The production technology of JSC "Navoiyazot" products is organized on multi-stage chemical reactions associated with water consumption and the formation of domestic, industrial and industrial-effluent storm water runoff.

The main sources of water supply for JSC "Navoiyazot" are: the water supply network of the State Unitary Enterprise Issiklik Manbai in Navoi and Damkhodja water pipeline. According to the draft environmental standards for maximum permissible discharge (hereinafter referred to as MPD), JSC "Navoiyazot" established standard and calculated indicators for water consumption and water disposal.

were disposed.

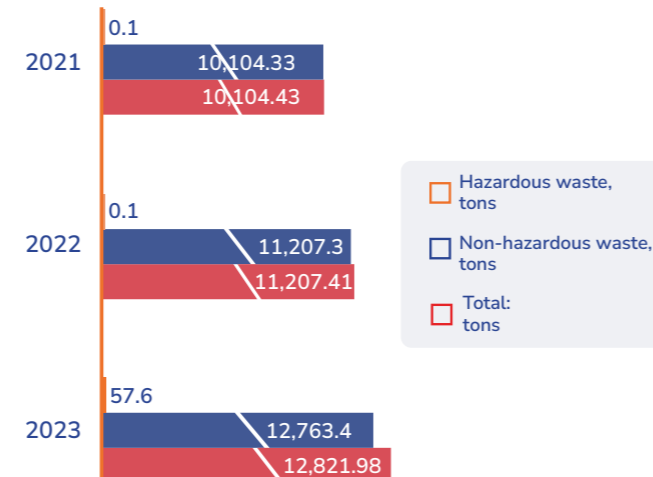
Generated waste by type, tons

GRI 306-3



Total volume of waste sent for disinfection and burial

GRI 306-5



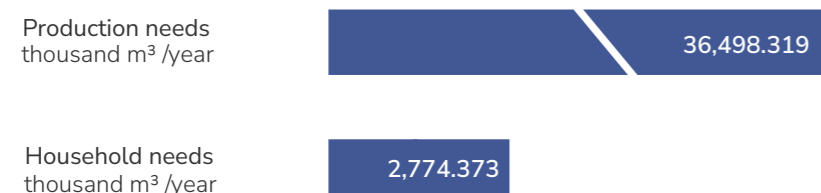


Water consumption in JSC “Navoiyazot” for 2023

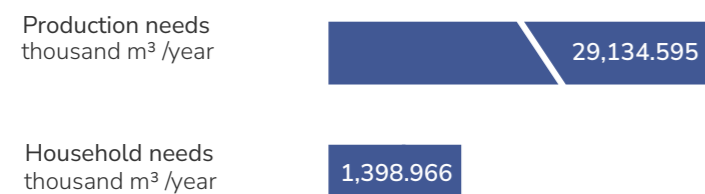


Water consumption

Regulatory indicators, including:



Actual indicators, including:



Water disposal:

- Industrial wastewater

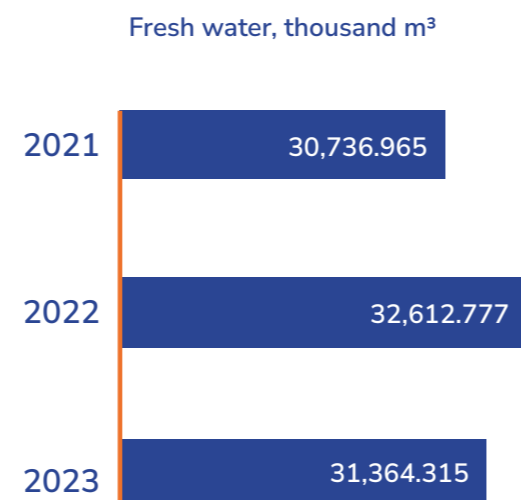
5,013.741
thousand m³/year

- Domestic wastewater

980.84
thousand m³/year

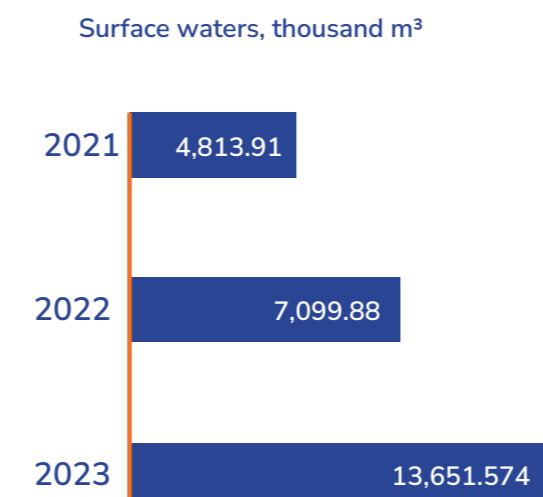
Total volume of taken water

GRI 303-3



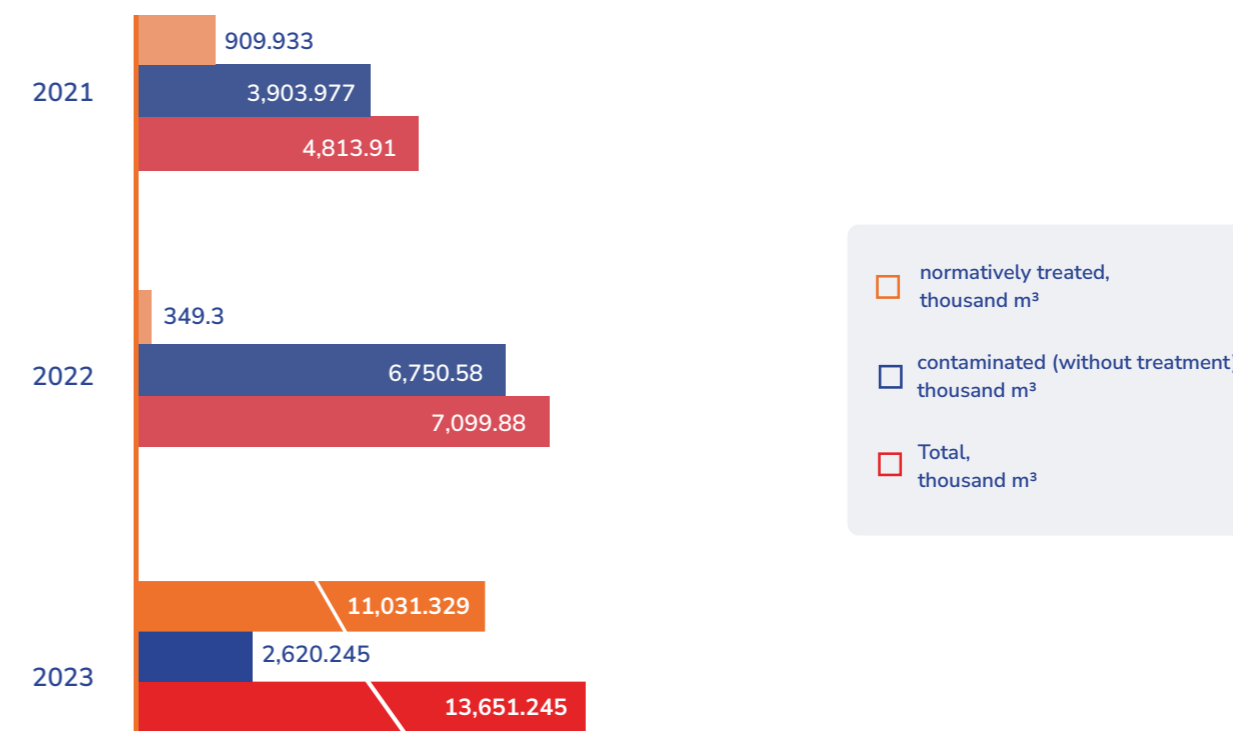
Total volume of discharges

GRI 303-4



Total volume of discharges with indication of the quality of discharged water

GRI 303-4



Irrecoverable consumption

GRI 303-5

Name	Unit of measurement	2021	2022	2023
Total amount of water consumption	thousand m ³	30,736.965	32,612.777	31,364.315
Drinking water for the plant	thousand m ³	2,362.672	2,339.356	2,627.836
Technical water	thousand m ³	21,549.965	23,151.386	21,774.625
Damkhodjinskaya water	thousand m ³	6,784.572	7,095.124	6,939.548
Drinking water for the sanatorium-preventorium	thousand m ³	39.756	26.911	22.306

JSC “Navoiyazot” does not carry out operations on water intake, water disposal and water consumption in regions with water shortages.

The Company implements initiatives to reduce the impact on water resources, which are part of the annual environmental action plan, including:

- Transfer of industrial storm water to treatment facilities;
- Reuse of treated water for irrigation of green spaces and farm fields;
- Continuous monitoring of groundwater quality through a network of observation wells.

In 2023, “Navoiyazot” JSC implemented 6 water resources protection projects worth over

2.6
billion soums

To minimize the impact on the environment, at the enterprise, there are local treatment facilities and a biochemical wastewater treatment plant (hereinafter referred to as BWTP). Wastewater contaminated with oil products enters settling tanks, where it is stratified due to the difference in densities of water and oil products. Treated water is sent to the industrial sewerage system for subsequent treatment at the BWTP, and oil products are collected for regeneration. After treatment, the water is returned to the recycling cycle, for example, for washing cars.

The treatment process at BWTP includes:

- neutralization and removal of nitrogen-containing compounds and heavy metals,
- mechanical treatment (sand traps and settling tanks),
- biological treatment (aeration tanks and secondary settling tanks),
- disinfection in a chlorination unit.

Treated wastewater flows into a retention basin and can be safely returned to the system or discharged.

To prevent groundwater pollution, monitoring is carried out in 70 observation wells, including the territory of the enterprise and adjacent areas. Groundwater level measurements and analysis of the content of harmful impurities are carried out monthly.

One of the Company’s important initiatives was the improvement of the wastewater management system. Previously, the Company had a wastewater discharge into the Zarafshan River:

- **Discharge 1** - industrial stormwater discharged without treatment.
- **Discharge 2** - treated wastewater after passing through treatment facilities.

Starting from May 2023, industrial storm water was transferred to the treatment facilities of workshop No. 56 for BWTP. This made it possible to eliminate the discharge of untreated wastewater into natural water bodies, significantly reducing the burden on the environment.

After undergoing multi-stage treatment at BWTP, wastewater is discharged not into the Zarafshan River, but into the Kasaba-Durman irrigation canal. This water is used to irrigate agricultural fields, which helps improve conditions for farms in the region. Additionally, treated water is used to irrigate green spaces on the territory of “Navoiyazot” JSC, which maintains the ecological balance and promotes greening of the production area.

This initiative demonstrates the Company’s responsibility in the field of water management, as it does not only minimize the negative impact on the environment, but also promotes their reuse, supporting the principles of a circular economy.



Occupational health and safety

Approach to Occupational Health and Safety Management	<u>53</u>
Improving Safety Culture and Occupational Health and Safety Training	<u>54</u>
Injury Prevention	<u>55</u>
Emergency Preparedness	<u>56</u>

**WE
CREATE
THE FUTURE EVERY DAY**





Occupational health and safety

Approach to Occupational Health and Safety Management

GRI 3-3, 403-1, 403-2, 403-3

403-4, 403-6 403-8, 403-10

The main objective of JSC “Navoiyazot” as a responsible employer is to create and maintain safe working environment, reduce injury rates to zero and develop safety culture. The company strives to develop this culture among employees and contractors, focusing on proactive measures, the formation of a unified safety system and personnel training.

Work in the chemical industry is associated with a number of risks that require special attention to occupational health and safety issues. Working with chemicals, high-temperature equipment, as well as the influence of natural and physical factors creates conditions that can affect the health of employees. In this regard, the Company pays special attention to reducing the impact of these factors: temperature control, air quality, safety at height and protection from natural hazards. By taking thoughtful and proactive measures aimed at minimizing risks, “Navoiyazot” JSC strives to create safe working environment and ensure care for the health of its employees, strengthening their confidence in the reliability of the workplace. The Company carries out activities related to labor protection and industrial safety in accordance with the Regulation on the labor protection management system dated 06.06.2023, as well as the

Regulation of the Republic of Uzbekistan on the investigation and recording of accidents and other injuries to the health of workers at work No. 286. The Company also cooperates with the authorized state body - the State Committee for Industrial Safety and its regional departments. Interaction is carried out through the head of the industrial control service for industrial safety at hazardous production facilities of the enterprise.

Industrial control over compliance with industrial safety requirements at hazardous facilities is the most important element of the safety management system at the enterprise. It includes the development and implementation of measures to eliminate non-compliance with safety requirements that are identified by managers at various levels and authorized bodies. The industrial safety control system covers a set of management bodies and enterprise resources aimed at ensuring compliance with the requirements of legislation, regulations and departmental documents on safety at hazardous production facilities.

Hazards associated with work and posing a risk of deterioration in health are identified in accordance with the guidelines for hazard identification, risk assessment in the field of Occupational Health, Safety and Environment Protection and the procedure for identifying hazards and risks «ISM-PSK-02». The results of hazard and risk identification are entered into «hazard identification and risk assessment cards». Risks can be divided into two groups:



- 1. Risks when working with chemicals and equipment.** Work with liquid chemicals such as sulfuric acid, alkaline solutions and toxic substances is associated with the risks of chemical burns, eye damage, poisoning and respiratory damage. High temperatures on the surface of the equipment can cause skin burns, and depressurization under pressure can cause poisoning with toxic gases. Low and high air temperatures, dust, intense physical activity and psycho-emotional stress also reduce performance and pose health hazard.
- 2. Natural and technological risks.** Natural hazards include seismic activity, storms and high winds. Workplace hazards include exposure to electric arcs, uneven surfaces, working at heights, poor lighting and noise. Hazards include heavy loads, impact and cutting tools, high equipment temperatures, vehicle traffic and exposure to viral infections.

Within the framework of the Occupational Health and Safety, the activities of JSC “Navoiyazot” are based on compliance with the requirements of ISO 45001:2018 Occupational Health and Safety Management System standard, and the Company has defined the following main tasks:



- control over compliance with industrial safety requirements established by the laws of the Republic of Uzbekistan and other regulatory legal acts;
- analysis of the state of occupational safety and health at the enterprise, including the organization of relevant inspections and examinations;
- development of measures aimed at improving the state of occupational safety and health and preventing damage to the environment.

In accordance with the plan of activities in the field of occupational safety and health in 2023, 25 events were implemented, for which 195.132 million soums were allocated. Total expenditure on labor protection amounted to 39.5 billion soums, of which:

- on special clothing and personal protective equipment
- on milk and other preventive products

4.5
billion soums

20.7
billion soums

- on other activities

14
billion soums

or

1.6
million per employee

In addition, 5,906 employees underwent medical examination, for which the Company allocated 930.646 million soums.



Improving safety culture and training in occupational health and safety issues

GRI 403-5, 403-7

Improving the safety culture is no less important than the Company's readiness to localize and eliminate accidents, which helps minimize injury rates. In this regard, JSC "Navoiyazot" implements a comprehensive policy aimed at strengthening the safety culture among its employees. Monitoring and analysis of injury data is carried out, with special attention paid to safety in the workplace. Internal and external assessments of occupational safety and health, regular testing and examination of the used equipment are carried out. In the event of an incident, detailed investigation is carried out, based on the results of which the management receives a report with recommendations for preventing similar incidents. In 2023, based on the analysis of last year's incidents, measures were introduced to minimize the risks of repeated incidents. The reduction in the injury rate in 2023 confirms the effectiveness of the taken measures and the Company's commitment to the principles of safe work.

In the Company four-level occupational safety management system is implemented. New employees undergo training in occupational safety and health issues. During the reporting period, 680 people underwent such training, with an average of 16 hours of training per employee.



Professional training in occupational health and safety at work

GRI 403-5

Indicator	2021	2022	2023
Average number of training hours in occupational safety and health per employee (own employees), hours	16	16	16
Number of employees trained in occupational health and safety at work (own employees), people	695	714	680

The basics of safety culture are explained not only to new employees, but also to those who are already on the payroll. Thus, the Company holds a weekly «Labor Safety Day», when employees are instructed and inspected.

In the Company, 100% of employees are covered by the occupational health and safety management system at their workplaces. There is also positive dynamics in the number of employees included in the occupational health and safety management system who have undergone the internal audit procedure - their number has more than doubled.

Number of employees covered by the occupational health and safety management system at the workplace, people

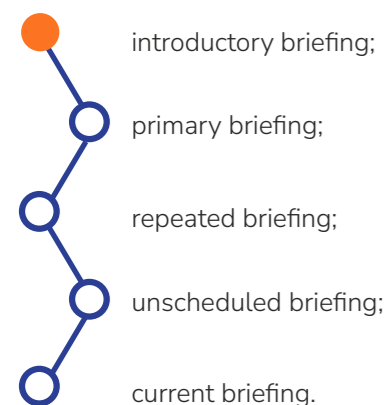
GRI 403-5

Indicator	2021	2022	2023
Number of people covered by the Company's occupational health and safety management system.	8,903	8,761	8,611
Number of people covered by the occupational health and safety management system of the Company, undergone internal and external audit procedures.	8,903	8,761	8,611
The number of people covered by the Company's occupational health and safety management system, undergone independent third-party audit/certification.	8,903	8,761	8,611

All employees undergo briefing in accordance with the Regulation on the procedure for organizing training and testing knowledge on labor protection and industrial safety for employees of enterprises and organizations within JSC "Uzkimyosanoat". The training is conducted by an occupational safety engineer or an authorized employee responsible for safety issues.



The briefing is divided into the following types:



The briefing program, conducted in a specially equipped room, covers the main aspects:



- general objectives and specifics of the Company's activities;
- labor legislation and its main provisions;
- collective agreement and agreements on labor protection;
- rules for safe performance of work in the workplace;
- main causes of accidents and precautions;
- fire safety rules;
- procedure for issuing and using special clothing and personal protective equipment;
- first aid;
- accident notification procedure;
- and other current issues of the chemical industry.

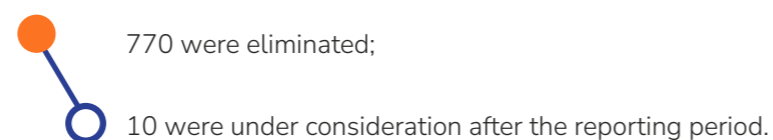
Upon completion of the briefing, the employee is registered in the logbook and receives a safeguarding memo.

New employees and workers transferred to other positions in the chemical industry are required to familiarize themselves with safety regulations, work schedule, basic provisions of labor legislation, rules of conduct at work and potential risks. All engineers working with chemicals and equipment pass an exam on safe handling of chemicals every three years, and technical and maintenance personnel - annually.

Injury prevention

GRI 403-5, 403-7

As part of injury prevention, the Company draws up a plan of measures for labor protection and industrial safety for the year based on the analysis of previous incidents, and monthly inspections are carried out in the workshops as part of the safety control stages. Thus, in the reporting period, an inspection of the workshops of JSC "Navoiyazot" was carried out. As a result, 780 violations were identified, of which:



Additionally, comprehensive inspections were conducted, during which 20 violations were detected, which were also eliminated within the established timeframes.

In addition, at all workplaces, regulatory requirements for working conditions have been established that create safe environment and provide social services. Periodic certification of workplaces is carried out every five years, based on the results, the favorable/unfavorable working conditions are determined. In the reporting period, 247 workplaces were certified, and 627 employees received additional benefits

In the Company there is a system for reporting cases of injuries, equipment malfunctions, violations of occupational safety and health rules, as well as for submitting proposals for improving the occupational safety and health system. Incoming appeals are considered by a specially organized commission. Thus, in the reporting period, the Commission received 18 appeals from employees to improve occupational safety conditions, 35% of which were implemented.

It is worth noting that in 2023, the Company did not register a single fatality as a result of work-related injuries, while 4 cases of industrial injuries were registered, 3 of which were classified as highly severe and occurred in workshops No. 031, 088, 480. The causes of accidents are unsafe behaviour, as well as failure to use personal protective equipment.



Number of accidents at work

GRI 403-9

Indicator	2023
Industrial injuries, of which:	4
Fatal accidents	0
Severe injuries	3
Minor injuries	1
Number of worked man-hours	12,805,497
LTIFR	0.06

For each incident, a commission is assembled consisting of representatives of the management of JSC “Navoiyazot”, JSC “Uzkimyosanoat” and the insurance company. Following the investigation of three incidents, the commission developed a number of measures aimed at preventing the recurrence of cases of industrial injuries, as well as combating the consequences. The measures included the following:

- Conducting extraordinary briefings and testing knowledge of labor protection for engineering and technical personnel of the workshops. Instructions on labor protection, safety engineering and fire safety have been updated taking into account legislative changes. Classes have been organized to prevent emergency situations and teach actions in the event of their occurrence.
- Revision of design solutions, including fencing of circulation water pipes in workshop No. 025 and installation of pumps for wastewater treatment in building No. 440 of workshop No. 480. A plan for dismantling equipment in building No. 202 of workshop No. 031 with a clear description of the tasks and a work schedule has been developed.
- Strengthening control over the condition of the equipment and territories of the enterprise. Measures were taken to prevent gas leaks, repair technical devices, and the territory was cleaned of garbage and faulty equipment. Control over the use of special work shoes by employees was ensured.
- Revision of incident response plans and updating of working documentation in accordance with regulatory requirements.

The important tool for injury prevention is timely identification and assessment of risks, which involves the following steps:



- Issuance of an order by the workshop to create a working group.
- Definition of a workplace in accordance with the staffing schedule.
- Conducting risk identification.
- Identification of hazards associated with the workplace.
- Drawing up a risk and threat identification map.
- Assessing the significance of potential risks in the workplace.
- Forming a list of significant risks and threats.
- Developing annual measures to reduce significant risks.
- Conducting an annual analysis of residual significant risks.

Emergency preparedness

The activities of JSC “Navoiyazot” are aimed not only at preventing possible accidents, but also at being prepared for their quick and effective elimination. The key internal regulatory document governing the measures to prepare for emergencies in the Company is the Action Plan of JSC “Navoiyazot” for the prevention and elimination of natural and man-made emergencies, agreed with the Emergency Management Department of Navoi Region.



The emergency response system at JSC “Navoiyazot” includes several key components that combine both organizational structures and technological solutions. The structure includes:



- Emergency Response Headquarters – promptly manages all processes and coordinates the actions of the high-alert services and divisions of the Company.
- Dispatch services – provide notification and round-the-clock monitoring of emergencies.
- Emergency rescue teams – carry out rescue and liquidation operations in case of incidents.
- Medical and sanitary unit – provides first aid to victims.
- Public order protection service – ensures the evacuation of personnel to a safe place.

Detailed action plans have been developed for each possible type of emergency. These plans include step-by-step instructions for evacuation, first aid, and emergency response. The company updates regularly its instructions based on new data and potential risks.

An important element of the emergency response process is the notification system, which informs promptly employees and services about threats, ensuring their readiness. By working together with local and regional emergency management authorities, the Company can coordinate efforts with external structures and minimize the consequences in the event of incidents.

In addition, the Company makes efforts to prepare personnel for possible emergencies. Practical training and simulations of various emergencies are conducted to ensure effective evacuation and emergency response.



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Support of Local Communities

Approach to management

GRI 3-3

Assistance in the development and well-being of local communities in Uzbekistan is one of the key areas of social policy of JSC “Navoiyazot”. As a socially responsible company, JSC “Navoiyazot” implements not only charitable and social programs in the fields of education, health, culture and sports, but also provides support to vulnerable groups of the population. Particular attention is paid to projects aimed at the development of Navoi region, which contributes to sustainable growth and improvement of living conditions in the region.



The Company interacts actively with local authorities and stakeholders, building relationships based on trust and understanding of the needs of the population. At the same time, support for local communities is not limited to job creation — the Company strives to have positive impact on the regional economy and the development of the country as a whole. In 2023, the focus was on supporting socially vulnerable groups, which included projects to improve conditions in microdistricts, hospitals, educational institutions and other socially significant facilities.

These initiatives demonstrate the Company’s commitment to creating a positive image in the region and to fulfilling its obligations to the state and society, which often exceed the legislative requirements of the Republic of Uzbekistan.

Economic efficiency

GRI 201-1

At the end of 2023, “Navoiyazot” JSC fixed revenues of 4,779.07 billion soums, which was a decrease compared to the previous year. The main factor was the dynamics of income from financial investments, which decreased from 1,497.47 billion in 2022 to 536.49 billion soums in 2023. The distributed economic value of the Company amounted to 5,727.52 billion soums, maintaining the level of the previous year. In addition, it is worth noting an increase in expenses on wages and social payments to employees to 573.20 billion soums, as well as an increase in payments to capital providers, which reached 2,306.62 billion soums.

Created and distributed direct economic value, billion soums*

Indicator	2021	2022	2023
1. Created direct economic value	5,355.30	6,943.21	5,755.91
Income (revenue)	4,577.79	5,306.37	4,779.07
Income from financial investments	759.45	1,497.47	536.49
Income from sale of tangible assets	12.34	120.30	68.52
Other receipts	5.72	19.07	371.82
2. Distributed economic value	4,575.52	5,690.07	5,727.52
Operating expenses	636.77	329.07	475.53
Salaries, other payments and benefits to employees	324.00	484.83	573.20
Including salaries	311.54	468.34	554.37
Including other payments and benefits to employees	12.46	16.49	18.83
Payments to capital providers	1,097.80	2,167.23	2,306.62
Including paid dividends	-	491.26	336.78
Including financial expenses	1,097.80	1,675.97	1,969.84
Other expenses	-	-	-
Payments to the state	465.78	653.78	507.84
Including income tax	89.70	77.11	74.20

Indicator	2021	2022	2023
Investments in local communities	1.81	60.60	20.64
3. Undistributed economic value	779.78	1,253.14	28.39

* Financial indicators are taken from the approved financial statements, which were prepared in accordance with NAS.

Charity and sponsorship

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

In 2023, within the framework of social partnership, the Company implemented successfully 38 planned activities aimed at strengthening social infrastructure facilities.

The total amount of funds allocated for the maintenance of social infrastructure facilities and compensation for food costs amounted to 37.8 billion soums, of which:

1.2

billion soums

- were allocated for Oftobjon children's health camp

4.2

billion soums

- for the sanatorium-preventorium

11.9

billion soums

- for the medical and sanitary department

20.7

billion soums

- to cover the costs of dairy and other preventive products



Directions of charity and sponsorship in 2023, soum

Recipients Amount	Amount
Rowing & Canoe Federation of Uzbekistan	500,000,000.00
JSC "Uzkimyo sanoat"	13,000,000,000.00
Charity Fund "Mahalla" of Yunusabad district	200,000,000.00
National Paralympic Association of Uzbekistan	750,000,000.00
Regional Fund "Mahalla" of Navoi city	100,644,227.65
Judo Federation of the Republic of Uzbekistan	706,412,750.00
Presidential, creative and specialized schools under the leadership of the President of the Republic of Uzbekistan	1,000,000,000.00
Other payments	4,387,055,062.99
Total:	20,644,112,040.64

Development of regions of presence

The Company plays a significant role in the development of Navoi region, providing employment through the plant and other social facilities of the Company. In addition, thanks to the initiatives of the Company, construction of new production facilities began in 2023, which contributed to the development of infrastructure in the region.

- Launch of the construction of the joint venture JV CONTINAZ LLC in cooperation with Iran. The project will include 11 buildings and structures, including a pump station, a central control panel, and a local cooling unit. The launch of the project will provide jobs for about 100 people.
- Construction of an enterprise for the production of laminated polypropylene bags of various capacities for packaging products. As a result of the launch of the project, 100 new jobs will be created.

- Launch of cotton cellulose and hydroxypropyl methylcellulose (HPMC) production at Chemistry International LLC JV. The produced hydroxypropyl methylcellulose will be used in the textile, pharmaceutical and food industries. The total cost of the project is 21,149,787.96 US dollars, the launch of which will contribute to the creation of new jobs. By the end of the reporting period, the construction of HPMC warehouse, the opposite pool, the emergency pool and the cooling tower pool had been completed.



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Appendices

Appendix 1. Materiality analysis

The process of identifying material topics

GRI 3-1

To prepare the Report, JSC “Navoiyazot” carried out a materiality assessment procedure. When determining material topics, the Company was guided by the requirements of GRI Standards (GRI 3: Material Topics 2021), SASB industry standards and leading international ESG ratings of Sustainalytics, S&P Global CSA for the chemical industry, and included the stages described below.



Procedure for determining material topics

Stage 1.
Analysis of the external context

- Analysis of material topics of the largest companies-analogues of the chemical industry,
- Analysis of global trends in the field of sustainable development,
- Analysis of trends in sustainable development of the Republic of Uzbekistan.

Stage 2.
Analysis of ESG criteria of non-financial reporting standards and ratings

- Analysis of international non-financial reporting standards (GRI Standards and SASB standards for the chemical industry),
- Analysis of topics assessed by leading global ESG rating agencies for the chemical industry (S&P Global CSA, MSCI).

Step 3.
Topic ranking

- Assessment and correlation of material topics based on the results of the analysis of the external context and ESG criteria.

Stage 4.
Approval of the list of material topics

- Coordination and approval of the final list of material topics.

GRI 3-2

Based on the results of the assessment, 10 material topics were identified that were significant for JSC “Navoiyazot” and its stakeholders.

Aspect	Nº	Material topic
Ecological	1	Climate change
	2	Air emissions
	3	Energy management
	4	Waste management
	5	Water management
Social	6	Human resources management
	7	Diversity and equal opportunities
	8	Local communities
Managerial and economic	9	Occupational health and safety
	10	Transparency and anti-corruption policy





Appendix 2. GRI Content Index

Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
GRI 2. General Disclosures					
1. Organization and practice of reporting					
2-1	Information about the organization	Section «Company Profile» Appendix 4 «Contact Information»			
2-2	Companies included in the organization's reporting in the field of sustainable development	Appendix 1 "Materiality Analysis"			
2-3	Reporting period, frequency and contact person	Appendix 1 "Materiality Analysis" Appendix 4 "Contact Information"			
2-4	Reviewing information	Not applicable			
2-5	External assurance	Not applicable			
2. Activities and staff					
2-6	Activities, value chain and other business relationships	Section "Company Profile"			
2-7	Workers	Section "Work with Personnel"			
2-8	Employees who are not employees of the organization	-	Number of employees who are not employees of the organization	Not applicable	The company does not have this category of employees.

Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
3. Governance					
2-9	Structure and composition of governing bodies	Section "Corporate Governance System"			
2-10	Nomination and election of the highest governing body	Section "Supervisory Board"			
2-11	Chairman of the highest governing body	Section "Supervisory Board"			
2-12	The role of the highest governance body in overseeing impact management	Section «Corporate Governance System»			
2-13	Delegation of responsibility for impact management	Section "Management Board"			
2-14	The role of the highest governance body in reporting in the field of sustainable development	Section "Supervisory Board"			
2-15	Conflict of Interest	Section "Conflict of Interest"			
2-16	Transfer of information about critical issues	Section "Feedback mechanisms"			
2-17	Collective knowledge of the highest governing body	Section "Supervisory Board"			
2-18	Evaluation of the performance of the highest governing body	Section "Supervisory Board"			



Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
2-19	Remuneration Policy	Section «Remuneration of members of the Supervisory Board» Section «Remuneration of members of the Management Board»			
2-20	The process of determining the amount of remuneration	Section «Remuneration of members of the Supervisory Board» Section «Remuneration of members of the Management Board»			
2-21	Annual Total Remuneration Ratio	-	The Remuneration Ratios are not disclosed.	Based on the results of 2023, the Chairman of the Management Board was not paid remuneration	-

4. Strategy, Policies and Practices

2-22	Statement in the field of Sustainable Development	Section «ESG Management»			
2-23	Commitment to policies	Section «Fight against Corruption» Chapter 3 «Our People» Section «Climate Change»			
2-24	Fulfilment of the undertaken obligations	Section « Fight against Corruption» «Section «ESG Management»			
2-25	Processes to eliminate negative impacts	Section "Feedback mechanisms"			
2-26	Mechanisms for seeking advice and expressing concern	Section "Feedback mechanisms"			
2-27	Compliance with laws and regulatory acts	Section "Compliance with Law"			
2-28	Membership in associations	-	Information on membership in associations is missing		

Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
5. Interaction with stakeholders					
2-29	Approach to Interaction with stakeholders	Section "Interaction with stakeholders"			
2-30	Collective agreements	Section "Social support"			
Material Topics (GRI 3: Material Topics 2021)					
The process of identifying material topics					
3-1	The process of identifying material topics	Appendix 1 "Materiality Analysis"			
3-2	List of material topics	Appendix 1 "Materiality Analysis"			
Category "Ecological" (E)					
Climate Change (GRI 305: Emissions 2016)					
3-3	Management of material topics	Section "Climate Change"			
305-1	Direct Greenhouse Gas Emissions (Scope1)	Section "Climate Change"	There are no biogenic CO ₂ emissions		
305-2	Indirect Greenhouse Gas Emissions (Scope 2)	Section "Climate Change"			
305-4	Greenhouse gas emission intensity	Section "Climate Change"			
Emissions into the atmosphere (GRI 305: Emissions 2016)					
3-3	Management of material topics	Section «Emissions into the atmosphere»			



Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions into the atmosphere	Section "Emissions into the atmosphere"			
Energy Management (GRI 302: Energy 2016)					
3-3	Management of material topics	Section "Energy Management"			
302-1	Energy consumption within the organization	Section "Energy Management"			
302-3	Energy intensity	Section "Energy Management"			
302-4	Reduction of energy consumption	Section "Energy Management"			
Water Resources Management (GRI 303: Water and Discharges 2016)					
3-3	Management of material topics	Section "Water Resources Management"			
303-1	Interaction with water as shared resource	Section "Water Resources Management"			
303-2	Management of impacts associated with water disposal	Section "Water Resources Management"			
303-3	Water intake	Section "Water Resources Management"			
303-4	Water disposal	Section "Water Resources Management"			
303-5	Water consumption	Section "Water Resources Management"			

Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
Waste Management (GRI 306: Waste 2016)					
3-3	Management of material topics	Section "Waste Management"			
306-1	Waste generation and significant impacts associated with waste	Section "Waste Management"			
306-2	Managing significant impacts associated with waste	Section "Waste Management"			
306-3	Waste generation	Section "Waste Management"			
306-4	Waste disposal	Section "Waste Management"			
306-5	Waste disposal and placement	Section "Waste Management"			
Category «Social» (S)					
Staff management (GRI 401: Employment 2016) (GRI 402: Employee-Management Relations 2016) (GRI 404: Training and Education 2016)					
3-3	Management of material topics	Section "Work with Personnel"			
401-1	New Employees Hiring and Employees Turnover	Section "Recruitment"			



Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section "Social support"			
401-3	Maternity leave	Section "Social support"			
402-1	Minimum notice period of significant changes in the organization's activities	Section "Work with Personnel"			
404-1	Average annual training hours per employee	Section "Training and development of personnel"			
404-3	Proportion of employees, for whom periodic performance and career development assessments are carried out	Section "Training and development of personnel"			
Diversity and Equal Opportunity (GRI 405: Diversity and Equal Opportunity 2016)					
3-3	Management of material topics	Section "Diversity and Inclusion"			
405-1	Diversity of governing bodies and employees	Section "Diversity and Inclusion"			

Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
Occupational Health and Safety (GRI 403: Occupational Health and Safety 2018)					
3-3	Management of material topics	Section "Approach to Occupational Health and Safety Management"			
403-1	Occupational Health and Safety Management System	Section "Approach to Occupational Health and Safety Management"			
403-2	Hazard identification, risk assessment, accident investigation	Section "Approach to Occupational Health and Safety Management"			
403-3	Occupational safety services	Section "Approach to Occupational Health and Safety Management"			
403-4	Employees participation, consultation and communication on occupational health and safety issues	Section «Approach to Occupational Health and Safety Management»			
403-5	Training of employees on occupational health and safety issues	Section «Improving safety culture and training in occupational safety and health issues»			
403-6	Workers Health Promotion Programs	Section «Approach to Occupational Health and Safety Management»			
403-7	Preventing and mitigating occupational health and safety impacts directly related to business relationships	Section «Improving safety culture and training in occupational safety and health issues» Section «Injury Prevention»			



Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
403-8	Employees covered by the occupational health and safety management system	Section "Approach to Occupational Health and Safety Management" Section "Improving safety culture and training in occupational safety and health issues"			
403-9	Industrial injuries	Section "Injury Prevention"			
403-10	Occupational diseases	Section "Approach to Occupational Health and Safety Management"			
Local Communities (GRI 201: Economic Performance 2016) (GRI 203: : Indirect Economic Impacts 2016) GRI 413: Local Communities 2016)					
3-3	Management of material topics	Chapter 6. Support of Local Communities			
201-1	Direct economic value created and distributed	Section "Economic Performance"			
203-1	Investment in infrastructure and support of services	Section "Charity and sponsorship"			
413-1	Community-based activities, impact assessments and development programmes	Section "Charity and sponsorship"»			
413-2	Operations with significant actual and potential negative impacts on local communities	Section "Charity and sponsorship"			

Indicator	Disclosure	Section	Exceptions		
			Missing requirement	Reason	Explanation
Category "Managerial and economic" (G)					
Responsible Supply Chain (GRI 204: Purchasing Practices 2016)					
204-1	Proportion of expenditure on local suppliers in significant areas of operation	Section "Responsible Supply Chain"»			
Fight against corruption (GRI 205: Anti-corruption 2016)					
3-3	Management of material topics	Section "Fight against corruption"			
205-1	Transactions assessed for risks, associated with corruption	Section "Fight against corruption "			
205-2	Information and training on anti-corruption policies and procedures	Section "Fight against corruption "			
205-3	Confirmed cases of corruption and taken measures	Section "Fight against corruption "			



Appendix 3. Glossary

JSC	Joint Stock Company
OHS	Occupational health and safety
RP	Resoution of the President of the Republic of Uzbekistan
Media	Mass media
DP	Decree of the President
UNSDG	United Nations Sustainable Development Goals
ISO	International Organization for Standardization
GRI	Global Reporting Initiative
ESG	Environmental, Social, Governance
EP	Environmental protection
IMS	Integrated management system
TCFD	Task Force on Climate-Related Financial Disclosure
NGFS	Network for Greening the Financial System
GHG	Greenhouse gases
MPE	Maximum permissible emissions
P	Pollutants
BWTP	Biochemical wastewater treatment plant
KPI	Key performance indicators
CH ₄	Methane
CO ₂	Carbon dioxide
N ₂ O	Nitrous oxide
NO _x	Nitrogen oxides
MMW	Minimum monthly wage
NAS	National Accounting Standard

Appendix 4. Contact information

GRI 2-1, 2-3

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