



NMMC

JSC NAVOI MINING
AND METALLURGICAL
COMPANY

SUSTAINABILITY REPORT

FOR 2022

2022



TABLE OF CONTENTS

Management message 04

The Company in numbers – Key Indicators for 2022 06

Key events of 2022 12

1. ABOUT THE COMPANY 16

NMMC history 19

Company’s business model 22

 NMMC’s mission 23

Transformation of JSC NMMC 24

Geography and markets of presence 26

2. SUSTAINABLE DEVELOPMENT MANAGEMENT 28

Sustainability management approach 31

 Structure and management tools 31

 Sustainable development risk management 33

Corporate governance system 34

 Sole Shareholder 34

 Supervisory Board 35

 Management Board 37

 Internal Audit Service and Corporate Consultant 38

Stakeholder engagement 39

Priority UN SDGs 42

Membership associations and adherence to international principles 46

3. ENVIRONMENTAL MANAGEMENT (E) 48

Environmental Management System 51

 Structure and management tools 52

 Environmental compliance 55

Water resources protection 56

 Water supply 57

 Water discharge 60

 Monitoring of water pollution sources 61

Air quality 62

Climate change 67

 Approach to climate change governance 67

 Climate threats and opportunities 68

 Monitoring of greenhouse gas emissions 69

Energy management 71

 Energy efficiency 71

 Energy consumption 71

 Alternative energy 72

 Reduction of energy consumption 73

 Energy intensity 74

Sustainable land use 76

 Monitoring of soil contamination sources 77

Waste and tailings management 78

 Waste management 78

 Waste utilization 79

 Tailings management 81

 Cyanide management 82

Biodiversity protection 84

4. MANAGEMENT OF SOCIAL ASPECTS (S) 86

Personnel management 89

 Personnel management approach 89

 Management structure and tools 90

 Employment 91

 Personnel recruitment 94

 Employee turnover 95

 Remuneration and motivation 96

 Personnel training and development 97

 Personnel reserve 99

Socio-cultural diversity and equal opportunities 100

 Diversity of management bodies and personnel 101

 Inclusion and social support for personnel 103

Occupational health, safety and emergency preparedness 105

 Approach to the management of occupational health and safety issues 105

 Management structure and tools 107

 OHS organization 109

 Risk management of OHS 110

 Incident prevention and improvement of safety culture 111

 Training and instruction 112

 Emergency preparedness 113

Interaction with local communities 115

 Management approach 115

 Projects of community support 116

 Creating jobs in remote regions 117

 NMMC – for children and retirees 118

 NMMC – culture and sports 119

 NMMC – medicine 119

5. CORPORATE GOVERNANCE (G) 120

Ethics and anti-corruption 124

 Management approach 124

 Compliance Service activities 124

 Complaints and suggestions mechanism 126

Responsible supply chain 127

 Management approach 127

Economic performance 130

 Management approach 130

Information technology and digitalization 131

 Management approach 131

Innovation development 133

 Management approach 133

6. APPENDIX 134

Appendix 1. About the Report 134

Appendix 2. Contact information 137

Appendix 3.GRI content index 138

Appendix 4. SASB content index 142

Appendix 5. Glossary 144

Independent assurance 146

MANAGEMENT MESSAGE

“JSC NMMC IS THE LARGEST INDUSTRIAL ENTERPRISE
OF THE COUNTRY, MAKING A SIGNIFICANT CONTRIBUTION TO THE ECONOMIC
GROWTH AND SOCIAL DEVELOPMENT OF THE REPUBLIC OF UZBEKISTAN”



KUVANDIK
SANAKULOV

CHAIRMAN OF THE BOARD –
GENERAL DIRECTOR OF JSC NAVOI
MINING AND METALLURGICAL
COMPANY, HERO OF UZBEKISTAN

GRI 2-22

Dear shareholders, partners and
colleagues!

JSC NMMC is the largest industrial enterprise of the country, making a significant contribution to the economic growth and social development of the Republic of Uzbekistan. Such status determines high responsibility in approaches to sustainable development issues, building relations and interactions with our employees, founder, representatives of public and state organizations, customers and partners. Therefore, when making strategic decisions and plans for further development, we always take into account the interests of our stakeholders.

NMMC is the flagship of Uzbekistan’s economy and is among the largest gold producers in the world. The Company has great potential for external financing using funds from international financial institutions and funds received from the initial

2,830
thousand troy
ounces

the gold production
in 2022

67.9
million tons

the total ore
extraction in 2022

\$5,095
million

NMMC’s revenue in 2022

public offering (IPO) on international stock markets. An important factor in capital flows in global financial markets is the growing expectations of stakeholders requiring active management of ESG risks and opportunities as part of the corporate business strategy.

The report presented to you shows in detail the work done by NMMC in 2022, including the results of the Company’s activities in economic, social, and environmental areas.

Transformation

Since 2019, the Company has been undergoing a transformation and implementing advanced management standards. The transformation of NMMC will enhance the company’s efficiency, reduce long-term risks, strengthen its position in international markets, and attract investment, including through an IPO.

As part of the company’s restructuring, three independent businesses were formed in 2021. Transformation, which also includes transformation in the field of reporting and transparency of the procurement system, management practices, as well as optimization of business processes, has become a necessary step to increase investment attractiveness.

Key operating results

In 2022, NMMC demonstrated strong operating and financial results. Ore extraction amounted to 67.9 million tons, gold production – 2,830 thousand troy ounces.

NMMC’s revenue for the year rose by 6% compared to 2021, reaching \$5,095 million¹. However, the net profit decreased by 20% to \$1,008 million².

The Company paid dividends amounting to \$1,389 million to its shareholders, marking a surge of more than 41% over the previous year. In 2022, NMMC emerged as the top performer among Uzbekistan’s companies, leading the pack in net profit. Furthermore, NMMC also contributes the largest share of tax revenues to the country’s state budget, accounting for over 15% of all income.

Improving our approach to sustainability

Integration of sustainable development principles is now a priority part of NMMC’s business processes. The Company strives to grow its production and financial performance while taking into account the impact on the economy, society and the environment. For this purpose, a Sustainable Development Committee was formed, responsible for the implementation of activities in line with international best practices. The Committee acts as the main decision-making body with respect to sustainability goals and policies. The Committee’s work resulted in decision-making within the framework of environmental and occupational health and safety risk management, as well as revision of the program of strategic initiatives.

NMMC’S REVENUE FOR THE YEAR ROSE BY 6% COMPARED TO 2021, REACHING \$5,095 MILLION. HOWEVER, THE NET PROFIT DECREASED BY 20% TO \$1,008 MILLION.

Environmental protection

Environmental protection is of great importance in the operation and development of production. Every year, environmental processes are integrated more deeply into production operations.

As part of the ongoing implementation of environmental program, work is underway to modernize energy-intensive production facilities and improve energy efficiency. In the reporting period, NMMC’s total energy consumption amounted to 31.4 million GJ.

In 2022, NMMC has significantly improved its environmental performance. Compared to 2021 levels, the Company treated and reused 3,880.7 thousand m³ of domestic and industrial effluents for technological and irrigation purposes, and reduced CO₂-eq. emissions by 4,207.47 tons through implementing the energy saving action plan.

Safety issues

Over the reporting period, the Company tried to make advancements and provide employees with all necessities in terms of health and safety in the work environment. In 2022, NMMC continued to develop digital solutions in the field of industrial safety.

Supporting the regions where the Company operates

An integral part of the Company’s sustainable development practices is building strong relationships with local communities in the regions where it operates. Each year, NMMC allocates significant financial resources to provide social support, the organization of cultural and sporting events, the implementation of educational projects and also improvement of healthcare and infrastructure.

In 2022, NMMC allocated more than \$232 million for sponsorship and charity.

¹ The annual average exchange rate of the Uzbek Soum to the US dollar for 2022 (1 US dollar = 11,051 Uzbek Soum) was used in the conversion of monetary indicators.
² All financial figures are presented in line with the financial statements prepared in accordance with IFRS for the 12 months of 2022, available on the Company’s website.

THE COMPANY IN NUMBERS — KEY INDICATORS FOR 2022

EM-MM-000.A

NMMC IS THE LARGEST INDUSTRIAL COMPANY
IN THE COUNTRY AND OCCUPIES A LEADING POSITION
IN THE ECONOMIC DEVELOPMENT OF THE REPUBLIC
OF UZBEKISTAN.

Kitco.com (Canada), a leading analytical company of precious metals and bullion retailing, named Muruntau mine of JSC NMMC as the second largest gold mine in the world according to the results of 2022.

Over the years of its operation, NMMC has earned the recognition of the world's leading representatives of the gold mining industry, gained invaluable experience of cooperation with well-known foreign companies in the introduction of modern mining and processing equipment, development and implementation of advanced technologies, and creation of new production facilities.

On the initiative of the President of the Republic of Uzbekistan, with the aim of introducing a modern system of corporate governance in NMMC, improving competitiveness, expanding existing production capacities, and also attracting foreign direct investment into the industry, the Company started its operations in the form of Joint Stock Company Navoi Mining and Metallurgical Company on **January 1, 2022**.

On **May 30, 2022**, for the first time in the history of the Company, a full set of financial statements for 2021 was prepared in accordance with international standards. The report was audited by an international audit company, resulting in a favorable opinion.

JSC NMMC is the largest industrial enterprise in Uzbekistan and has been implementing strategic investment projects in recent years. As part of these projects, in 2022, the first blasting operations were performed at the Balpantau and Tamdybulak deposits in the territory of Tamdyn district and mining operations started. At the same time, a 35-kilometer railway line connecting Tamdybulak deposit with Hydrometallurgical Plant No. 2 was put into operation.

NMMC produced \$5,121.4 million worth of products in 2022.

IN 2022 NMMC PRODUCED
2,830 THOUSAND TROY
OUNCES OF GOLD.



10.3%

the share of JSC NMMC
in the production
of industrial output
of the republic in 2022

\$5,095

million
NMMC's revenue in 2022

\$1,389

million
dividends to the state
budget

\$50.2

million
products worth, that
were manufactured
as part of the Localiza-
tion Program

16.3%

the total share
of revenues
to the state budget

106.2%

the growth rate
against the previous
year

\$486

million
the amount of funds
disbursed under
the Investment Program
created

>\$388.8

million
products worth, that
were purchased through
inter-sectoral industrial
cooperation

4TH PLACE

in the rating
of the global gold
producing companies

\$1,632

million
paid taxes and mandatory
payments to the state
budget of the Republic
of Uzbekistan

2,095

new jobs

~\$99.1

million
reduction in the cost
of manufactured products
after the implementation
of comprehensive cost
optimization measures

The Company operates in four regions of the republic

6.3%

the Company’s output of the country’s GDP

OPERATIONAL INDICATORS

2,830

thousand troy ounces
gold produced in 2022

67.9

million tons
ore mined

97

million tons
ore processed

3,029.9

million tons
total operational ore reserves as of 01.01.2023

FINANCIAL AND ECONOMIC INDICATORS

\$5,095

million
revenue

\$1,632

million
contributions to the state budget

\$3,131

million
Adjusted EBITDA

\$825

million
CAPEX

>16.3%

the Company’s share of total revenues to the state budget

\$1,389

million
dividends paid



SUSTAINABILITY INDICATORS

SOCIAL RESPONSIBILITY

>\$232

million
social benefits in 2022

45,696

people
average number of employees

3,747

people
total number of employees hired in 2022

292

employees
study at universities of the Republic of Uzbekistan at the Company’s expense

5.13%

the staff turnover rate in 2022

\$332

million
payroll payments

\$762

the average salary

8

units
the number of patents implemented in 2022

Entry-level salaries in the Company are

59%

higher than the national minimum wage

13%

share of women in the total number of employees

15,051

people
number of employees who completed retraining programs, training in second and related professions and professional development programs

The Company has its own licensed electronic digital signature (EDS) center

SUSTAINABILITY INDICATORS

ENVIRONMENTAL PROTECTION

>40,000

fruit and ornamental trees and shrubs were planted on the area of 122.7 hectares of land in autumn of 2022

>56,100

in spring

3,880.7

thousand m³ of domestic and industrial effluents were treated and reused after treatment in 2022

204

thousand GJ reduction in energy consumption

129

thousand GJ of electricity

75

thousand GJ of natural gas

0

serious incidents

with environmental consequences

4,207.5

tons of CO₂-eq the total reduction of greenhouse gas emissions due to the implementation of energy saving measures

31.4

million GJ total energy consumption in the Company

The Central mine operates an environmental management system based on ISO 14001:2015 standard

In 2022, 0.01 MW photovoltaic power plants were put into operation in the Grid and Substation Shop of NMMC, as well as 0.04 MW in the Central Laboratory of “Control and Measuring Instruments and Automation”.

SUSTAINABILITY INDICATORS

OCCUPATIONAL HEALTH AND SAFETY, EMERGENCY PREPAREDNESS

\$257.5

thousand expenditures for fire safety systems

402

civil protection formations with a personnel of 4,197 people were created in NMMC units in 2022

>34,000

employees were trained on emergency preparedness

0

the number of emergencies

The automated industrial safety management system ‘AIS AMISOS’ (Automated management information system for occupational safety) was improved

A “Health and Safety Management System” based on ISO 45001:2018 is in place



KEY EVENTS OF 2022

01 JANUARY

- On January 1, 2022, Joint Stock Company Navoi Mining and Metallurgical Company, Navoiyuran government-owned enterprises, and Navoi Mining and Metallurgical Company Fund State Institution commenced independent operations.



- On January 7, a workshop for production of Turkmen carpets "Sarimoi" was put into operation at the initiative of NMMC to provide employment for women in the mahalla "Sarimoi" in Tuprak-kala district of Khorezm region.



03 MARCH

- On March 10-14, ecological action within the framework of "Yashil Makon" project was launched, participants actively planted saplings of saxaul on the dried up part of the Aral Sea. They also visited secondary schools No.1, 2, 3, 4, 8 of Muynak district, where they talked with talented students and handed over modern computers, 12.5 thousand e-books and memorable gifts to children of the district.



- JSC NMMC jointly with the Creative Union of Journalists of Uzbekistan held the first national media forum on the theme "National journalism: continuity of traditions and modernity".



04 APRIL

- Within the framework of investment projects implemented by NMMC, the Balpantau and Tamdybulak deposits as part of the Muruntau mine were opened in the territory of Tamdysky District. The deposits will produce more than 3 million tons of gold-bearing ore for 15 years. The construction of a mining enterprise on the basis of these deposits creates about 700 new jobs for the district residents.



- On April 22, 2022 in the museum 'History of NMMC' in Navoi city the awarding ceremony of winners of the contest "The best rationalization proposal" held in 2021 among young employees of the Joint Stock Company 'Navoi Mining and Metallurgical Company' was held.



- International analytical center Kitco (Canada) announced the list of Top 10 largest mines in 2021. According to this list, Muruntau mine became the world leader in gold production in 2021. Last year, Muruntau mine produced more than 2 million ounces of gold.

05 MAY

- Agency for State Assets Management of the Republic of Uzbekistan published an analysis of financial statements of enterprises with state participation. According to the results of the analysis of financial statements of enterprises for 2021, the company with the highest net profit and dividends was Navoi Mining and Metallurgical Company.
- On May 7, a modern sports facility – a handball hall – was put into operation in Navoi. Construction works were carried out at the expense of NMMC and the Trade Union Council. The Company pays constant attention to the development of sports and support for the realization of youth aspirations.



- On May 13, 2022 in the Palace of Culture "Farhad" in Navoi city was held a celebration dedicated to the Day of workers of mining and metallurgical industry of the Republic of Uzbekistan.
- On May 30, 2022, JSC NMMC issued its first full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the years ended December 31, 2021 and 2020.

06 JUNE

- On June 1, an exhibition of imported products was held in order to introduce spare parts and components in demand in the Company's production processes at local enterprises, as well as to further expand industrial cooperation between the Company and local manufacturers. The Company actively promotes localization programs and thus contributes to the development of local manufacturers' potential.



- On June 14, the conference of the labor collective of the Joint Stock Company "Navoi Mining and Metallurgical Company" was held. The conference discussed the implementation of the Collective Agreement for 2021, the adoption of the Collective Agreement for 2022-2024 and other issues related to the work done in the social and economic spheres, as well as the implementation and protection of labor rights of employees of NMMC.
- On June 29 in the Palace of Culture "Farhad" within the framework of ensuring the involvement of the civilian population of Navoi city was held a meeting dedicated to the discussion of the essence and meaning of the draft Constitutional Law of the Republic of Uzbekistan "On introducing amendments and additions to the Constitution of the Republic of Uzbekistan".

07 JULY

- On July 18, a new administrative building of the Central Geological Exploration Party of NMMC Geological Exploration Expedition was inaugurated. The Central Geological Exploration Party also built a core storage, new premises equipped with modern crushing and core-cutting machines.



08 AUGUST

- A 35-kilometer railway line connecting the Tamdybulak deposit with Hydrometallurgical Plant No. 2 was commissioned in the territory of Tamdinsky District. The construction of the railroad started in November 2021 and was fully realized by the Company's specialists.

- On August 24, an event was held at the industrial site "Zarmitan" in Zarkent settlement of Kushrabat district of Samarkand region dedicated to the achievement of the depth of the mine shaft under construction with skip and cage lifts of 1,000 meters. This result was achieved thanks to two years of joint work with the Czech company "Mine Construction Alliance s.r.o." and is the first in the history of mining industry of Uzbekistan and Central Asia. The diameter of the mine shaft was 6.5 meters.

10 OCTOBER

- On October 28, 2022 in the Palace of Culture "Farkhad" in Navoi city the report-election Conference of Trade Union of Navoi Mining and Metallurgical Company employees for 2017-2022 was held and the report of the Chairman of the Trade Union Council of NMMC employees I. Rakhmatov on the results of work for the past five years, the work done to fulfill the tasks stipulated by the Collective Agreement, protection of socio-economic interests and rights of employees in the field of labor, improvement of their health and other important areas was heard. The composition and Chairman of the Council of the Trade Union of NMMC employees and members of the Control and Audit Commission were duly elected.



- On August 22-26 in the Ministry of Innovative Development of the Republic of Uzbekistan representatives of JSC NMMC took part in the week 'Innovations in mining and metallurgical sphere' with innovative ideas, developments and innovative products.

- On August 27, a marathon was held among NMMC employees and their families under the motto "In New Uzbekistan, human dignity, interests of the people are the highest value".

- October 28, 2022 JSC NMMC became the winner of the international contest "1C: Project of the Year" in the category "Mining Industry" for the implementation of the project on automation of corporate reporting based on the software "1C: ERP. Holding Management" software.



11 NOVEMBER

- In the city of Tashkent within the framework of the 4th International Mining and Metallurgical Forum of Uzbekistan (UIMF 2022) and the 16th International Exhibition "Mining, Metallurgy and Metalworking – MiningMetals Uzbekistan 2022" a special session with the participation of representatives of JSC NMMC was presented.



- An audit was initiated in November to assess compliance with the Principles for Responsible Gold Mining and the International Cyanide Code. The audit carried out was the first audit in the field of ESG activities, covering all mining departments and almost all production facilities of JSC NMMC.

- On November 14-18, the Republican Intersectoral Industrial Fair was held in the city of Tashkent, within the framework of which 167 contracts were concluded for the purchase of products from 57 local manufacturers in the amount of \$37.7 million and contracts for \$243 thousand for the sale of products produced by the Company.



- On November 29 – December 1, representatives of JSC NMMC took part in the event on investment and raising capital in the mining industry "Mines and Money" in London (Great Britain).



12 DECEMBER

- The corporate portal for occupational health and safety was put into operation. This portal is a convenient tool for all Company's specialists to update and consolidate their knowledge in the field of occupational health and safety.
- In accordance with the decree of the President of the Republic of Uzbekistan "On awarding State Prizes of the Republic of Uzbekistan in the field of science and technology, literature, art and architecture" dated December 12, 2022, eminent scientific specialists of Joint Stock Company Navoi Mining and Metallurgical Company Kuvandik Sanakulov, Nikolay Snitka, Rustamjon Usmanov, Ulugbek Ergashev and Otabek Mustakimov were awarded the State Prize of the first degree in the field of science and technology for the scientific and practical work "Development and implementation of a comprehensive technology for the development and processing of technological and refractory gold ores."

ABOUT THE COMPANY



NMMC PLAYS A STRATEGIC ROLE IN THE ECONOMY OF UZBEKISTAN AND OCCUPIES AN IMPORTANT PLACE IN THE WORLD MARKET OF PRECIOUS METALS.

NMMC history	19
Company's business model	22
Transformation of JSC NMCC	24
Geography and markets of presence	26

KEY INDICATORS FOR 2022

\$1,632

million

paid to the state budget

\$1,389

million

of dividends paid out

2ND

place

among the world's
largest gold mines
in 2022 (Muruntau
deposit)

GRI, SASB INDICATORS

GRI 2-1, 2-6

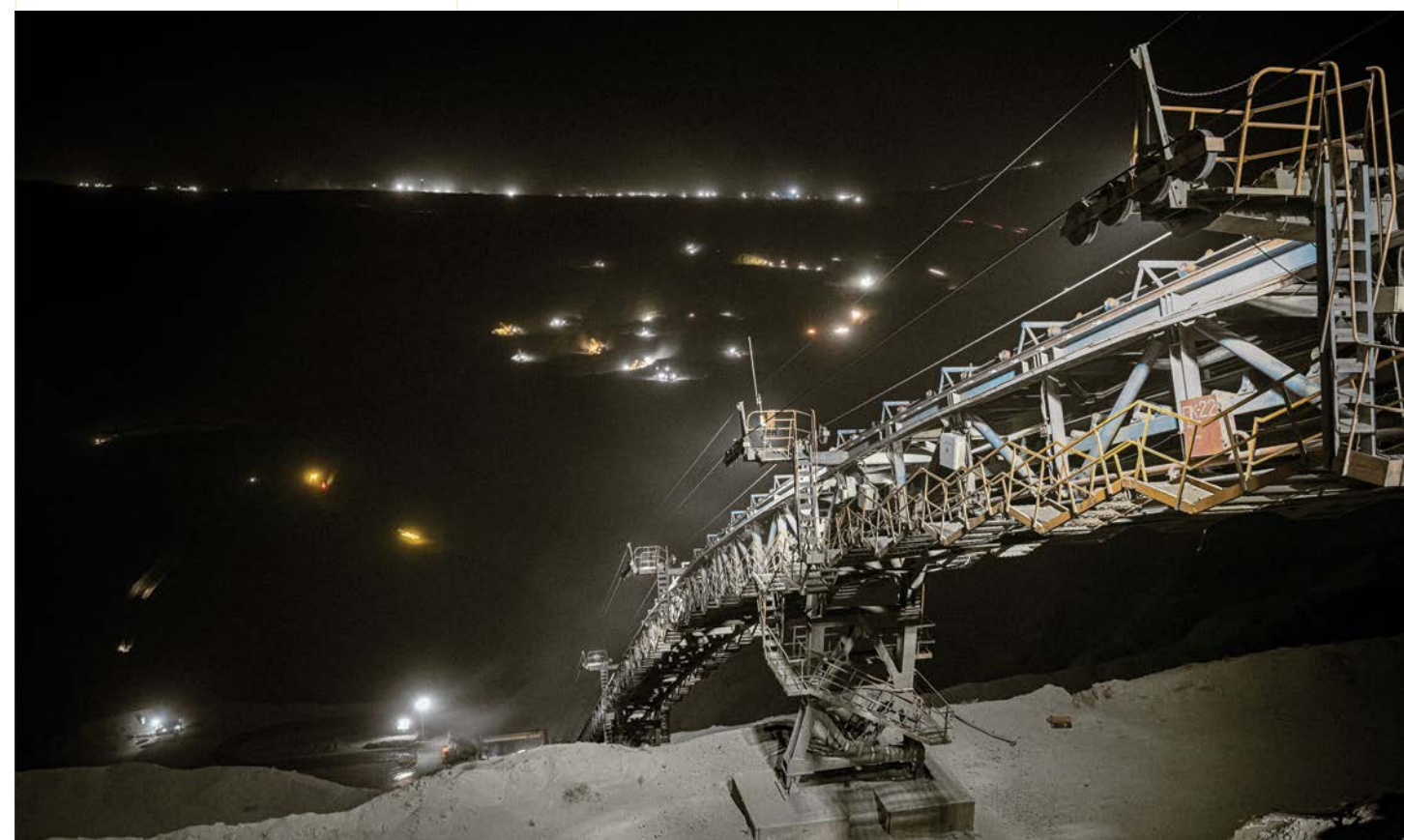
NMMC HISTORY

GRI 2-1

NMMC PLAYS A STRATEGIC ROLE IN THE ECONOMY OF UZBEKISTAN AND OCCUPIES AN IMPORTANT PLACE IN THE WORLD MARKET OF PRECIOUS METALS. THE COMPANY IS AN INDUSTRIAL CLUSTER THAT CARRIES OUT A FULL PRODUCTION CYCLE — STARTING FROM GEOLOGICAL EXPLORATION OF RESERVES, MINING, ORE PROCESSING, TO PRODUCTION OF FINISHED PRODUCTS. THE COMPANY IS FOCUSED ON THE USE OF ADVANCED TECHNOLOGIES AND EQUIPMENT, INCLUDING MODERN MINING TRANSPORT SYSTEMS, MINES, AND PLANTS. THE '999.9' HALLMARKS ON NMMC GOLD BARS BECAME A BRAND OF UZBEKISTAN ON INTERNATIONAL EXCHANGES OF PRECIOUS METALS.

During the years of independence of the Republic of Uzbekistan NMMC reached a completely new stage of development. As a result of technical and technological modernization of existing and construction of new processing plants, the plant achieved considerable success in production.

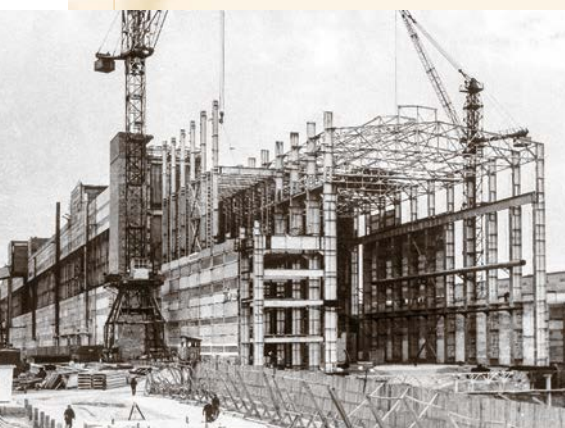
NAVOI MINING AND METALLURGICAL COMPANY IS A RELIABLE PARTNER, A GUARANTOR OF HIGH QUALITY, EFFICIENCY, AND STABILITY.



DEVELOPMENT MILESTONES

1958

ESTABLISHMENT OF THE NAVOI MINING AND METALLURGICAL COMPANY.



LAUNCH OF THE FIRST HYDROMETALLURGICAL PLANT IN NAVOI AND START OF URANIUM ORE PROCESSING.

1964



1969

PURE GOLD INGOT FROM MURUNTAU DEPOSIT WEIGHING 11 KG 820 G WAS OBTAINED.

THE NAVOI STATE MINING INSTITUTE WAS ESTABLISHED.



1995

1994

NMMC GOLD WAS AWARDED THE STATUS OF 'OPTIMAL DELIVERY' BY THE LONDON BULLION MARKET ASSOCIATION (LBMA).

1993

NMMC WAS AWARDED THE 'DIAMOND STAR FOR QUALITY' (BRAZIL) AND THE 'QUALITY PRIZE' (SPAIN) FOR HIGH PRODUCT QUALITY.



1973

NMMC GOLD WAS AWARDED THE STATE QUALITY MARK.

THE PRIORITY AREAS OF NMMC'S ACTIVITIES ARE INDUSTRIAL DEVELOPMENT OF SUBSOIL RESOURCES, MINING AND PROCESSING OF MINERALS, IN PARTICULAR PRECIOUS METALS. THE MAIN PRODUCT OF THE COMPANY IS GOLD. GOLD PRODUCED BY THE COMPANY IS SOLD BY THE CENTRAL BANK OF THE REPUBLIC OF UZBEKISTAN.

NMMC GOLD SUCCESSFULLY PASSED CERTIFICATION ON THE TOKYO INDUSTRIAL COMMODITIES EXCHANGE.

1998

AN INTEGRATED MANAGEMENT SYSTEM TO PRODUCE PRECIOUS METALS AND PHOSPHORITE PRODUCTS WAS INTRODUCED AT THE CENTRAL MINE GROUP.

12 EMPLOYEES OF NMMC WERE AWARDED THE UNITED NATIONS WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO) GOLD MEDAL "FOR INVENTION" FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE "METHOD OF GOLD EXTRACTION FROM REFRACTORY SULPHIDE GOLD-ARSENIC ORES".



1999

THE ZARAFSHAN CONSTRUCTION DEPARTMENT BUILT A RAILWAY STATION IN THE CITY OF UCHKUDUK.

2005

2017

THE LONDON BULLION MARKET ASSOCIATION (LBMA) PROVIDED NMMC WITH A CERTIFICATE CONFIRMING THE SUCCESSFUL COMPLETION OF THE LATEST ROUND OF TESTING FOR FULL COMPLIANCE WITH MARKET REQUIREMENTS.

PRESIDENTIAL DECREE OF THE REPUBLIC OF UZBEKISTAN NO. PP-4124 DATED JANUARY 17TH, 2019 'ON MEASURES TO FURTHER IMPROVE THE ACTIVITIES OF ENTERPRISES IN THE METALS AND MINING SECTOR' WAS ADOPTED.

2019

FOR THE FIRST TIME IN THE HISTORY OF THE MINING INDUSTRY OF UZBEKISTAN AND CENTRAL ASIA, A DEPTH OF 1,000 METERS WAS REACHED AT THE ZARMITAN SITE DURING THE CONSTRUCTION OF A MINE SHAFT WITH LIFTS JOINTLY WITH THE CZECH COMPANY MINE CONSTRUCTION ALLIANCE S.R.O. WORK ON FURTHER TRANSFORMATION AND TRANSFORMATION OF THE COMPANY IS UNDERWAY: A PROGRAM OF MEASURES TO IMPROVE THE OPERATIONAL EFFICIENCY OF KEY MINES AND HYDROMETALLURGICAL PLANT (HMP) FOR 2023-2024 HAS BEEN ADOPTED.

2022



NMMC STATE-OWNED ENTERPRISE UNDERWENT A TRANSFORMATION PROCESS THROUGH THE ESTABLISHMENT OF SEVERAL LEGAL ENTITIES:

- JSC NMMC IS THE ENTERPRISE EXTRACTING AND PRODUCING PRECIOUS METALS;
- NMMC FUND STATE INSTITUTION;
- NAVOIURAN STATE ENTERPRISE.

2021

2020

PRESIDENTIAL DECREE OF THE REPUBLIC OF UZBEKISTAN NO. PP-4629 DATED MARCH 6TH, 2020 'ON MEASURES TO REFORM THE NAVOI MINING AND METALLURGICAL COMPANY SE' WAS ADOPTED.

COMPANY'S BUSINESS MODEL

NMMC's business model encompasses the views of all stakeholders at each stage of the production value chain. The Company aims to support the UN SDGs and develop the regions where it operates by adhering to the principles of responsible business, protecting the environment and providing fair working conditions (for more details see the Priority UN SDGs section).

GOLD ORE EXPLORATION AND LIFE CYCLE DESIGN OF MINING PROJECTS

EXPLORATION

- CONDUCTING GEOLOGICAL EXPLORATION WORKS

RESERVES ESTIMATION

- STATE COMMISSION ON RESERVES (SCR) RESERVES ESTIMATION

PROJECTING

- DEVELOPMENT AND APPROVAL OF PROJECTS

CONSTRUCTION

- DESIGN AND CONSTRUCTION OF PRODUCTION FACILITIES AND INFRASTRUCTURE



MINING

MINING³

- CONDUCTING ADVANCE AND FOLLOW-UP OPERATIONAL EXPLORATION

- MINING OPERATIONS

- ORE TRANSPORTATION TO THE MILL



ORE PROCESSING AND GOLD PRODUCTION

ORE PROCESSING

- HEAP LEACHING OF GOLD AND SILVER
- SORPTION CYANIDATION

GOLD PRODUCTION

- REFINING AND PRODUCTION OF 999.9 GOLD AND SILVER BARS



REFINED GOLD SALES

TRANSPORTATION

- TRANSPORTATION OF FINISHED PRODUCT



KEY PRIORITIES:

DEVELOPMENT OF THE COUNTRY'S ECONOMY

WELL-BEING OF THE REGIONS OF OPERATION AND INTERACTION WITH COMMUNITIES

GROWTH OF PRODUCTION EFFICIENCY

DEVELOPMENT AND IMPLEMENTATION OF INNOVATIONS

ENVIRONMENTAL PROTECTION AND IMPLEMENTATION OF GREEN ECONOMY PRINCIPLES

CREATION OF LONG-TERM SUSTAINABLE VALUE

³ Due to the separation of Navoiuran SE into a separate enterprise, HMP-5, specializing in natural uranium mining, withdrew from the perimeter of JSC NMMC

GRI 2-1, 2-6

PRODUCTION VALUE CHAIN IS A VERTICALLY INTEGRATED PROCESS.

NMMC'S MISSION

The mission of JSC NMMC is to work for the benefit and prosperity of our country by achieving the highest levels of performance. We take a responsible approach to production, care deeply, and pay close attention to the environment in Uzbekistan, and the work of our employees. To achieve goals, NMMC adhere to the best industry practices and standards. The Company is committed to fulfilling its mission in the most efficient and responsible manner and to creating added value for all our stakeholders.

EMPLOYEES:

46,643

people

the number of the Company's employees

The Company's success and further development depend on its employees. NMMC actively invests in the development of its employees at all stages of career growth.

STATE:

\$1,632

million

payments to the state budget

As a major taxpayer of the country, NMMC makes a significant contribution to social and economic development by actively cooperating with governmental authorities.

REGIONS OF OPERATIONS:

\$232

million

is allocated for sponsorship and charity

NMMC actively co-operates with local suppliers and creates jobs in the regions where it operates. As part of its social activities, the Company allocates funds for the construction, support and development of local infrastructure, and makes a significant contribution to charitable activities.

SHAREHOLDER:

\$1,389

million

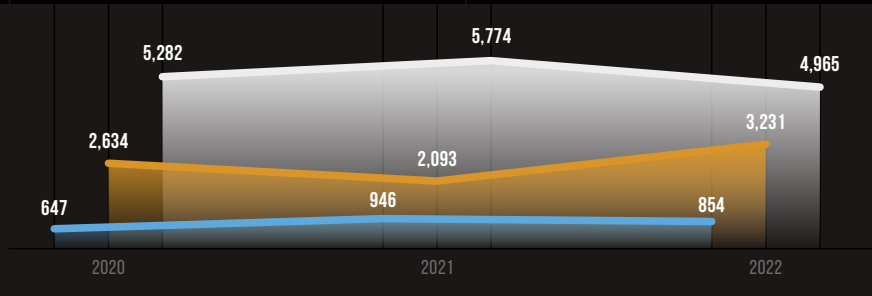
dividends paid

The main priority in the Company's work is to increase profitability. NMMC provides information on performance results to the Sole Shareholder on an ongoing basis.

The Company's primary objective with respect to its capital management is to maximize shareholder value. The Company manages its capital to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

TOTAL CAPITALIZATION BY DEBT AND EQUITY, \$ MILLION

Amount of current liabilities Amount of long-term liabilities Total capital



TRANSFORMATION OF JSC NMMC

IN 2019, A LARGE-SCALE PROCESS OF REFORMING THE MINING AND METALLURGICAL INDUSTRY OF THE COUNTRY STARTED IN THE REPUBLIC OF UZBEKISTAN. THE MAIN GOAL WAS TO GIVE A NEW IMPETUS TO THE DEVELOPMENT OF PRODUCTION, CREATE FAVORABLE CONDITIONS FOR ATTRACTING CAPITAL, IMPLEMENT MAJOR INVESTMENT PROJECTS AND IMPROVE CORPORATE PRACTICES.

To further improve the management system and increase the efficiency of JSC NMMC, as well as to attract investment (through IPO, SPO and Eurobonds), modernize production and to improve competitiveness, in 2019, the implementation of the project 'Transformation of JSC NMMC' SE began.

A large-scale process of transformation and creation of a joint-stock company continued at NMMC, accompanied by the introduction of best corporate governance practices, transformation of financial reporting and optimization of business processes. This strategy is aimed at integrat-

ing the Company into the international mining community, improving the Company's competitiveness, gaining access to the global market and attracting financing. NMMC is currently engaged only in gold mining and production.

AS A RESULT OF ECONOMIC REFORMS CARRIED OUT AT THE COMPANY, 3 INDEPENDENT ENTERPRISES WERE ESTABLISHED IN 2021:

- JSC NMMC, A PRECIOUS METALS MINING AND PRODUCTION ENTERPRISE;
- NMMC FUND STATE INSTITUTION – SOCIAL FACILITIES MANAGEMENT ORGANIZATION;
- NMMC SE WAS RENAMED INTO NAVOIURAN STATE ENTERPRISE – AN ENTERPRISE TO CARRY OUT MINING AND PROCESSING OF NATURAL URANIUM AND RARE-EARTH METALS.



TAKING INTO ACCOUNT THE PRIORITY OF THE DIRECTIONS AND OBTAINING THE MAXIMUM EFFECT FROM THE PLANNED ACTIVITIES, THIS PROGRAM WAS DIVIDED INTO 2 STAGES, WHICH ARE DESIGNED FOR IMPLEMENTATION IN 2023 – 2025.

KEY DIRECTIONS OF THE TRANSFORMATION PROGRAM AT NMMC:



DEVELOPMENT OF THE RESOURCE BASE BASED ON AN INTENSIVE EXPLORATION PROGRAM AND OPTIMIZATION OF PROJECT SOLUTIONS;



IMPROVING OPERATIONAL EFFICIENCY OF PRODUCTION AND AUXILIARY PROCESSES;



IMPLEMENTATION OF MODERN DIGITAL SOLUTIONS;



IMPROVING THE EFFICIENCY OF THE INVESTMENT PROCESS;



ORGANIZATIONAL DEVELOPMENT AND INCREASING THE EFFICIENCY OF THE MANAGEMENT MODEL;



IMPLEMENTATION OF INTERNATIONAL ESG AND INDUSTRIAL SAFETY STANDARDS.

GEOGRAPHY AND MARKETS OF PRESENCE

GRI 2-6

NMMC’s business structure comprises four mine groups (mining and metallurgical enterprises), as well as the ‘Navoi Machine Building Plant Production Association’ and ‘Zarafshan Construction Department’.

The Company’s gold production is concentrated in the central part of the Republic of Uzbekistan and covers four regions of the Republic. The production facilities of these mines are located in Navoi, Samarkand, Jizzakh and Tashkent regions.

The main gold production facilities of NMMC are distributed among the following ore departments:

- Central mine group;
- Northern mine group;
- Southern mine group;
- HMP-1 mine group.

The above-mentioned production complexes served as a foundation for the establishment and development of Navoi, Uchkuduk, Zarafshan and Nurabad cities. All these cities are connected by railroad and automobile communication, as well as by power lines, which are included in the unified power system of the Republic. In addition, the cities have autonomous life support systems, including centralized heat and water supply, housing and social facilities.

- MINE
- PROCESSING PLANT

NORTHERN MINE GROUP

LOCATION:
UCHKUDUK CITY

FUNCTIONS:
MINING AND PROCESSING
COMPLEXES OF GOLD

OPENING DATE:
1958

MAIN ASSETS:
VOSTOCHNIY MINE,
DAUGUZTAU, HMP-3

122.5 million
tons of ore

OPERATIONAL RESERVES FOR
01.01.2023

7,992

AVERAGE HEADCOUNT

HMP-1 MINE GROUP

LOCATION:
NAVOI CITY

FUNCTIONS:
RELEASE OF RHENIUM AND GOLD
OXIDE

OPENING DATE:
1964

MAIN ASSETS:
KARAKUTAN, ARISTANTAU, HMP-1

101.3 million
tons of ore

OPERATIONAL RESERVES FOR
01.01.2023

2,335

AVERAGE HEADCOUNT

NAVOI MACHINE BUILDING PLANT PRODUCTION ASSOCIATION

LOCATION:
NAVOI CITY

FUNCTIONS:
MANUFACTURING OF MACHINE
TOOLS, PRODUCTION OF STEEL
CONSTRUCTION STRUCTURES
AND REPAIR OF INDUSTRIAL
EQUIPMENT

OPENING DATE:
1963

3,378

AVERAGE HEADCOUNT

ZARAFSHAN CONSTRUCTION DEPARTMENT

LOCATION:
ZARAFSHAN CITY

FUNCTIONS:
CONSTRUCTION OF FACILITIES
AND MANUFACTURING
OF REQUIRED
CONSTRUCTION MATERIALS

OPENING DATE:
1967

3,086

AVERAGE HEADCOUNT

CENTRAL MINE GROUP

LOCATION:
ZARAFSHAN CITY

FUNCTIONS:
GOLD MINING AND
EXPLOSIVES
PRODUCTION

OPENING DATE:
1964

MAIN ASSETS:
MURUNTAU, AUMINZO AMANTOY,
GOLD HEAP LEACHING PLANT,
HMP-2, HMP-5, HMP-7

2,707.8 million
tons of ore

OPERATIONAL RESERVES FOR
01.01.2023

20,599

AVERAGE HEADCOUNT

SOUTHERN MINE GROUP

LOCATION:
NURABAD CITY

FUNCTIONS:
GOLD MINES

OPENING DATE:
1964

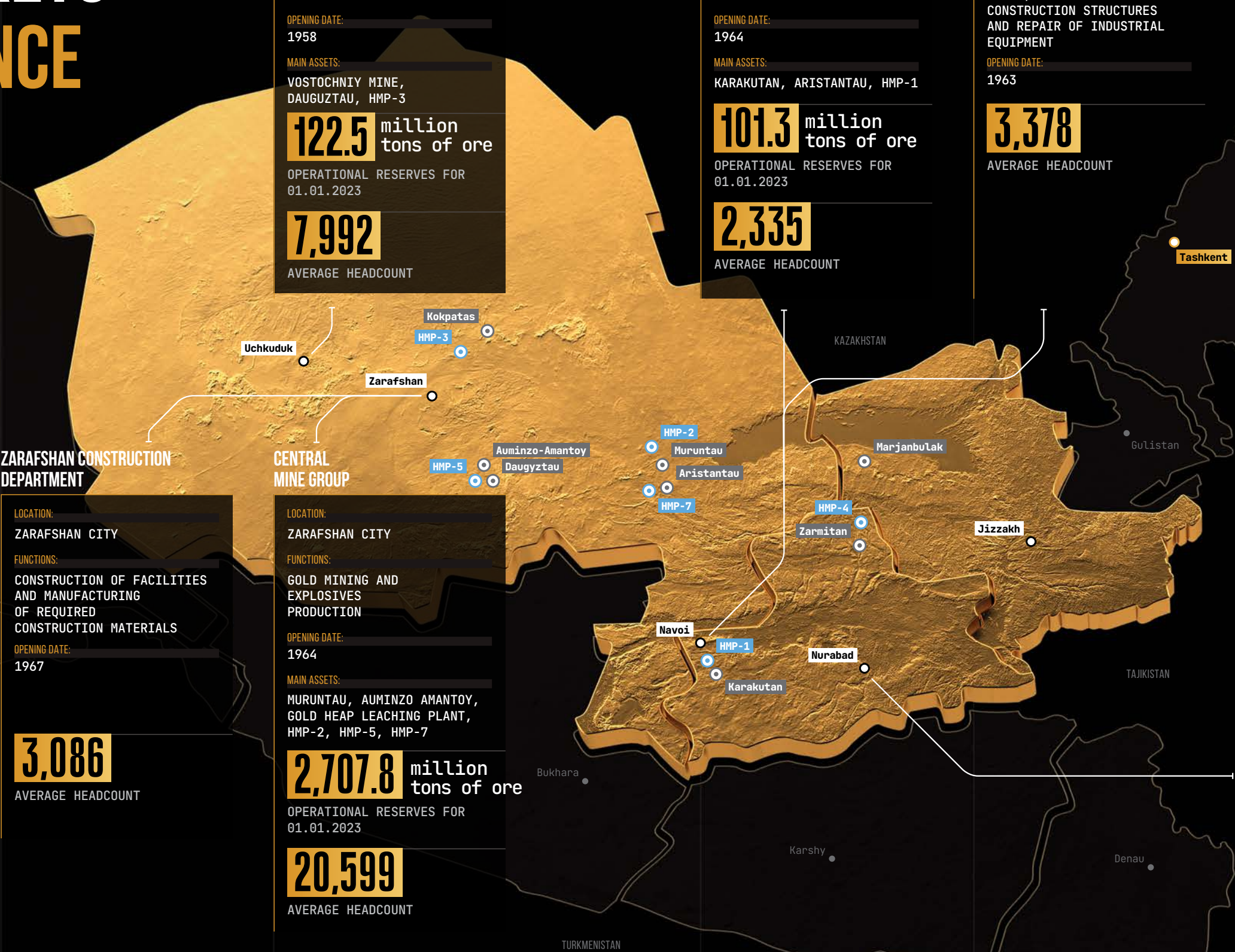
MAIN ASSETS:
ZARMITAN, GUZHUMSAY,
MARJANBULAK, HMP-4

98.3 million
tons of ore

OPERATIONAL RESERVES FOR
01.01.2023

5,913

AVERAGE HEADCOUNT



2

SUSTAINABLE DEVELOPMENT MANAGEMENT



IN ORDER TO ENSURE ONGOING OPERATIONS AND LONG-TERM SUSTAINABLE GROWTH, NMCC PROMOTES A COMPREHENSIVE, SYSTEMATIC AND PROACTIVE APPROACH TO MANAGING SUSTAINABILITY ISSUES.



Sustainability management approach	31
Corporate governance system	34
Stakeholder Engagement	39
Priority UN SDGs	42
Membership associations and adherence to international principles	46



KEY INDICATORS FOR 2022

\$1,389

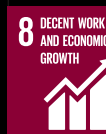
million

paid dividends
to the Founder

The Anti-Corruption
and Ethics Committee
was established

A multidisciplinary
specialized pre-
school educational
organization with
a rehabilitation
center "Umid" was
built

CONTRIBUTION TO THE UN SDGS



GRI, SASB INDICATORS

GRI 2-9, 2-10, 2-11, 2-12, 2-13,
2-14, 2-17, 2-19, 2-20, 2-23, 2-24,
2-29, 3-3, 202-2

SUSTAINABILITY MANAGEMENT APPROACH

GRI 3-3, 2-24

IN ORDER TO ENSURE ONGOING OPERATIONS AND LONG-TERM
SUSTAINABLE GROWTH, NMMC PROMOTES A COMPREHENSIVE,
SYSTEMATIC AND PROACTIVE APPROACH TO MANAGING
SUSTAINABILITY ISSUES.

The Company aims to create an effective sustainable development management system and continues to actively work on introducing and integrating sustainable development principles into its business processes.

NMMC's key principles for creating an effective sustainable development management system are:

- commitment to the principles of sustainable development at all levels of management;
- identification of risks in sustainable development in the social, economic, and environmental spheres;
- frequent stakeholder engagement;
- implementation of priority areas (initiatives) in sustainable development;
- integration of sustainable development principles into key business processes;
- professional development of the Company's employees in sustainable development;
- organization of the annual sustainable development reporting process;
- performance assessment in sustainable development.

STRUCTURE AND MANAGEMENT TOOLS

GRI 2-17, 2-23

According to internal regulations, the Sole Shareholder, the Supervisory Board, and the Management Board, within the scope of their authority, ensure the formation of an appropriate sustainability management system and its further implementation. At the same time, the Company's employees and managers at all levels are actively involved in the process of promoting sustainable development.

The Sustainable Development Committee functions under the Supervisory Board of NMMC. The purpose of the Committee is to monitor the implementation of the Company's sustainable development strategy and publicly promote ethical, transparent, and responsible business conduct. This Committee among other things is also responsible for monitoring the Company's environmental and labor protection indicators, as well as coordinating annual and strategic activities in these areas.

Also in the reporting year, the Company established the Anti-Corruption and Ethics Committee, which is responsible for ensuring compliance with the anti-corruption policy and professional ethics at NMMC.



CORPORATE GOVERNANCE STRUCTURE FOR 2022



The Company has the following regulatory documents governing the sustainable development management processes and available on the Company’s website:

- Charter of JSC NMMC (approved by the Extraordinary Shareholders’ Meeting, 2022);
- Code of Ethics for the employees of JSC NMMC (Approved by the Supervisory Board, 2022);
- Anti-corruption policy of JSC NMMC (Approved by the Supervisory Board, 2022);
- Policy of the Central Mine Group of NMMC in the field of quality, environment, health and safety (Approved by the Supervisory Board, 2022);
- Labor Regulations Policy;
- Regulations on the Sustainable Development Committee;
- Regulations on the Company’s Youth Leadership Council;
- Regulations on the Compliance Service (Approved by the Supervisory Board, 2022);
- Collective Agreement;
- Regulations on Human Resources Management;
- Regulations on the Human Resources Department;
- Regulations on Personnel Recruitment (Approved by the General Director, 2022);
- Regulations on professional re-training and professional development of the Company’s personnel;
- Regulations on the organization of training and knowledge testing;
- Regulations on the personnel reserve;
- Regulations on the Procedure for Handling Appeals of Individuals and Legal Entities at the Company;
- Regulations on the Procedure for Technical Investigation of the Causes of Incidents at Hazardous Production Facilities of NMMC (Approved by the Supervisory Board, 2022);
- Regulations on the organization and implementation of industrial control over compliance with industrial safety requirements at NMMC’s hazardous production facilities;
- Regulations on the performance of contractual works at the territory of the operating unit(s) of NMMC.

SUSTAINABLE DEVELOPMENT RISK MANAGEMENT

NMMC understands that the Company’s activities may lead to adverse environmental or social consequences. To reduce the likelihood of such consequences, the Company regularly analyses potential sustainability risks and threats and corresponding opportunities for the business, employees, and other stakeholders, and strives to make balanced decisions based on risks and opportunities.

The Company takes the same approach to identifying, assessing, monitoring, and managing financial and non-financial risks. All risks are periodically assessed to ensure that they are addressed and effective management measures are developed. The Company then analyses risk factors, including sustainability risks, which may

adversely affect business development and the achievement of set goals and indicators.

The Company identified the following key risks for itself and continued systematic work to manage them.

CATEGORY AND ANALYSIS OF KEY RISKS

INDUSTRY RISKS	OPERATIONAL RISKS	FINANCIAL RISKS	SUSTAINABILITY RISKS
RISKS OF FALL IN GOLD PRICES	RISK OF INEFFECTIVE BUDGET MANAGEMENT	RISK OF FAILURE TO OBTAIN DEBT FINANCING	ENVIRONMENTAL RISKS
RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• Cost of production management – maintaining one of the lowest production costs in the industry;• Using conservative metal prices when calculating cut-off grades and preparing mining projects;• Regular analysis and forecasting of gold supply and demand dynamics;• Continuous control of the Company’s cash costs.	RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• Regular specification of the models and assumptions used in the evaluation of investment projects;• Unification of evaluation principles for investment projects;• Recording the results of post-investment monitoring of completed projects when planning similar projects.	RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• Identifying possibilities for alternative external funding sources;• Assessment eligibility for external funding sources as well as compliance with the IPO requirements (such as development of corporate documents – Corporate Governance Code, dividend policy, audited financial reports, etc.);• Establishment of the system for collecting and disclosing financial and non-financial information;• Timely obtaining of proper credit ratings.	RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• The Company implements several initiatives aimed at monitoring and limiting the environmental impact of manufactural activities. These include the external expert assessment of levels of pollution produced, the use of industry best practices towards policies and implementation of controls within operational activities at the level of individual business units;• The Company also conducts its own and undergoes periodic scheduled and unscheduled inspections by government regulatory agencies.
PRODUCTION RISKS	RISK OF LOW-QUALITY PROJECT REVIEWS	LIQUIDITY RISKS	HEALTH AND SAFETY RISKS
RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• Annual, quarterly, and monthly production planning and subsequent monthly control over budget execution;• Involvement of international consultants to review the production plan.	RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• Attracting highly qualified specialists (including experts from international consulting companies) to review investment projects.	RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• The function of the Financial Department of NMMC provides for the operational control of the Company’s financial resources, a comprehensive economic and financial analysis of the Company, and the development of measures to reduce financial risks and increase the Company’s profitability;• Maintaining detailed budgeting and cash forecasting processes and matching the maturity profiles of financial assets and liabilities to help ensure that it has adequate cash available to meet payment obligations.	RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• The Company operates a health and safety monitoring system which includes risk assessments of individual workplaces and the provision of employees with personal protective equipment. When managing these risks, and to ensure safe working conditions, the Company applies the best industry practices. The health and safety monitoring system ensures compliance with international, state, and regional regulatory requirements through the implementation of modern standards.
RISK OF MISESTIMATION OF RESERVES			
RISK MANAGEMENT MEASURES <ul style="list-style-type: none">• Conducting an independent audit of reserves at promising and producing fields. Drawing up reports on the results of geological exploration and availability of reserves. Conducting confirmatory drilling, extension of fields (advanced and operational);• Significant volumes of geological exploration to survey new sites, as well as verify and finalize the exploration activities of existing sites.			

CORPORATE GOVERNANCE SYSTEM

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 202-2

IN ORDER TO IMPROVE THE COMPANY'S PERFORMANCE, ACHIEVE SUSTAINABLE DEVELOPMENT GOALS AND COMPLY WITH THE BEST INTERNATIONAL STANDARDS, NMMC IS IMPROVING ITS APPROACHES TO CORPORATE GOVERNANCE.

To introduce modern principles of corporate governance, transition to market mechanisms and increase competitiveness, the Resolution of the President of the Republic of Uzbekistan 'On measures to reform the State Enterprise 'Navoi Mining and Metallurgical Company' No. PD-4629 dated March 6, 2020 (hereinafter – the Resolution of the President No. PD-4629) was adopted.

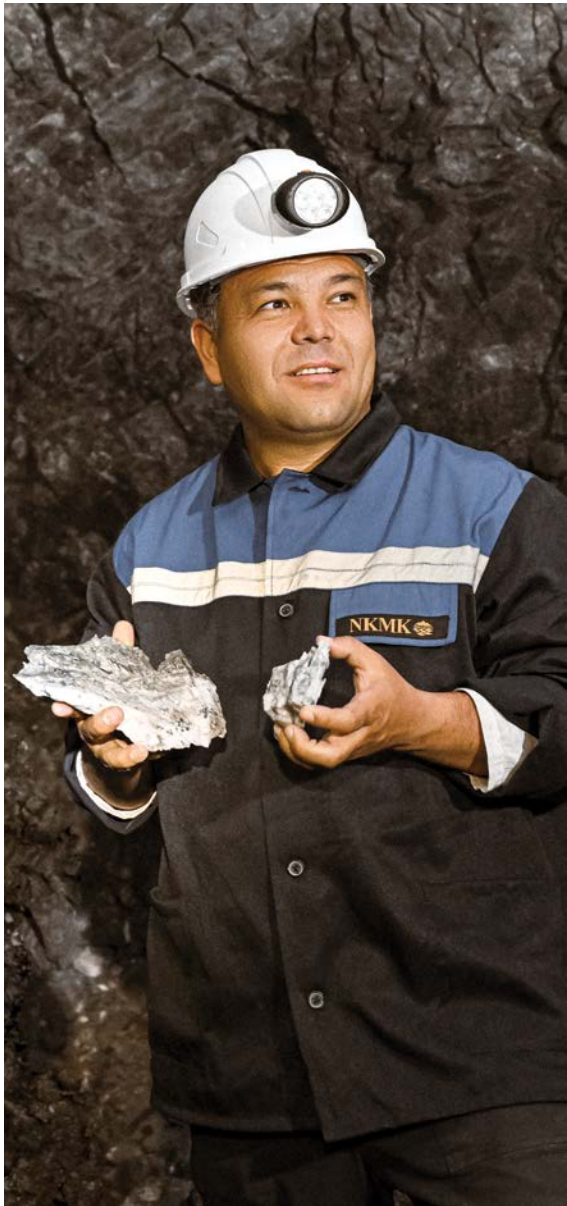
According to this document, to further improve the management system and increase the efficiency of JSC NMMC, as well as to attract investments in order to ensure modernization of production and increase competitiveness, in 2019, the implementation of the project 'Transformation of SE 'Navoi Mining and Metallurgical Company' (NMMC SE) was launched. In 2021, NMMC SE was divided into three entities, including JSC NMMC, and in the reporting year, the transformation processes in the area of corporate governance continue.

SOLE SHAREHOLDER

According to the Resolution of the President of the Republic of Uzbekistan No. PP-4629 'On measures to reform the State Enterprise Navoi Mining and Metallurgical Company' dated March 6, 2020, Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 170 'On the organization of activities of the State Enterprise 'Navoiuran', Joint Stock Company 'Navoi Mining and Metallurgical Company' and the State Institution 'Navoi Mining and Metallurgical Company Fund' dated March 30, 2021, during the reporting period, the Ministry

of Economy and Finance of the Republic of Uzbekistan performed the functions of the sole shareholder – shareholder in terms of the state's share in the authorized capital of Joint Stock Company Navoi Mining and Metallurgical Company.

In accordance with the approved Charter of JSC NMMC, the sole shareholder also approves the development strategy for the medium and long term, stating its specific terms based on the main activities and objectives of the Company.



SUPERVISORY BOARD

The Supervisory Board is directly involved in the identification and management of the economic, environmental, and social aspects of the activity of the Company, as well as the assessment of related risks and opportunities. Members of the Supervisory and Management Boards communicate and actively interact with public authorities and other stakeholders on these matters. The Supervisory Board ensures the management and efficiency of the Company's operations, representing the interests of all parties in decision-making processes.

According to the Charter of NMMC, the responsibility for determining the priority areas of NMMC's activities were assigned to the members of the Supervisory Board. The Supervisory Board's competence also includes regular hearings of the Management Board's report on measures taken to achieve the goals of the technological and investment development strategy. In addition, tasks include reviewing economic and social impacts, as well as related risks and opportunities within the Company's current operations.

The work regulations, rights, responsibilities, and election of members of the Supervisory Board are enshrined in the Regulations on the Supervisory Board of JSC NMMC dated May 25, 2021. Members of the Supervisory Board are elected by decision of the General Meeting of Shareholders for a period of one year. Elections of members of the Supervisory Board are carried out by cumulative voting by paper ballot.

Persons elected to the Supervisory Board may be re-elected in the manner prescribed by the legislation of the Republic of Uzbekistan, the Charter and the Corporate Governance Code of JSC NMMC. The General Meeting of Shareholders has the right to early terminate the powers of all or individual members of the Supervisory Board. The powers of such a member of the Supervisory Board are terminated from the date the General meeting of shareholders makes a decision on the early termination of his powers.

* Senior executives – members of the Supervisory Board.
* More detailed description of the members of the Supervisory Board can be found on the official website of JSC NMMC www.ngmk.uz.

GRI 202-2

The proportion of senior management⁴ in the regions of presence hired from the local community, in 2022 was 75%.

GRI 2-9, GRI 2-11

The Supervisory Board⁵ represents the Company's official position on all key issues within the Supervisory Board's competence to government authorities and other stakeholders. The members of the Supervisory Board have a broad range of competencies:

- economics and finance;
- banking;
- international relations and diplomacy;
- jurisprudence;
- management and business transformation;
- geology, energy and industry.

In terms of structure and size, the Supervisory Board consists of 8 members, of which:

- civil servants: 6 (75%);
- independent members: 2 (25%);
- men: 7 (87%);
- women: 1 (13%).



KUCHKAROV JAMSHID ANVAROVICH

DEPUTY PRIME MINISTER OF THE REPUBLIC OF UZBEKISTAN – MINISTER OF ECONOMIC DEVELOPMENT AND POVERTY REDUCTION

CHAIRMAN OF THE SUPERVISORY BOARD

Jamshid Kuchkarov graduated from the Tashkent Institute of National Economy (now Tashkent State University of Economics) and in 1996 from the University of Colorado (USA). Over the years, he has held senior positions in the Ministry of Finance and as Prime Minister of the Republic of Uzbekistan on issues of economic development, structural transformation of investment, reform of the banking and financial system, and coordination of free economic zones and small industrial zones. Since 24 January 2020, Deputy Prime Minister of the Republic of Uzbekistan (Deputy Prime Minister) on financial and economic issues and poverty reduction, and since 24 February 2020, Minister of Economic Development and Poverty Reduction of the Republic of Uzbekistan. PhD in economics.

SUPERVISORY BOARD COMMITTEES

To support activities and also for more in-depth and qualitative consideration of issues, the following Committees operated under the Supervisory Board of NMMC in 2022:

- Sustainable Development Committee;
- Strategy and Investment Committee;
- Audit Committee;
- Nomination and Remuneration Committee;
- Anti-Corruption and Ethics Committee.

The Committees report to the Board in accordance with the authority delegated to them by the Board and the relevant Committee Charters.

FUNCTIONS OF COMMITTEES

THE SUSTAINABLE DEVELOPMENT COMMITTEE

FUNCTIONS

Preparation of recommendations for the Supervisory Board on participation in the formation and implementation of the Company’s strategy in the area of sustainable development and public promotion of the company’s ethical, transparent and responsible business conduct, control over activities in terms of the integrity of the Company’s general approach to sustainable development, addressing corporate social responsibility issues, control of the Company’s performance in terms of ecology and labour protection, and coordination of annual and strategic events in these areas.

THE AUDIT COMMITTEE

FUNCTIONS

Assistance in the effective performance of the Supervisory Board functions in terms of control over the financial and economic activities of the Company. The main tasks of the Audit Committee are supervising the preparation of financial statements, monitoring the reliability and efficiency of the internal control and risk management systems, ensuring the independence and objectivity of the internal audit service, and monitoring the effectiveness of the system for combating any unfair actions of employees and third parties.

ANTI-CORRUPTION AND ETHICS COMMITTEE

FUNCTIONS

Ensuring compliance with the anti-corruption policy and professional ethics at NMMC.

THE STRATEGY AND INVESTMENTS COMMITTEE

FUNCTIONS

Preparation of recommendations for the Supervisory Board on determining priority areas of activity and assessing the effectiveness of investment projects.

The main purpose of the Strategy and Investments Committee is to develop, analyze and present recommendations to the Supervisory Board in the above areas.

THE NOMINATIONS AND REMUNERATION COMMITTEE

FUNCTIONS

Preparation of recommendations for the Supervisory Board in appointment and remuneration of the Company’s management.

The main purpose of the activities of the Nomination and Remuneration Committee is the development, analysis, and presentation of recommendations to the Supervisory Board on the issues of personnel appointments in management bodies, employees’ motivation, and the remuneration system.

MANAGEMENT BOARD

GRI 2-19, 2-20

In 2022, due to the extension of the term of office at NMMC, the Management Board was reappointed. Sanakulov Kuvandik Sanakulovich was reappointed as the Chairman of the Management Board (General Director), whose competence includes management of the Company’s day-to-day operations, including delegation of his authority to key managers and officers of the Company in accordance with the established internal procedures.

In 2021, the Company approved the Regulation on the Management Board, which defines the status and regulates the work of the executive body, election of its members, as well as their rights and obligations.

Salaries and remuneration of members of the Management Board and (or) the Chairman of the Management Board (General Director) are directly dependent on the Company’s performance and are determined by the labor contract. At the same time, the amount of salary and remuneration of the Chairman and members of the Management Board shall be determined by the decision of the General Meeting of Shareholders.

During 2022, the General Director of NMMC managed the day-to-day operations and reported to the Supervisory Board on a quarterly basis on the results of production and economic activities and on the progress of implementation of the Company’s approved development programs.

Responsibility at the executive level for economic, environmental, and social issues was assigned to all members of the Management Board in 2022. In the reporting year, the Company invited a new member of the Management Board to manage transformation and sustainable development issues.

CHAIRMAN OF THE MANAGEMENT BOARD – CEO

FIRST DEPUTY CEO FOR TRANSFORMATION, MEMBER OF THE MANAGEMENT BOARD

DEPUTY CEO FOR ECONOMICS AND FINANCE, MEMBER OF THE MANAGEMENT BOARD

CHIEF ENGINEER, MEMBER OF THE MANAGEMENT BOARD

DEPUTY CEO FOR HR AND ADMINISTRATIVE ISSUES, MEMBER OF THE MANAGEMENT BOARD

CHIEF COUNSEL, MEMBER OF THE MANAGEMENT BOARD



SANAKULOV KUVANDIK SANAKULOVICH

CHAIRMAN OF THE MANAGEMENT BOARD, GENERAL DIRECTOR (RENOMINATED IN JUNE 2022)

CHAIRMAN OF THE BOARD – GENERAL DIRECTOR OF JSC NAVOI MINING AND METALLURGICAL COMPANY, HERO OF UZBEKISTAN

INTERNAL AUDIT
SERVICE AND CORPORATE
CONSULTANT

Following the formation of JSC NMMC, the Supervisory Board approved the establishment of the Internal Audit Service and the appointment of the Corporate Consultant.

According to the Company’s Charter, the Corporate Consultant ensures the effective exchange of information between the management bodies of the Company, acts as an advisor to the Supervisory Board and the Management Board on matters relating to corporate governance, and acts as secretary at the General Meeting of Shareholders and meetings of the Supervisory Board.

Internal Audit Service controls the work of the Management Board, branches and representative offices of the Company by inspecting and monitoring their compliance with the Legislation, the Charter, standards and regulations of the Company and other documents as to completeness and reliability of presentation of data in accounting and financial statements, established rules and procedures for business transactions, safekeeping of assets as well as compliance with the Company’s management requirements established by the Legislation.



STAKEHOLDER
ENGAGEMENT

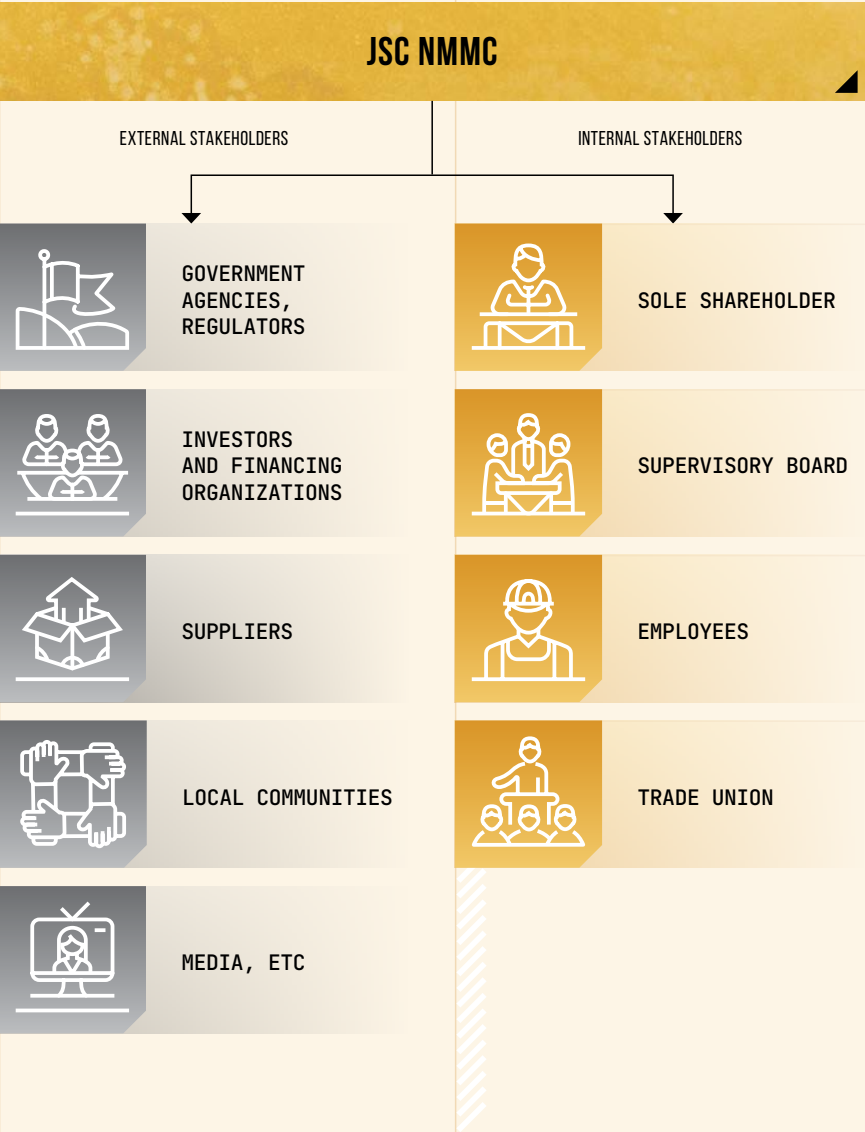
GRI 2-29

NMMC IS CONSTANTLY IMPROVING ITS PERFORMANCE AND CONTINUES TO EVOLVE, WITH A VIEW TO MAXIMIZING THE VALUE OF STAKEHOLDER ENGAGEMENT.


The Company identifies key stakeholder groups and takes a personalized approach in communicating with each of them to understand their needs and expectations. Key stakeholder groups are identified based on an assessment of their impact on the Company’s current operations and strategic development, as well as in accordance with the existing practice of stakeholder engagement.

The key stakeholders of NMMC include the Company’s employees and management, Shareholder, public authorities, local communities, public organizations, partners, mass media and others. The transformation process also deepens interaction with investors, representatives of credit organizations and other institutions.




Interaction with stakeholders takes place through meetings, round tables, training and other public events, as well as through official public communication channels. In reporting on its activities, NMMC is guided by the principles of relevance, significance, and openness in the provision of information.



STAKEHOLDER ENGAGEMENT

 SOLE SHAREHOLDER	 GOVERNMENT AUTHORITIES/REGULATING BODIES	 EMPLOYEES/TRADE UNION
PRINCIPLES: <ul style="list-style-type: none">• protection of Shareholder’s rights;• transparency of information disclosure.	PRINCIPLES: <ul style="list-style-type: none">• compliance with legislative requirements;• taxes and other payments to the budget;• implementation of state programs and initiatives.	PRINCIPLES: <ul style="list-style-type: none">• safe and equal working conditions;• training, growth, and professional development.
INTERACTION METHODS <ul style="list-style-type: none">• interaction through representatives within the Supervisory Board;• meetings and negotiations;• periodic reporting;• official website.	INTERACTION METHODS <ul style="list-style-type: none">• correspondence and requests;• reporting platforms;• official website.	INTERACTION METHODS <ul style="list-style-type: none">• training and workshops;• corporate events, meetings, and discussions;• internal corporate channels;• official website;• the Company’s social networks.
KEY RESULTS FOR 2022 <ul style="list-style-type: none">• change of the role of the Founder represented by the Cabinet of Ministers to the Sole Shareholder represented by the Ministry of Finance;• paid \$1,389 million as dividends.	KEY RESULTS FOR 2022 <ul style="list-style-type: none">• about \$2,185 million in taxes and other payments to the state budget in 2022.	KEY RESULTS FOR 2022 <ul style="list-style-type: none">• in 2022, the average salary in the Company increased by 27% compared to 2021• The reporting and election Conference of the Trade Union of Employees of Navoi Mining and Metallurgical Company for 2017-2022 was held, the composition and Chairman of the Trade Union and members of the control and audit committee were elected.



 INVESTORS, FINANCING ORGANISATIONS	 SUPPLIERS	 THE MEDIA AND PUBLIC
PRINCIPLES: <ul style="list-style-type: none">• improving efficiency and financial performance;• execution of obligations.	PRINCIPLES: <ul style="list-style-type: none">• support for local producers;• constructive and open cooperation.	PRINCIPLES: <ul style="list-style-type: none">• data disclosure transparency;• open cooperation.
INTERACTION METHODS <ul style="list-style-type: none">• submission of reports and financial indicators;• meetings and presentations;• official website.	INTERACTION METHODS <ul style="list-style-type: none">• procurement sites;• fairs, briefings, and other events for suppliers;• official website.	INTERACTION METHODS <ul style="list-style-type: none">• press releases and interviews;• Participation of the Company’s representatives in open events with the general public;• official website and social networks of the Company.
KEY RESULTS FOR 2022 <ul style="list-style-type: none">• Entered into a loan agreement for a long-term syndicated loan for 5 years from leading international banks in the amount of over \$1 billion	KEY RESULTS FOR 2022 <ul style="list-style-type: none">• approved the Regulations on Preliminary Assessment of Qualifications of Potential Suppliers of JSC NMMC.	KEY RESULTS FOR 2022 <ul style="list-style-type: none">• In 2022, 128 messages, news, articles, reports, photo reports were published on the websites of the national and local electronic media.• Participation of NMMC representatives in regional international forums of mining and gold mining.

PRIORITY UN SDGS

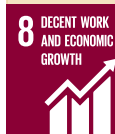
JSC NMMC RECOGNIZES THE IMPORTANCE OF ALL 17 SDGS ADOPTED IN 2015 BY THE UN GENERAL ASSEMBLY AND ACTIVELY PARTICIPATES IN THEIR ACHIEVEMENT WITHIN THE FRAMEWORK OF ITS ACTIVITIES. DUE TO THE SPECIFICS OF ITS ACTIVITIES, AS WELL AS IN ACCORDANCE WITH THE COMPANY’S MISSION AND GOALS, NMMC HAS IDENTIFIED EIGHT PRIORITY UN SDGS TO WHICH IT CAN MAKE THE MOST SIGNIFICANT CONTRIBUTION.

The table below provides a brief overview of the Company’s activities related to these priority goals, as well as identifies the material aspects of sustainable development that are in line with these goals.

UN SDGS	
<div><div><div>1</div><div>NO POVERTY</div><div></div></div><div>GOAL 1: END POVERTY IN ALL ITS FORMS EVERYWHERE</div></div>	<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div>GOAL 3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES</div></div>
<div>COMPANY’S CONTRIBUTION:</div> <div><ul style="list-style-type: none">we are the largest employer in the regions where we operate, creating new jobs for the local population;we provide sponsorship support to low-income families, war and labor veterans, orphanages;provide free medical and preventive care.</div>	<div>COMPANY’S CONTRIBUTION:</div> <div><ul style="list-style-type: none">implemented an automated information system for industrial safety management;created programs for predictive modeling of emergency situations;provide free medical care to all employees, their family members and retirees of the Company.</div>
<div>KEY INDICATORS AND RESULTS FOR 2022:</div> <div><div><div>\$9.5</div><div>thousand</div></div><div><ul style="list-style-type: none">NMMC provided financial and material assistance to low-income groups of the population amounting to</div></div>	<div>KEY INDICATORS AND RESULTS FOR 2022:</div> <div><div><div>100%</div></div><div><ul style="list-style-type: none">familiarization with safety techniques by employees</div></div>
<div><div><div>\$1.9</div><div>thousand</div></div><div><ul style="list-style-type: none">assistance to orphanages and boarding schools amounted to</div></div>	<div><div><div>100%</div><div>of workplaces</div></div><div><ul style="list-style-type: none">new cases of occupational diseases among employees were noted;</div></div>
<div><div><div>\$0.2</div><div>thousand</div></div><div><ul style="list-style-type: none">assistance to sports organizations</div></div>	<div><div><div>100%</div></div><div><ul style="list-style-type: none">in the Company undergo an external audit for compliance with the requirements of the occupational safety management system</div></div>

8 priority UN SDGs identified by NMMC

<div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div>GOAL 4: ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL</div></div>	<div><div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div><div>GOAL 6: ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL</div></div>	<div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div>GOAL 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL</div></div>
<div>COMPANY’S CONTRIBUTION:</div> <div><ul style="list-style-type: none">sponsor secondary schools, boarding schools and institutes;provide retraining and professional development programs;support young specialists who wish to continue their education;provide jobs for young specialists.</div>	<div>COMPANY’S CONTRIBUTION:</div> <div><ul style="list-style-type: none">introduced solar power plants for hot water supply;developed and implemented a technological scheme for mine water treatment jointly with the Research Institute of Ecology and Environmental Protection;introduced reuse of treated domestic wastewater in the technological process at Hydrometallurgical plant-3.</div>	<div>COMPANY’S CONTRIBUTION:</div> <div><ul style="list-style-type: none">we annually implement programs to improve energy efficiency.</div>
<div>KEY INDICATORS AND RESULTS FOR 2022:</div> <div><div><div>15,051</div><div>employees</div></div><div><ul style="list-style-type: none">completed a program of retraining, training in second and related professions and professional development</div></div>	<div>KEY INDICATORS AND RESULTS FOR 2022:</div> <div><div><div>292</div><div>employees</div></div><div><ul style="list-style-type: none">the activity of the Water Problems Research Laboratory, organized for scientific study of water supply and water conservation problems on the basis of the Central Research Laboratory (CRL) continues;implementation of the Program of Measures for the Economical Use of Water Resources for the period 2021-2026 continues;projects are being implemented to recycle water supply and minimize fresh water intake for production needs.</div></div>	<div>KEY INDICATORS AND RESULTS FOR 2022:</div> <div><div><div>2</div><div>photovoltaic power plants have been implemented:</div></div><div><ul style="list-style-type: none">KIP – 40 kW (0.04 mW);NSS (Navoi network and substation shop) – 10 kW (0.01 mW).</div></div>



GOAL 8: PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

COMPANY'S CONTRIBUTION:

- we are implementing NMMC's Innovative Development Program until 2026;
- We work with small businesses within the framework of the localization program.

KEY INDICATORS AND RESULTS FOR 2022:

- the number of implemented patents amounted to

8 units

- 25 contracts on implementation of innovative programs with economic efficiency of about

\$46 million

- according to the data of the Ministry of Finance of the Republic of Uzbekistan on the largest taxpayers to the State Budget in 2022, the share of Joint Stock Company Navoi Mining and Metallurgical Company amounted to

>15%

- in 2022, production started at Balpantau and Tamdybulak deposits in the territory of Tamdy district. About

500 new jobs

were created under this project. With the objective of promoting employment of the residents of Tamdyn district, unemployed citizens from the local population were employed by retraining at the Training Center of JSC NMMC in the city of Zarafshan in professions and specialties suitable for the mining and metallurgical industry.



GOAL 9: BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION, AND FOSTER INNOVATION

COMPANY'S CONTRIBUTION:

- we are implementing NMMC's innovation development programs until 2026, in particular in the field of ecology and energy;
- we implement R&D projects;
- conduct scientific research and develop technologies jointly with scientific institutes and foreign companies;
- increased financing of scientific research and rationalization activities.

KEY INDICATORS AND RESULTS FOR 2022:

- being a socially responsible enterprise, the Company actively participated in the development of infrastructure in the regions where it operates. A modern sports facility, a handball hall, was commissioned in Navoi city;
- a 35-kilometer railway line connecting the Tamdybulak deposit with Hydrometallurgical Plant No. 2 was commissioned in Tamdyn district.



GOAL 12: ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

COMPANY'S CONTRIBUTION:

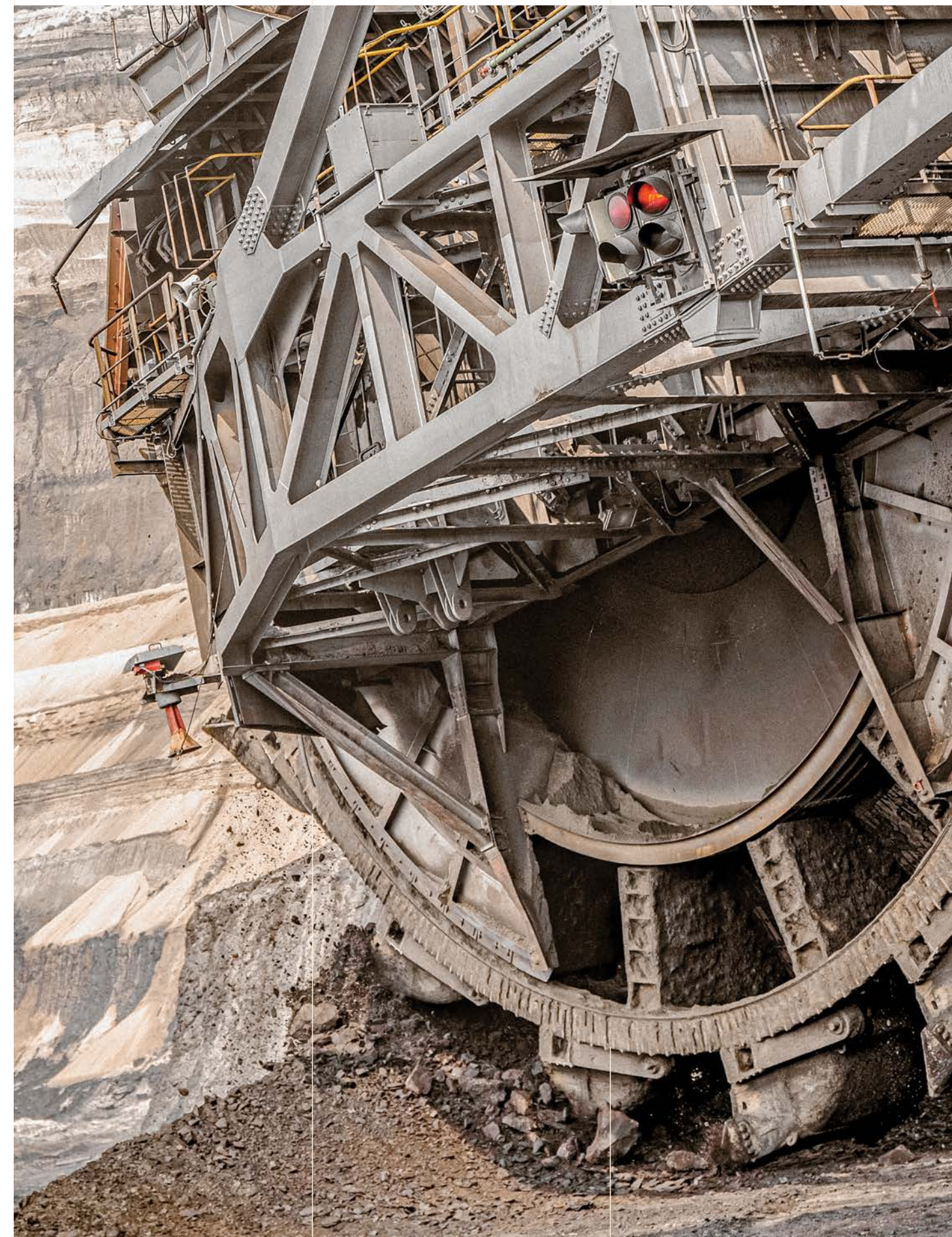
- introduced an improved technology for processing sulphide ores at HMP-3 jointly with Engineering Dobersek GmbH;
- utilized waste tires in the Company to produce heating fuel and carbon black by pyrolysis in the Company's division.

KEY INDICATORS AND RESULTS FOR 2022:

- the use of new environmentally friendly roasting technology with five-stage cleaning of waste gases with a

98%

purification rate continues.



MEMBERSHIP ASSOCIATIONS AND ADHERENCE TO INTERNATIONAL PRINCIPLES

GRI 2-28

SINCE 1994, THE COMPANY HAS BEEN ACTIVELY PARTICIPATING IN INTERNATIONAL AND INDUSTRY EXHIBITIONS OF INDUSTRY AND GOLD MINING.

Over the years of development, many awards have been achieved, and the ‘Optimal delivery’ status of the London Bullion Market Association (LBMA) has been repeatedly confirmed, confirming the successful completion of regular tests for full compliance with market requirements. Since 2019, NMMC has been translating and estimating Mineral Resources and Ore Reserves in accordance with the requirements of the JORC Code.

PARTICIPATION IN ASSOCIATIONS AND ADHERENCE TO INTERNATIONAL PRINCIPLES

№	Certification	Current commitments	Time of validity	Responsible department
1	Member of the London Bullion Market Association	Fulfillment of commitments under the Global Precious Metals Market Code	Every year since 1994	Technical Control Service, Sales Department, International Cooperation and Protocol Department
2	Proactive Monitoring Certificate – Gold	CPL of the Central mine group testing to perform correct laboratory analysis of 999.9 gold	Every 3 years, since 1994	Technical Control Service, Sales Department, International Cooperation and Protocol Department
3	Responsible Gold Certificate (RGG LBMA)	Annual publication of the report as required by management. Assurance of the report by an external independent party, disclosure of data on the Company's website.	Every year since 2015	Sales Department, International Cooperation and Protocol Department
4	Q'zDSt ISO/IEC 17025:2019 – General requirements for the competence of testing and calibration laboratories	Conducting an annual external independent audit.	Every year since 2000	CPL of the Central mine group
5	ISO 9001:2015 – Quality Management System	Conducting an annual external independent audit.	Every year since 2005	Central mine group, Navoi machine building plant
6	ISO 14001:2015 – Environmental Management System	Conducting an annual external independent audit.	Every year since 2015	Central mine group
7	ISO 45001:2018 – Occupational health and safety management system	Conducting an annual external independent audit.	Every year since 2018	Central mine group
8	Q'z DSt ISO 50001:2019 – Energy Management System	Conducting an annual external independent audit.	Every year since 2017	CPED of the Central mine group, Southern mine group, Navoi machine building plant



In 2021, the Company started the process of transformation into a joint stock company. JSC NMMC is in the process of adapting internal processes and procedures to bring the Company to a new stage of development in accordance with leading industry practices to accelerate development, modernization and expansion of production. The Company has introduced a system of corporate governance and reporting in accordance with international standards, including financial reporting under IFRS standards and disclosure of non-financial information in accordance with the requirements of GRI standards.

The reorganization process covered such areas as management, engineering, technology, production control, monitoring and efficiency improvement, which was enshrined in the Transformation Program of JSC NMMC in 2022. In order to strengthen its international reputation and to enhance its investment attractiveness, the Company strives to take into account the expectations of its stakeholders.

As part of the transformation program at JSC NMMC, a team of international experts (SRK Consulting) participated in an audit for compliance with the Responsible Gold Mining Principles (“RGMPs”) and the International Cyanide Management Code (“ICMC”). The main purpose of the audit was to develop a roadmap to identify the key areas and issues that the Company needs to address in order to transition to international best practice. The audit and implementation of these principles is also aimed at meeting the expectations of international financial institutions and improving the Company’s investment appeal.

In Q4 2022, the Company conducted the first stage of the audit to further develop a roadmap to achieve compliance with the requirements of international RGMP and ICMC standards. In the first quarter of 2023, it is planned to collect additional data for the second stage of the audit and conduct information sessions with management and specialists of JSC NMMC to improve corporate governance and business practices, work on environmental and social aspects (ESG).

PLANS FOR 2023 AND THE MEDIUM TERM

- implementation of measures within the framework of the program of JSC NMMC for further improvement of saving and rational use of water resources for 2022-2026;
- development and approval of the Strategy for decarbonization and implementation of “green energy” principles, as well as the Strategy for water resources management;
- development, adoption and implementation of strategic and tactical management decisions;
- ensuring transparency and accessibility of information on the Company’s production, financial, social and environmental activities.
- implementation of social support and investment programs;
- development and launch of a program to bring the Company’s activities in accordance with the Principles of Responsible Gold Mining and the International Cyanide Code, as part of a comprehensive program for implementing ESG principles.

3

ENVIRONMENTAL MANAGEMENT (E)



— ENSURING ENVIRONMENTAL SAFETY
IN THE COURSE OF OPERATING ACTIVITIES IS ONE
OF THE COMPANY'S MAIN PRIORITIES.



Environmental Management System	51
Water resources protection	56
Air quality	62
Climate change	67
Energy management	71
Sustainable land use	76
Waste and tailings management	78
Biodiversity protection	84

KEY INDICATORS FOR 2022

46%

air pollutant emissions at NMMC's facilities decreased by compared to 2021

1,085

thousand tons of CO₂-eq

total greenhouse gas emissions

4,207.47

tons of CO₂-eq

total reduction in greenhouse gas emissions due to the implementation of energy saving measures

3,880.7

thousand m³

of household and industrial effluents were treated and reused after treatment

31.4

million GJ

total energy consumption in the Company



99%

of the total non-hazardous waste is transferred to disposal within the facilities

\$0.006

GJ/dollar

of total revenue – indicator of energy intensity of production in 2022

MATERIAL TOPICS

- Energy
- Water
- Biodiversity
- Emissions and climate change
- Discharge and waste

CONTRIBUTION TO THE UN SDGS



GRI, SASB INDICATORS

GRI 2-24, 2-27, 302-1, 302-3, 302-4, 3-3, 303-1, 303-2, 303-3, 303-4, 304-1, 304-2, 304-3, 304-4, 305-1, GRI 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5.

EM-MM-120a.1, EM-MM-140a.1, EM-MM-140a.2, EM-MM-150a.5, EM-MM-150a.7, EM-MM-150a.9, EM-MM-150a.10, EM-MM-160a.1, EM-MM-160a.3, EM-MM-130a.1, EM-MM-110a.2.

ENVIRONMENTAL MANAGEMENT SYSTEM

GRI 2-24, 3-3, EM-MM-160a.1

ENSURING ENVIRONMENTAL SAFETY IN THE COURSE OF OPERATING ACTIVITIES IS ONE OF THE COMPANY'S MAIN PRIORITIES. NMMC'S ACTIVITIES AIMED AT PRESERVING AND IMPROVING THE STATE OF THE ENVIRONMENT INCLUDE A NUMBER OF KEY ASPECTS, SUCH AS OPTIMIZING THE USE OF WATER RESOURCES, REDUCING POTENTIAL RISKS ASSOCIATED WITH THE GENERATION OF WASTE AND EMISSIONS, AS WELL AS MAINTAINING THE DIVERSITY OF BIOLOGICAL SYSTEMS IN THE REGIONS OF PRESENCE.

The Company recognizes its responsibility for the impact on the environment and makes every effort to ensure environmental safety, preserve the natural environment, wisely use natural resources and minimize negative environmental consequences in order to achieve sustainable development.

For control purposes, the Company has implemented an environmental management system (EMS), which is an integral part of the corporate governance system. In particular, the Central Mine group, where the main production facilities of NMMC and the Muruntau open pit are located, has a certified environmental management system in accordance with the international standard ISO 14001.

When developing environmental documentation, the Company relies on the regulatory requirements of national legislation. The Company consistently develops and implements new regulations and standards in the field of environmental protection aimed at ensuring compliance with the requirements of environmental legislation, and also regularly updates internal regulatory documentation in connection with current changes in the legislative framework. Thus, in 2022, based on the order of the General Director of NMMC No. 717 dated November 17, the updated 'Regulations on the Department of Environmental Protection of JSC NMMC' was approved.

As of the end of 2022, the following internal regulatory documents continue to be in force in the Company:

- Environmental monitoring program at NMMC for 2021-2025;
- Order for NMMC 'On further improvement of economic mechanisms for environmental protection on the territory of the Republic of Uzbekistan';
- Action plan for environmental protection and rational use of natural resources for 2022.

The Company maintains the following priority areas in the environmental sector:

- reduction of pollutant emissions into the environment;
- keeping records of environmental incidents and possible environmental consequences during the implementation of activities;
- reduction of specific energy consumption through the use of renewable energy sources in the structure of energy consumption and the introduction of energy-saving and resource-saving technologies at production facilities;
- introduction of 'green', environmentally friendly, waste-free and production technologies;
- creation of an environmentally friendly environment, including through landscaping and greening of adjacent territories;
- increasing the competence and awareness of the role of the Company's employees in resolving issues related to environmental protection.

In 2022, as part of NMMC's Innovative Development Program, a number of projects aimed at improving the environmental situation and protecting the environment were implemented. A more detailed description is given in the Innovative Development section.



STRUCTURE AND MANAGEMENT TOOLS

The environmental management process operates at several levels. At the corporate level, there is an Environmental Protection Department, which is under the responsibility of the Director of Health, Safety and Environment (ESG). At the enterprise level, there are responsible specialists for environmental protection, or these duties are included in the functions of employees of the labor protection departments of the enterprises. Environmental engineers are responsible for environmental protection issues at NMMC divisions.

Environmental Monitoring Program for 2021-2025.

The Company has implemented an environmental monitoring program to improve measures to minimize the impact of the Company's operations.

NMMC conducts environmental monitoring and collects and analyzes air, water and soil samples at the Company's industrial sites. In accordance with legal requirements, outside of industrial facilities, the Company conducts monitoring within the boundaries of sanitary protection zones and at designated monitoring points in populated areas. This includes monitoring of air quality, surface water (flow rate/quality), groundwater (level/quality) and soil.

Actual monitoring and analysis conducted includes:

- air samples at the perimeter of open pits and tailings ponds, as well as at the sites of processing plants and the Company's own boiler houses;
- emissions of pollutants directly at the sources (some of them);
- soils at industrial sites;
- domestic wastewater before and after treatment.

The results of laboratory tests are analyzed to determine whether the concentrations meet the established standards or the conditions of license permits, as required by national legislation, without assessing trends.

In cases where monitoring reveals observations on the operation of gas treatment equipment or water treatment plants, the laboratory service and the Environmental Protection Department specialists issue orders to implement corrective actions to eliminate the observations.

ENVIRONMENTAL MONITORING PROGRAM FOR 2021-2025

MONITORING OF WATER POLLUTION SOURCES

MAINTAIN MONITORING OF WASTEWATER QUALITY AND PERFORMANCE OF WASTEWATER TREATMENT PLANTS AND SEWERAGE SYSTEM.

IMPLEMENTATION MECHANISM

1. water sampling, conducting field research and studying the state of treatment facilities;
2. analysis of selected samples in laboratory conditions and office data processing;
3. evaluation of the data obtained and presentation of the results to the interested state control bodies and the Environmental Protection Department specialists of the Company's Head office, implementation of relevant measures;
4. entering the monitoring results into an electronic database;
5. preparation of quarterly reports.

IMPLEMENTATION TIMEFRAME

Quarterly

EXPECTED RESULTS

- Timely detection of the facts of pollution of water resources by polluted wastewater and provision of effective environmental control over the compliance of economic entities with environmental standards on discharges of pollutants into the environment.
- Provision of local government bodies and state environmental control bodies with monitoring information for taking appropriate measures to reduce specific indicators of discharges of harmful substances, as well as to improve the efficiency of treatment facilities.
- Assistance in creating a safe environmental and sanitary-epidemiological situation in the areas of wastewater discharges.

VOLUMES AND SOURCES OF FINANCING, \$ THOUSAND



MONITORING OF AIR POLLUTION SOURCES

CONDUCTING MONITORING OF THE SOURCES OF ATMOSPHERIC EMISSIONS AT STATIONARY SOURCES OF POLLUTION, WHICH ARE THE MAIN OF THE COMPLEX OF CONTRIBUTORS TO THE NEGATIVE IMPACT ON THE ENVIRONMENT.

IMPLEMENTATION MECHANISM

1. organisation of field trips, sampling and measurements at emission sources;
2. study of the efficiency of dust and gas cleaning plants;
3. analysis and evaluation of monitoring results;
4. presentation of the results to the territorial divisions of the State Committee for Nature Protection and Environmental Protection Department specialists of the Company's Head office to take and implement appropriate measures;
5. entering monitoring results into an electronic database and developing recommendations for environmental protection measures;
6. preparation of reports.

IMPLEMENTATION TIMEFRAME

Monthly

EXPECTED RESULTS

- Provision of local authorities, specially authorised state bodies and involved economic entities with information on the volume of emissions of pollutants.
- Assistance in elimination of negative consequences caused by excess emissions.
- Ensuring effective environmental control for taking measures to reduce emissions of harmful substances from stationary sources.
- Development of measures to improve the efficiency of dust and gas cleaning plants in order to increase the share of trapped and neutralised pollutants in the total amount of exhaust gases from pollutants.

VOLUMES AND SOURCES OF FINANCING, \$ THOUSAND



III.

MONITORING OF SOIL POLLUTION SOURCES

MONITORING OF SOIL CONTAMINATION SOURCES IN THE AREAS OF TAILINGS LOCATION.

IMPLEMENTATION MECHANISM

- 1. preparation of a plan for monitoring sources of land pollution;
- 2. organisation of field trips, sampling of soils and carrying out the necessary field surveys and measurements;
- 3. office processing and generalisation of research results, assessment of the degree of land pollution;
- 4. entering the monitoring results into an electronic database;
- 5. presentation of the results to the territorial divisions of the State Committee for Nature Protection, local authorities, and Environmental Protection Department specialists of the Company's Head office to take and implement appropriate measures.

IMPLEMENTATION TIMEFRAME

Once every six months

EXPECTED RESULTS

- Creation of a system for monitoring the state of the environment in the areas of waste disposal.
- Providing stakeholders with information for the implementation of activities. aimed at reducing the negative impact of production and consumption waste on the environment. development of territorial waste management schemes.

VOLUMES AND SOURCES OF FINANCING, \$ THOUSAND



IV.

MONITORING OF GROUNDWATER POLLUTION SOURCES

MONITORING OF GROUNDWATER POLLUTION IN OBSERVATION WELLS OF TAILINGS AND STORAGE FACILITIES.

IMPLEMENTATION MECHANISM

- 1. preparatory work;
- 2. organisation of field research with sampling of water samples;
- 3. analysis of water samples and office processing of research results;
- 4. generalisation of data and preparation of a report with recommendations;
- 5. presentation of the results to the territorial divisions of the State Committee for Nature Protection, local authorities, and Environmental Protection Department specialists of the Company's Head office to take and implement appropriate measures.

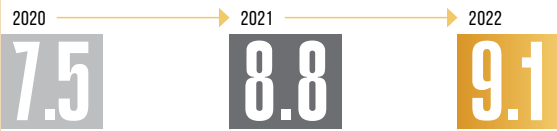
IMPLEMENTATION TIMEFRAME

Once every six months

EXPECTED RESULTS

- Identification of patterns and forecast of the formation of seasonal and long-term hydrogeochemical and hydrodynamic regime of groundwater in natural and disturbed conditions.
- Timely information provision to public authorities in the field.

VOLUMES AND SOURCES OF FINANCING, \$ THOUSAND



ENVIRONMENTAL COMPLIANCE

GRI 2-27, EM-MM-160a.1

The Company tries to minimize negative impact on the environment and timely pay compensation for environmental damage in accordance with the environmental legislation of the Republic of Uzbekistan. In 2022, no cases related to violation of environmental legislation were initiated against the Company, no sanctions were applied and no fines were imposed. In the reporting year, NMMC's environmental protection costs amounted to \$4,031.4 thousand. Compensation payments for environmental pollution and waste disposal in 2022 amounted to \$238.5 thousand.

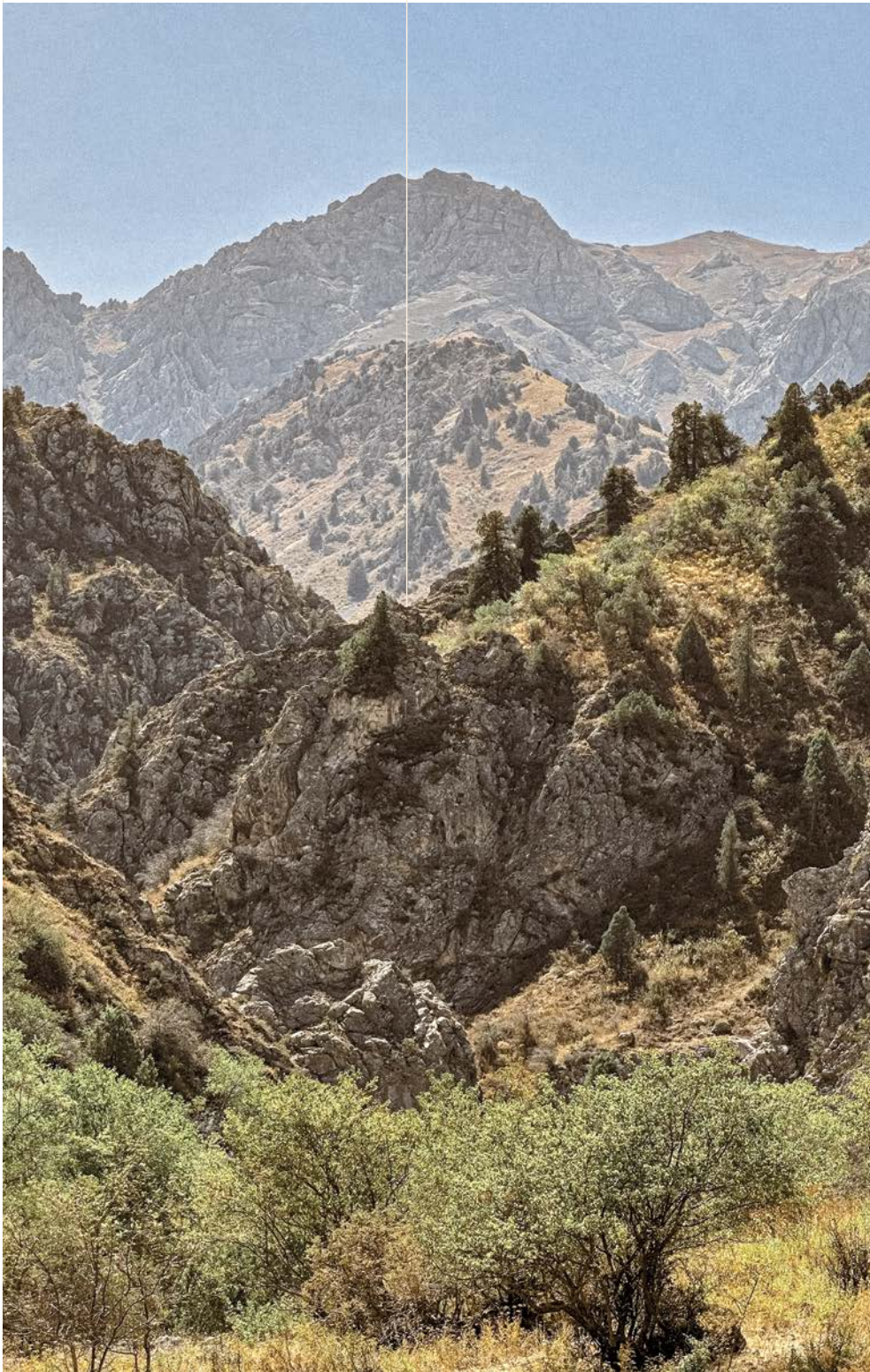
PLANS FOR 2023 AND THE MEDIUM TERM FOR THE ENVIRONMENTAL MANAGEMENT SYSTEM

- Development of an overall environmental plan for all areas;
- Development of an environmental strategy;
- Implementation of priority tasks provided for by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 25.08.2022, within the framework of the "Program of establishing environmental requirements and norms of environmental protection in the mining and metallurgical industry on the basis of international standards" until 15.06.2023;
- Introduction of an environmental management system in the production sector based on international standards of ecology and environmental protection;
- Formation and support of a culture of employee acceptance of responsibility for environmental knowledge in the workplace;
- Providing conditions and resources for employee safety in case of environmental emergencies.

\$4,031.4

thousand

NMMC's environmental protection costs in 2022



WATER RESOURCES PROTECTION

ONE OF THE KEY STRATEGIC DIRECTIONS IN THE FIELD OF SUSTAINABLE DEVELOPMENT OF NMMC IS REASONABLE AND EFFICIENT MANAGEMENT AND SAVING OF WATER RESOURCES USING MODERN TECHNOLOGIES, INCLUDING MODERNIZATION OF PRODUCTION PROCESSES AND RECYCLING WATER SUPPLY.

GRI 303-1, 303-2



The region of NMMC’s operations is characterized by a deficit of water resources. In accordance with its environmental protection commitments, NMMC is actively working to implement measures aimed at improving the efficiency of water resource utilization. The Company aims to reduce the volume of fresh water intake from natural sources and increase the reuse of water in technological processes, minimizing the negative impact on water intake basins and the ecosystem.

The Company is guided by global standards, including the UN SDGs, focusing on Goal No. 6, which aims to ensure

universal access to clean water and sanitation, as well as rational use of water resources.

In 2022, the “Program of JSC NMMC for further improvement of water conservation and rational use of water resources for 2022-2026” was developed. The developed water consumption plan provides for the distribution of water resources for technical, domestic and irrigation needs up to 2026 in the context of each subdivision with indication of water supply sources. The data were provided and agreed with the Ministry of Water Management and the Ministry of Mining and Geology of the Republic of Uzbekistan.

The Company also pays much attention to scientific and research works in the field of water resources management. For scientific study of water supply and water saving problems at the Company on the basis of “Central Research Laboratory” (CRL) “Water Problems Research Laboratory” was organized, the main task of which is to search for opportunities and innovative solutions for treatment and secondary use of municipal and industrial wastewater in the production process. The laboratory is equipped with modern equipment and staffed by high-class specialists with scientific degrees. Main normative documents within the framework of water use and water protection:

- Law of the Republic of Uzbekistan “On Nature Protection”;
- Law of the Republic of Uzbekistan “On Water and Water Use”;
- Procedure for issuing permits for special water use, development and approval of projects of maximum permissible discharges (MPD) of substances entering with wastewater into water bodies and terrain;
- Sanitary rules for the use of pre-treated municipal wastewater in industrial water supply;
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan “On Approval of the Program of Environmental Monitoring in the Republic of Uzbekistan for 2021-2025”.

WATER SUPPLY

GRI 303-3, EM-MM-140a.1

In 2022, there were no significant changes in the nature of NMMC’s impact on water resources in the regions where the Company’s enterprises are located (Navoi, Samarkand, Jizzak and Khorezm regions).

The main mining and production facilities of NMMC are located in arid and low-water areas of Zarafshan-Uchkuduk industrial region.

Water supply to the production facilities located in Navoi city (Mine group of HMP-1, Production Association Navoi Machine-Building plant and others)

Water supply to NMMC facilities in the regions of operation is mainly from surface sources – the Amu Darya and Zarafshan rivers, Tusunsay reservoir, as well as from underground sources – Karak-Ata, Beshbulak, Sangzor, Boitup fields.

Drinking and technical water supply to settlements, production and social facilities of NMMC in Zarafshan-Uchkuduk region, the cities of Zarafshan and Uchkuduk, is provided from the Amu Darya River, located at a distance of more than 310 km from the source, by means of the Amu Darya-Zarafshan and Zarafshan-Uchkuduk water pipelines laid through the desert. This project is one of the brightest examples of NMMC’s corporate social responsibility: water is used not only for technological and production purposes, but also provides water supply needs for the entire population of Zarafshan city, which makes rational consumption of water resources a priority for the Company.

In ensuring stable and reliable operation of the power facilities of the Company and the water supply system, the main role is assigned to the specialists of NMMC’s energy services. The main task of water supply specialists in the divisions of the NMMC is to perform a set of works to ensure uninterrupted supply of drinking and technical water to the divisions of the Company and to conduct departmental monitoring of safe operation of the Company’s water supply system.

Reliability and safety of water supply of industrial facilities of JSC NMMC is ensured by:

- the presence of spare water reservoirs (lake, reservoirs) and the number of conduits (2 or more) from the source;
- pumping stations and standby equipment installed on the position and available in the warehouses;
- trained maintenance and repair personnel, repair and restoration equipment serving the water supply system in the context of each unit.

One of the main directions of NMMC’s water conservation strategy is the rational use of water using new technologies, including modernization of production, saving and reuse of water resources, scientific achievements and experience of the Company’s personnel.

The Company is working in the direction of minimizing negative impact on water resources. For this purpose, the following measures in the field of water resources saving are being continuously carried out:

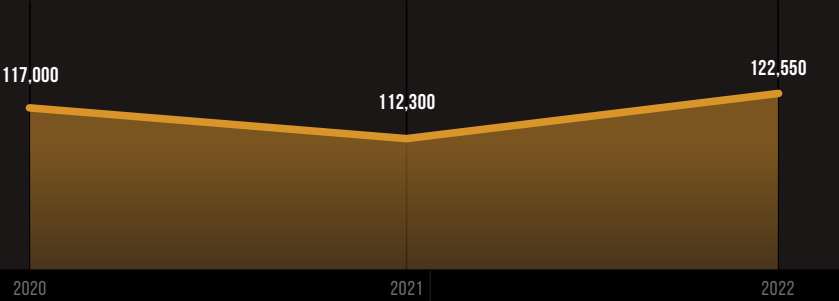
- reuse of water in technological processes;
- use of recycled water supply;
- utilization of mine and ground water;
- introduction of a drip irrigation system for watering green plantings on the territory of plants and mine groups;
- optimization of operation and maintenance of process equipment.

The Company implements the process of reuse of industrial and treated municipal wastewater for technological needs and irrigation of green areas. Treated wastewater from Uch-kuduk, Zarafshan, Malikrabad settlement is fully used for technological needs of the Company’s subdivisions, as well as for irrigation of green areas of adjacent territories, which amounts to about 4 million m³ per year.

Saving water resources depends to a large extent on the correct organization and technical and economic feasibility of rationing of water, fuel and electricity consumption. Under the conditions of NMMC’s constantly dynamically developing production, rationing of resource consumption is becoming increasingly important. NMMC continues to increase the volume of water reuse and reduce the volume of fresh water intake. Due to increased production and ore processing, there has been an overall increase in water consumption. However, changes in the structure of the water balance should also be taken into account: strict control of the volume of consumption from surface water, use of brackish groundwater, increase in the share of reused and recycled water.

TOTAL WATER WITHDRAWAL, MEGALITRES (ML)

GRI 303-3



TOTAL VOLUME OF WATER WITHDRAWAL BY SOURCE*, MEGALITRES (ML)

GRI 303-3

Name of sources	2020	2021	2022
Surface	97,147	92,123	97,862
Underground	11,561	7,072	8,075
Mine, quarry, tailings dump	2,048	7,024	12,121
From third-party suppliers	6,026	6,037	4,492
Total:	116,782	112,256	122,550

~123
megaliters

of water the Company withdrew, during the reporting year. All water withdrawal sources are located in regions with water scarcity.

* All water withdrawal sources are located in regions with water scarcity



IMPLEMENTED
ACTIVITIES

At the end of 2021, the ‘Program of Measures of NMMC for the Ecological Use of Water Resources for the Period 2021-2026’ was revised and supplemented to take into account the targets set to reduce water consumption at production facilities. Accordingly, the “Program of JSC NMMC for further improvement of water resources saving and rational use for 2022-2026” was approved. The program provides for saving and rational use of water, increasing the share of recycled and reused water in the amount of 25.27 thousand ML and saving financial resources – \$7.8 million.

In 2022, NMMC took the following measures aimed at more efficient use of water resources. The results of these activities are presented as follows:



CENTRAL MINE
GROUP



- A system for reusing drinking water obtained in the finished product workshop was introduced in the processes of the sorption and regeneration workshop at Hydrometallurgical Plant No. 2. This allowed saving 147.2 thousand m³ of water per day. The implementation of this event required costs in the amount of

\$5,773

in the reporting year.

- Oil flushing in receiving hoppers No. 1 and No. 2, as well as in the oil cooling system, was carried out using process water, allowing the reuse of 123.5 thousand m³ of water per day.

\$1,846

were spent on this event during 2022.

“HYDROMETALLURGICAL
PLANT – 1”



- Work was carried out on sampling and analysis, as well as maintenance of 80 observation wells. Costs for these works amounted to

\$181

in the reporting year.

NORTHERN MINE
GROUP



- Treated wastewater was reused for the needs of the enterprise, and

1.511 million m³

was used in 2022.

- Use of treated wastewater for irrigation of urban areas in the amount of 43 thousand m³ per year.

\$16.5 thousand

were spent.

ZARAFSHAN CONSTRUCTION
DEPARTMENT



- Purified wastewater was used for car washing in a volume of 800 m³.

\$86

were spent on this event during 2022.

WATER DISCHARGE

GRI 303-4

NMMC in 2022, frequently monitors the volume and qualitative composition of discharged production wastewater, as well as the condition of the Company’s on-site sewage networks.

Control is carried out by sampling and analyzing industrial wastewater at the inlet and outlet of local treatment facilities, and also in control wells immediately before release. In addition to implement the control process, the volume of discharged industrial wastewater is measured in control wells and at the most critical points of the industrial sewer network.

The list of priority potentially hazardous substances in wastewater includes suspended solids, nitrogen nitrates, nitrogen nitrites, ammonium nitrogen, sulphates, chlorides, phosphates, oil products, total iron, and BOD 1. Pollutant discharge standards are approved in the draft standards of maximum allowable discharges.

5,157.1

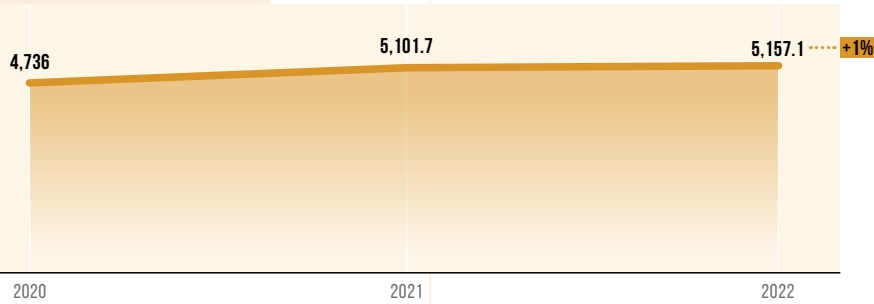
ML

volume of water discharges in 2022⁷

⁷ This volume does not include discharges to sewer systems, so the boundaries of this indicator are limited to the CMG, SMG and NMG.

TOTAL VOLUME OF DISCHARGES BY THE COMPANY IN 2022, MEGALITRES (ML)

GRI 303-4



VOLUMES OF TREATED AND REUSED WASTEWATER IN 2022, MEGALITRES (ML)



IN 2022, PARTIAL DISCHARGES OF TREATED EFFLUENT WERE MADE TO THE TERRAIN.



MONITORING OF WATER POLLUTION SOURCES

GRI 2-27, 303-4, EM-MM-140a.2.

The Company maintains environmental control over compliance by business entities with environmental standards for the discharge of pollutants into the environment. NMMC strives to prevent and promptly identify facts of contaminated wastewater discharges into water resources. Prevention of exceeding the established norms of pollutant content in water bodies is a priority task for the Company.

To prevent pollution of water bodies and terrain in the regions where the Company operates, as well as rational use of water resources, the Company monitors sources of water pollution by sampling wastewater according to the analytical control schedule. Groundwater pollution is also monitored by sampling from observation wells along the perimeter of tailings ponds. No groundwater pollution was detected in settlements within the zone of influence of NMMC’s industrial facilities.

586

samples

the total number of samples collected in 2022

3,065

tests

carried out in 2022 for the determination of 13 chemicals

NMMC implemented a number of activities within the framework of the “Environmental Monitoring Program in the Republic of Uzbekistan for the period from 2021 to 2025” approved by the Resolution of the Council of Ministers of the Republic of Uzbekistan No. 343 dated June 3, 2021. One of the important components of monitoring is the study of sources of pollution of water resources. Within the framework of this task, 22 sources of wastewater were analyzed in structural subdivisions of JSC NMMC, 654 water samples were taken, which were subjected to 9,425 chemical analyses. In addition, for groundwater pollution monitoring in monitoring wells of Chikindi basins (treatment facilities), 3,492 water samples were taken and 12,882 chemical analyses were performed.

NMMC adheres to the principle of responsible approach to the use of water resources and pollution of water bodies, duly making compensation payments as required by the legislation of the Republic of Uzbekistan.

Payments for excess discharges in the reporting year are related to exceeding permissible values of maximum allowable concentration (MAC) standards, as well as discharge of mine water to the terrain. In 2022, monitoring was conducted at 50 wastewater outlets to the terrain and 1 outlet to a surface water body based on the plan agreed with the territorial bodies of the Ministry of Natural Resources. The total number of samples collected amounted to 586, of which 3,065 were analyzed for 13 chemical substances.

PLANS FOR 2023 AND THE MEDIUM TERM

- In order to implement the “Program for Water Resources Conservation and Further Improvement of Rational Water Use at JSC NMMC for 2022-2026”, it is planned to increase the re-use of water from tailings ponds in the technological process;
- Accelerate the work on water resources saving, wide use of recycled water and develop relevant performance indicators.

IN THE MEDIUM TERM, THE PROGRAM OF INNOVATIVE DEVELOPMENT OF JSC NMMC FOR 2023-2024 IS OUTLINED:

- Creation of methods for synthesis of sorbents used in water treatment, development of composites based on local minerals;
- Study of radiation indicators of underground waters of Kyzylkum region;
- Search for ways to use radon-containing groundwater for consumption.

AIR QUALITY

THE ACTIVITIES OF COMPANIES IN THE MINING AND METALLURGICAL SECTOR RESULT IN EMISSIONS OF POLLUTANTS INTO THE ATMOSPHERE. AT NMMC, THE LEVEL OF EMISSIONS IS CONTROLLED AND MEASURED AS PART OF THE MONITORING AND INDUSTRIAL ENVIRONMENTAL CONTROL SYSTEM.

305-7, EM-MM-120a.1.

6,989.7 tons

the volume of pollutant emissions into the atmosphere at NMMC facilities

In 2022, the volume of pollutant emissions into the atmosphere at NMMC facilities was 6,989.7 tons, which is 46% lower than the level of the previous year. This reduction in emissions is also due to following factors:

- In 2021, the companies NMMC, Navoiuran SE and NMMC Fund SI were separated.
- New 5 pcs dust collectors were introduced at block B of Hydrometallurgical Plant No.2, in which the efficiency of purification is 99.5%;
- Works were carried out in mine 'Muruntau' to reduce the amount of dust and gas by improving the quality of bottom-hole charging by means of formation of a retaining wall during blasting operations.

- Irrigation of bottom-holes with technical water by means of watering and irrigation machines – dusting at mining sites was significantly reduced through the use of alcoholic bard sulphate in dust suppression on technological roads of mines.
- Installation of 2 additional dust and gas collecting units in the roasting shop at HMP-4;
- 1 dust collector was installed at NMBP;
- Three dust collectors were installed at HMP-3.

Reduction of air pollutant emissions represents a major component of NMMC's environmental protection activities. The Company actively seeks to minimize the negative impact of its operations on air quality through continuous integration of advanced technological solutions and innovations.

NMMC regularly conducts industrial environmental monitoring and takes measures to reduce atmospheric emissions of pollutants generated as a result of production processes. The Company monitors sources of atmospheric emissions in accordance with the schedule "Control over Compliance with Maximum Permissible Emissions (hereinafter referred to as MPE) at emission sources by NMMC divisions for 2022" agreed with the territorial bodies of the Ministry of Natural Resources.

Emissions of pollutants are inevitable throughout the entire production process. Sulphur oxides (SOx), nitrogen oxides (NOx), particulate matter and volatile organic compounds (VOCs) are the main air pollutants emitted as a result of production. Fuel combustion is a major source of nitrogen and carbon oxides.

TYPES AND DESCRIPTION OF EMISSION SOURCES

1 ORGANISED SOURCES OF EMISSIONS EQUIPPED WITH DUST AND GAS CLEANING EQUIPMENT

Furnaces of plants and boiler houses, and technological installations emissions carried out through the constructed flue gases and pipes

2 ORGANISED EMISSION SOURCES WITHOUT TREATMENT

Furnaces of plants and boiler plants, and process equipment without steam-gas units

3 UNORGANISED EMISSION SOURCES

Metalworking machines, welding, and paintwork emissions

4 VOLLEY EMISSIONS

Accidental releases and blasting releases

5 MOBILE SOURCES

Cars and trucks, buses

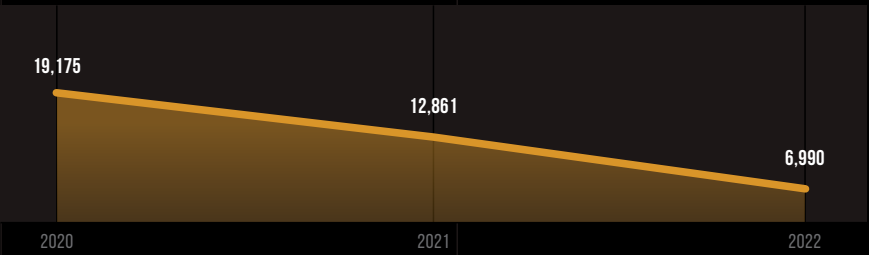
46%

decrease of the volume of pollutant emissions into the atmosphere at NMMC facilities compared to 2021

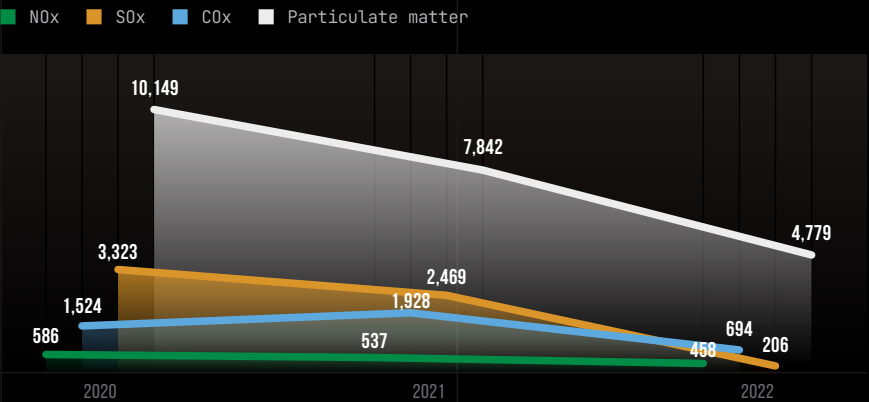
THE VOLUME OF POLLUTANTS FOR 2020-2022, TONS

GRI 305-7			
Pollutant	2020	2021	2022
Total volume, including:	19,175	12,861	6,990
CO ⁸	1,524	1,928	694
NOx (NOx volume includes NO and NO ₂ , but does not include N ₂ O)	586	537	458
SOx ⁹ (SOx volume includes SO ₂ and SO ₃)	3,323	2,469	206
Particulate matter PM10 (particulate matter 10 micrometers in diameter or less)	10,149	7,842	4,779 ¹⁰
Lead (Pb)	0.05	0.06	0.06
Volatile organic compounds (VOC _s) ¹¹	7	84	33 ¹¹

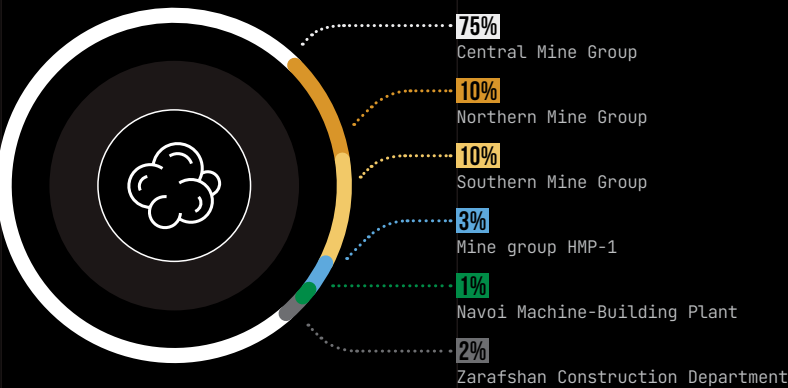
TOTAL EMISSIONS OF NMMC INTO THE ATMOSPHERE FOR 2020-2022, TONS



MAIN EMISSIONS OF NMMC INTO THE ATMOSPHERE FOR 2020-2022, TONS



SHARE OF POLLUTANT EMISSIONS INTO THE ATMOSPHERE BY KEY DIVISIONS OF NMMC IN 2022, %



⁸ Reduction in carbon monoxide emissions compared to previous years is due to a decrease in drilling and blasting operations, i.e. a decrease in the consumption of emulsion-explosive substances. Mostly, the excavation of rock mass is ongoing.

⁹ Significant reduction in sulphur oxides is due to the transfer of the Sulphuric Acid Production Plant to the balance sheet of SE Navoiuran after the latter is separated into an independent entity in 2021.

¹⁰ Reduction in particulate matter is due to the installation of additional dust collectors in 2022.

¹¹ Significant reduction of VOCs compared to the previous year is due to the transfer of boiler houses to the balance of SUE "Issiklik manbai", as well as the transfer of methane and propane refueling stations to local executive bodies.



IN 2022, THE TOTAL VOLUME OF POLLUTANT EMISSIONS INTO THE ATMOSPHERIC AIR DID NOT EXCEED THE VALUES OF THE STANDARDS ESTABLISHED BY THE MINISTRY OF NATURAL RESOURCES (THE VOLUME OF MPE WAS 22,685 TONS).

In the reporting year, the following activities were carried out to reduce the negative impact on the atmospheric air.

CENTRAL MINE GROUP



- Application of special materials for dust suppression on mining and technological highways. As a result of the performed works it was possible to reduce dust emissions by 540 tons. The total cost of these activities amounted to

\$2.18 million

- Planting of green spaces within the framework of the Yashil Makon project, in 2022 there have been planted

7,000 trees

- Implementation of measures to reduce dust and other pollutant emissions, including improved blasting processes and site irrigation to reduce dust suppression;
- Reduction of atmospheric pollution through the use of emulsion explosives without trotyl.

\$3.07 million

total expenditures allocated for the implementation of the listed activities during the reporting year

NORTHERN MINE GROUP



- Landscaping of the territory around the enterprise with planting of

2,700 trees

- Repair and modernization of dust and gas recovery equipment. The costs of these activities amounted to

\$832 thousands

NAVOI MACHINE-BUILDING PLANT



- Conversion of motor vehicles to the use of natural gas as an alternative fuel, contributing to the reduction of pollutant emissions.

Existing measures to suppress dust from tailings are represented by the placement of fresh tailings in the tailings pond. Loading and unloading of waste rock and ore is provided with a dust suppression system, but it is not always sufficiently effective due to climatic conditions at the production sites. Roads are watered to reduce dust caused by transportation of goods.

HYDROMETALLURGICAL PLANT – 1



- Landscaping of the territory around the enterprise in the amount of

820 trees

AUTOBASE NO. 3



- Repair and adjustment of automobiles and automotive equipment.

In 2022, NMMC had draft standards for permissible polluting emissions for the facilities of the CMG, NMG, SMG, NMBP, HMP-1, ZCD units, which provide the monitoring of compliance with these relevant standards.

6,827

air samples

were collected from 102 priority pollution sources in 2022

9,554

analytical measurements

were carried out in 2022

As part of the national “Environmental Monitoring Program in the Republic of Uzbekistan for the period from 2021 to 2025” approved by the Resolution of the Council of Ministers of the Republic of Uzbekistan No. 343 dated June 3, 2021, the NMMC monitoring program was updated, including sources of air pollution. In 2022, 6,827 air samples were collected from 102 priority pollution sources, and subsequent 9,554 analytical measurements were carried out.

SPECIFIC EMISSIONS OF NITROGEN AND SULPHUR OXIDES IN 2020-2022, UNITS.

	2020	2021	2022
Specific emissions	tons of emissions per ton of processed ores	tons of emissions per ton of processed ores	tons of emissions per ton of processed ores
Nitrogen oxides (NO _x)	0.000010	0.000013	0.000005
Sulphur oxides (SO _x)	0.000011	0.000012	0.000002

PLANS FOR 2023 AND THE MEDIUM TERM

- In 2023, it is planned to install an automatic control system for continuous instrumental control of permanent sources of air pollution at HMP-3 and HMP-2.
- Installation of automatic stations for sampling and analysis of samples from permanent sources of atmospheric air pollution;
- Take measures to drastically reduce emissions of pollutants into the atmosphere.

Also within the framework of the Innovative Development Program of NMMC for 2023-2024 it is planned to:

- Implement of an automatic air pollution control system in the HMP-3 filtration, drying and roasting room;
- Create of ecologically effective technology for processing exhaust gases of industrial enterprises in Navoi region.



CLIMATE CHANGE

APPROACH TO CLIMATE CHANGE GOVERNANCE

GRI 3-3

Climate change issues are important for NMMC. The Sustainable Development Management Committee was established to successfully achieve goals in this area. The Committee’s activities cover a wide range of processes, including analyzing and discussing issues and setting priorities in areas related to sustainable development, climate change, and carbon footprint reduction. In addition, the Committee monitors the Company’s environmental and occupational health and safety performance and agrees on annual and strategic activities in these areas.

NMMC implemented a program to reduce energy intensity and introduce energy-saving technologies and systems in economic and social sectors for 2020-2022.

In addition, NMMC is implementing a set of measures to reduce greenhouse gases for 2016-2030. Thus, in 2022, several measures were implemented in the direction of greenhouse gas emission level reduction. In the reporting year, the total volume of greenhouse gas emissions reduction through the implementation of energy saving measures amounted to 4,207.5 tons of CO₂-eq.

4,207.5

tons of CO₂-eq

the total volume of greenhouse gas emissions reduction in 2022

ORGANIZATIONAL STRUCTURE OF CLIMATE CHANGE GOVERNANCE

COMMITTEE ON SUSTAINABLE DEVELOPMENT

KEY RESPONSIBILITIES IN COMBATING CLIMATE CHANGE

- supervises the strategy and processes at the Company-wide level, designed to manage risks and opportunities in the areas of occupational safety, industrial security, environmental protection, socio-economic issues, and combating climate change;
- supports the Supervisory Board in identifying necessary climate change policies and initiatives, overseeing their implementation, and determining the acceptable level of risk associated with climate change.

GENERAL DIRECTOR

KEY RESPONSIBILITIES IN COMBATING CLIMATE CHANGE

- has ultimate authority to address the challenges faced by the Company and oversees risk management activities and sustainability programs;
- oversees the development of climate change plans and monitors the implementation of climate-related tasks at the Company-wide level. Approves relevant reports to the Sustainable Development Committee and the Supervisory Board.

DEPARTMENT OF THE CHIEF POWER ENGINEER AND DEPARTMENT OF MOTOR TRANSPORT

KEY RESPONSIBILITIES IN COMBATING CLIMATE CHANGE

Represents the Company’s interests in the field of energy efficiency and is responsible for:

- monitoring of climate regulation and decarbonization initiatives;
- formulating the Company’s position on issues related to energy efficiency and energy saving;
- implementation of decarbonization programs and projects, development of the energy management system and overall environmental efficiency of the Company’s operations.

GENERAL DIRECTORATE OF OCCUPATIONAL SAFETY AND HEALTH, ENVIRONMENTAL PROTECTION DEPARTMENT AND PRODUCTION CONTROL DEPARTMENT

KEY RESPONSIBILITIES IN COMBATING CLIMATE CHANGE

- supervise labor protection, industrial safety and environmental protection issues;
- implement climate initiatives and programs, integrating them into the company’s daily operations, and monitor them at the operational level in line with the Company’s overall strategy and climate change action plan.

MEASURES TO REDUCE GREENHOUSE GASES

CURRENT INITIATIVES

Completion of measures to modernize energy-intensive production facilities and improve energy efficiency in the use of fuel and energy resources, including:

- modernization and reconstruction;
- improvement of technological processes;
- use of secondary energy resources;
- reduction of non-productive losses.

Completion of measures to introduce and expand the use of alternative and renewable energy sources, primarily the introduction of biogas plants.

PLANS FOR THE NEXT TEN YEARS

1. Developing a program of initiatives to reduce carbon footprint and improve energy efficiency.
2. Continued implementation of measures to modernize energy-intensive production facilities and improve energy efficiency of fuel and energy resources use, including adoption of energy-efficient technologies.
3. Continued implementation of measures to introduce and expand the use of alternative and renewable energy sources, including:
 - installation of solar collectors for hot water supply of NMHC facilities;
 - installation of photovoltaic power plants at NMHC facilities;
 - other measures to save gasoline and diesel fuel (for more details, see the Energy Management section).

CLIMATE THREATS AND OPPORTUNITIES

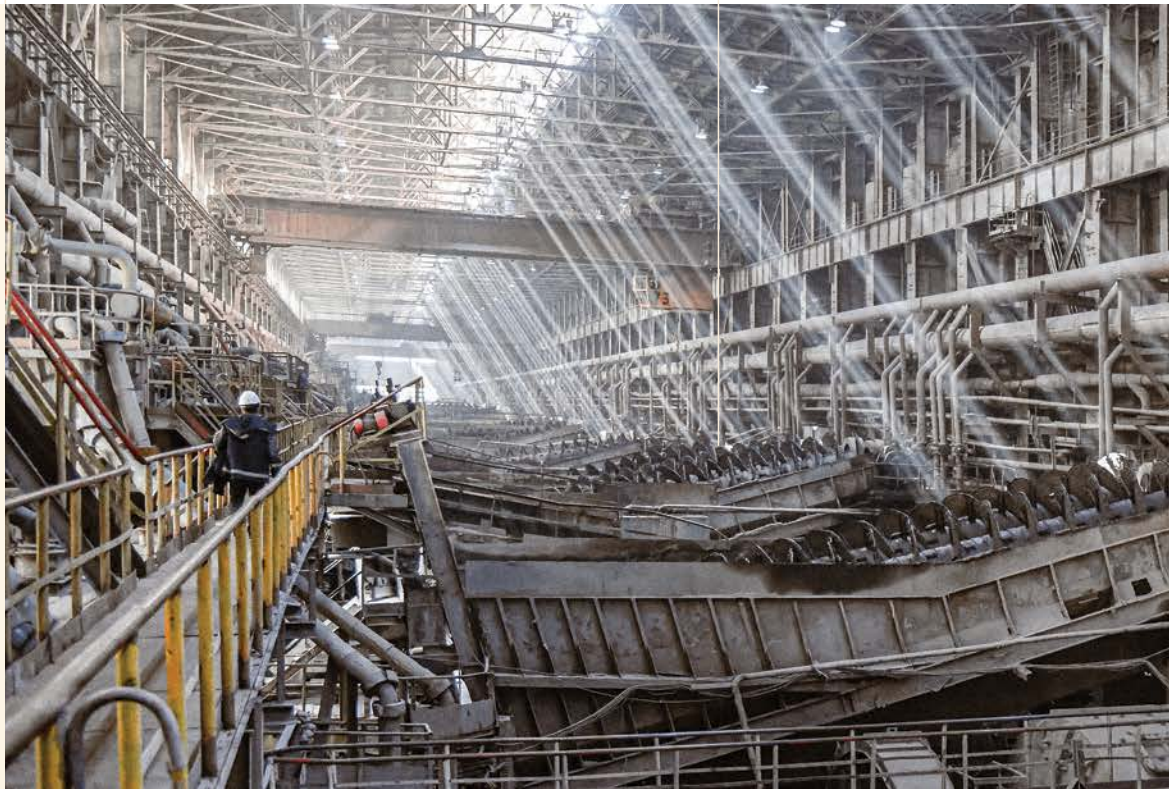
The Company incorporates principles promoting urgent measures to combat climate change into its long-term development strategy. The Company monitors the volume of greenhouse gas emissions, identifies and quantifies emission sources.

- changes in energy sources due to the transition to less carbon-intensive energy sources, increasing the share of renewable energy sources;
- identification of opportunities in new markets related to climate change adaptation and mitigation.

Currently, the Company does not allocate climate risks into a separate group and all issues related to the impact of environmental factors on the Company's activities are considered as part of the general risk assessment process. In the medium term, NMHC plans to assess climate risks for its business units, considering climate change trends in the regions where it operates and determine their possible impact on the Company's operations in the future. Also, the Company analyzes opportunities arising from climate change. NMHC considers the following areas as the most relevant ones:

- implementation of organizational and technical measures within the framework of the plan for saving fuel and energy resources;
- increasing resource efficiency through wider use of secondary energy sources;

NMHC IMPLEMENTS PROJECTS BOTH FOR GENERATING ITS OWN ENERGY AND FOR EFFICIENT CONSUMPTION OF ENERGY RESOURCES AND UTILIZATION OF RENEWABLE ENERGY SOURCES.



Greenhouse gas reduction realized due to the implementation of energy saving measures in 2022

4,207.5 tons of CO₂-eq

MONITORING OF GREENHOUSE GAS EMISSIONS

GRI 305-1, GRI 305-5, EM-MM-110a.1, EM-MM-110a.2

Direct greenhouse gas emissions (Scope-1) represent the result of gases emitted into the atmosphere due to the use of fuel and energy resources by NMHC facilities. Among these greenhouse gases, carbon dioxide (CO₂) is an important component.

The main sources of direct greenhouse gas emissions are the following:

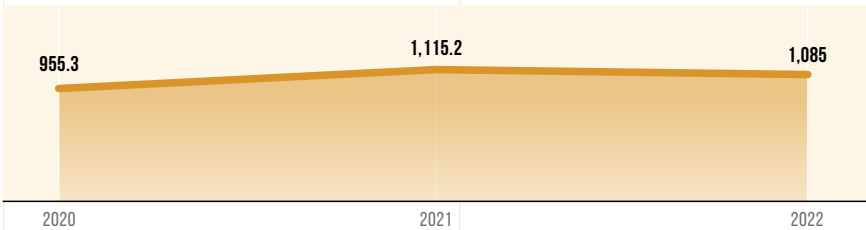
- Energy plants: In this context, energy plants are systems in which hydrocarbon fuels are combusted. The combustion of such fuels emits greenhouse gases into the atmosphere.
- Motor vehicle engines: Engines used in automobiles and other transportation are also significant sources of greenhouse gas emissions. The internal combustion of gasoline, diesel, compressed natural gas, and liquefied natural gas in vehicle engines produces greenhouse gases that are released into the atmosphere.

THE VOLUME OF GREENHOUSE GASES EMITTED BY NMHC UNITS IN 2020-2022, THOUSAND TONS

GRI 305-1			
Sources of greenhouse gases	2020	2021	2022
Natural gas	183.5	211.5	217.3
Fuel oil	8.5	9.1	9.4
Heating oil	0.2	0.2	0.09
Gasoline	2.9	4.3	2.8
Diesel fuel	757.3	887.2	853
Compressed natural gas	0	0.001	0.004
Liquefied gas	2.9	2.9	2.1
Total	955.3	1,115.2	1,085

Greenhouse gas calculations were performed by a third-party organization using the IPCC methodology (2006).

TOTAL DIRECT GREENHOUSE GAS EMISSIONS (SCOPE-1), THOUSAND TONS CO₂-EQ



The Company monitors greenhouse gas emissions and quantifies the volume of direct greenhouse gas emissions from facilities controlled by NMMC. Overall, in 2022, the Company reduced the level of Scope-1 greenhouse gas emissions compared to the previous year. One of the factors contributing to this reduction was the separation of JSC NMMC, Navoiuran SE and NMMC Fund JSC companies.

For 2022, greenhouse gas reduction in the amount of 4,207.5 tons CO₂-eq was realized due to the implementation of energy saving measures.

In the reporting period, the Company undertook and successfully implemented measures to optimize the consumption of fuel resources, which includes the following measures:

- Adoption of energy-efficient technologies;
- Reduction of FER losses not related to the production process;
- Modernization and reconstruction of vehicles, road machinery and mining equipment to reduce fuel consumption;

- Improvement of technological processes;
- Introduction of alternative fuels by adapting and retrofitting vehicles to use more environmentally green and efficient energy sources.

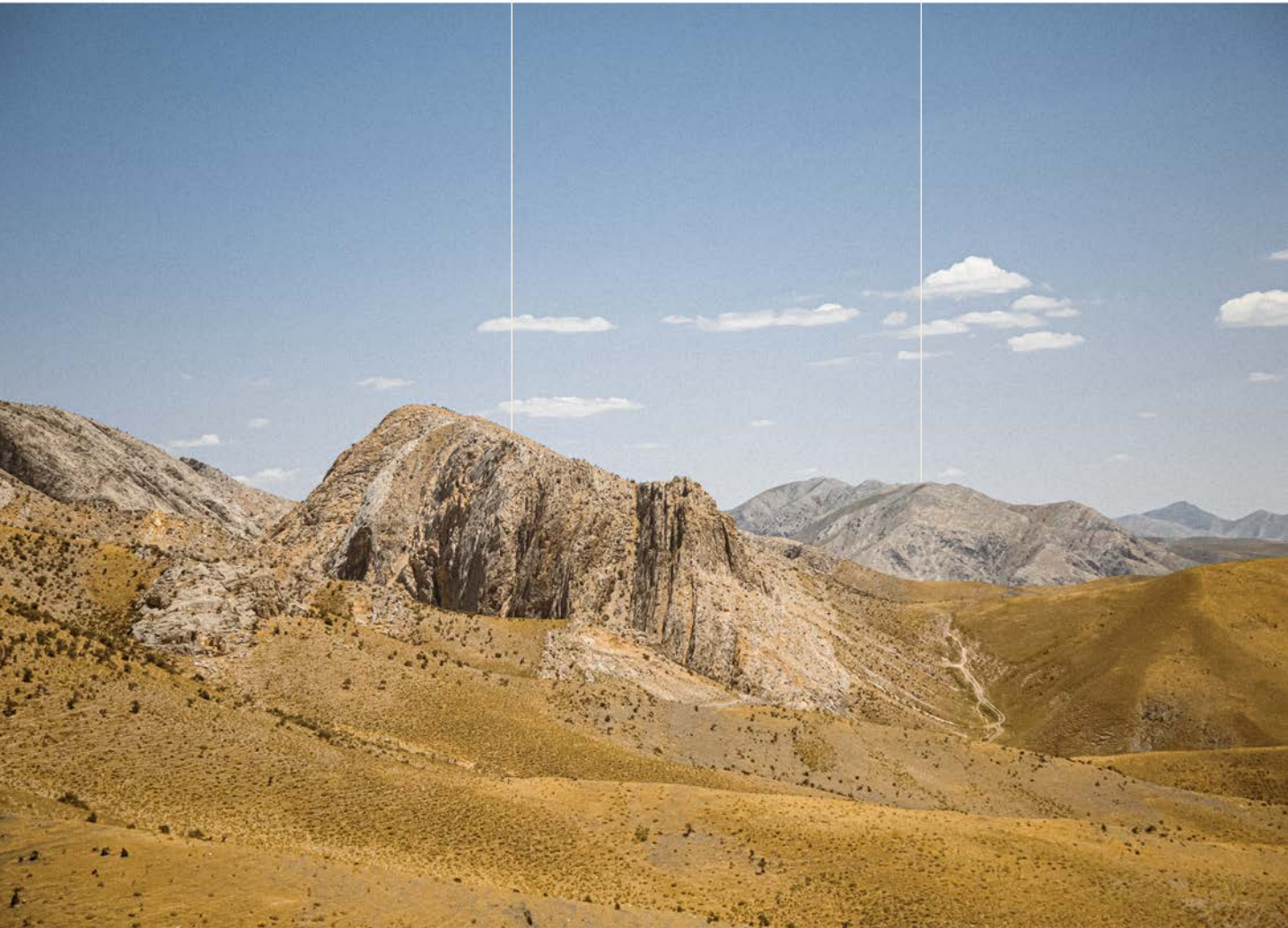
As a result of the effective implementation of the above measures, total fuel resource savings were achieved in 2022. These efforts contribute to cost reduction and promote sustainable utilization of natural fuel resources, reduction of greenhouse gas emissions.

The Company implements initiatives to minimize air pollutant emissions. To this end, work is underway to reduce the volume of energy consumption from non-renewable sources, as well as to increase the share of renewable energy sources in the territories of NMMC’s divisions.

PLANS FOR 2023 AND THE MEDIUM TERM

In the medium term, the Company plans to introduce initiatives to reduce the carbon footprint of the supply chain. In the medium term the Company intends to evaluate the Scope-2 GHG emissions and inventory suppliers and whether they have GHG emission records to calculate Scope-3 emissions.

Also, in the medium term, the program of innovative development of NMMC for 2023-2024 is planned, which includes the development and implementation of CO₂ reuse production technology in the foundry.



ENERGY MANAGEMENT

ENERGY EFFICIENCY

GRI 3-3

The Company is committed to efficient energy management, ensuring stable operation of all its industrial and social facilities. Improving energy efficiency is one of the Company’s main priorities within the framework of environmental protection.

Main guiding documents:

- ISO 50001 (in CMG);
- Program on reduction of energy intensity, adoption of energy-efficient technologies and systems in economic sectors and social sphere for 2020-2022.

Energy supply is an important vector of the Company’s policy implementation. To manage energy resources, NMMC has a Department of Chief Power Engineer in the corporate management and energy services in each mine group. The Central Energy Operational Dispatching Service manages all power supply facilities and controls their operating schedule. The Energy Divisions and the Central Energy Operational Dispatch Service report to the Company’s Chief Power Engineer. The Company monitors the implementation of energy efficiency measures on an ongoing basis.

In 2017-2018, three divisions of the Company were certified in accordance with the international standard ISO 50001 ‘Energy Management System’: Central mine group, Southern mine group and NMBP. Each of the divisions has appointed energy use management representatives, as well as persons responsible for supporting energy management system and monitoring the implementation of energy saving plans.

Based on the results of the energy survey, an assessment was carried out and in accordance with which ‘Comprehensive Measures to Reduce Energy Intensity of Economic and Social Sectors for 2020-2022’ plan were elaborated.

ENERGY CONSUMPTION

GRI 302-1, EM-MM-130a.1

In terms of energy consumption, the Company is guided by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 22 dated 12.01.2018 ‘On additional measures to improve the procedure for the use of electricity and natural gas’. In the reporting period, total energy consumption in NMMC amounted to **31.4 million GJ**. In 2022, there were energy consumption increase in the Company by almost 4% compared to 2021 (30.2 million GJ), which is due to the commissioning of new production facilities as part of the implementation of investment projects, growth in the volume of ore processing and increased mining of rock mass production, mining, and processing of raw materials.

CONSUMPTION OF PURCHASED ENERGY, GJ

GRI 302-1			
Types of energy	2020	2021	2022
Electricity	13,363,033	14,560,194	15,628,679
Thermal energy (hot water + steam)	188,713	351,011	468,788
Total:	13,551,746	14,911,205	16,097,467

FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES BY FUEL TYPE (PROCUREMENT), GJ

GRI 302-1			
Types of fuel	2020	2021	2022
Fuel oil	106,521	111,479	116,570
Natural gas (including LPG and LNG)	3,270,459	3,769,036	3,874,566
Gasoline	41,266	52,673	40,550
Diesel fuel	10,011,675	11,356,981	11,278,200
Total:	13,429,921	15,290,169	15,309,890

NMMC TAKES MEASURES TO REDUCE DEPENDENCE ON TRADITIONAL ENERGY SOURCES THROUGH THE WIDESPREAD ADOPTION OF MODERN ENERGY-EFFICIENT TECHNOLOGIES AND THE USE OF ALTERNATIVE RESOURCES.

31.4 million GJ
total energy consumption in NMMC in 2022

THE FOLLOWING ENERGY SAVING MEASURES WERE IMPLEMENTED IN 2022:

ADOPTION OF ENERGY-EFFICIENT TECHNOLOGIES:

- Introduction of motor system with transistor converter in crawler excavators, achieved energy saving of

3.41 thousand GJ

- Use of frequency converters for electric motors, achieved energy savings of

13.64 thousand GJ

- Commissioning of energy-saving lighting equipment, which saved

1.54 thousand GJ

REDUCTION OF NON-PRODUCTION LOSSES:

- Holding of reactive power compensation works at NMMC substations.

10.24 thousand GJ

129.22 thousand GJ

The cumulative energy savings in 2022 achieved by implementing the above measures

MODERNIZATION AND RECONSTRUCTION:

- Replacement of used equipment with low-power equipment, which saved

4.33 thousand GJ

- Modernization of equipment, which allowed to reduce energy consumption by

2.24 thousand GJ

- Equipment put on standby without interruption of production, energy savings achieved

85.61 thousand GJ

- Improvement of technological processes, achieved energy savings

7.98 thousand GJ

- Introduction to the use of renewable energy sources, through the use of photovoltaic batteries, achieved energy savings of

0.23 thousand GJ

THESE EFFORTS NOT ONLY CONTRIBUTE TO REDUCING OPERATING COSTS, BUT ALSO SUPPORT THE COMPANY’S STRATEGIC GOALS OF ENERGY EFFICIENCY AND MAINTAINING ENVIRONMENTAL INTEGRITY.

ALTERNATIVE ENERGY

In terms of expanding the use of RES, the Company acts in accordance with the Law of the Republic of Uzbekistan dated 21.05.2019 №Z RU-539 “On the use of renewable energy sources”, as well as the Decree of the President of the Republic of Uzbekistan dated 22.08.2019 № PD-4422 “On accelerated measures to improve energy efficiency of economic and social sectors, introduction of energy-saving technologies and development of renewable energy sources”.

The use of renewable energy sources is one of the strategically significant directions of the general policy of development of the economic sector of NMMC. Taking into account the available technical potential, the role and place of renewable energy in the current and future energy balance of the Company have been determined. In this regard, NMMC is implementing a number of projects aimed at introducing renewable energy sources as part of current production.

Taking advantage of favorable climatic conditions and the positive potential of solar energy in Uzbekistan, the Company has developed and implemented projects to apply heat energy to provide hot water supply using solar collectors. Solar collectors are used at NMMC’s facilities located in four regions of the Republic of Uzbekistan – Navoi, Bukhara, Samarkand and Jizzak. Heliostats are operated in the Northern, Central, Southern mine groups, Navoi Machine-Building Plant, and HMP-1 mine group. The volume of received energy from solar collectors decreased by 22% in 2022 compared to 2021, which is due to the transfer of 1,289 solar collectors to the balance of State Enterprise “Navoiuran” and State Institution NMMC Fund.

Thus, in 2022, after transformation of SE “NMMC” into JSC “NMMC”, 1,647 pcs. of solar collectors were used with total annual heat production of 12,799.659 GJ per year (33% of the total demand for hot water supply in summer).

Additional installation of 3,346 pcs of vacuum solar collectors is planned for 2023, with the expectation of fully replenishing the demand for hot water supply of the Company’s facilities in the summer period of the year (April-October).

ENERGY CONSUMPTION FROM RENEWABLE ENERGY SOURCES BY TYPE OF ENERGY SOURCES, GJ

GRI 302-1

Amount of own generated energy by its types (RES)	2020	2021	2022
Electricity (PV power plants)	-	1,122.37	1,254.88
Thermal energy (hot water+steam)	6,408.69	7,301.81	8,564.11
Total:	6,408.69	8,424.18	9,818.99

CONSTRUCTION OF PHOTOVOLTAIC POWER PLANTS

In order to reduce production costs, construction of photovoltaic power plants (PVP) was completed at NMMC in 2021 as part of the following investment projects:

- Power supply of industrial facilities under the project “Construction of a mine for extraction and processing of gold-containing ores of Auminzo-Amantoisky ore field deposits (HMP-5)” with the capacity of 0.1 MW;

- Power supply of industrial facilities within the framework of the project “Muruntau open pit mining (V stage)” with the capacity of 0.1 MW.

Also, in 2022, the following photovoltaic power plants were put into operation:

- Grid and Substation Shop of NMMC with a capacity of 0.01 MW;
- Central Laboratory of “Control and Measuring Instruments and Automation” with the capacity of 0.04 MW.

NMMC is working to increase the share of RES, despite the specifics of the industry and limitations in their use due to the need to maintain production continuity. Due to the fact that the share of energy consumption from RES in 2022 amounted to an insignificant percentage of the total energy consumption, the Company plans to disclose the data in a future reporting period.

REDUCTION OF ENERGY CONSUMPTION

GRI 302-4

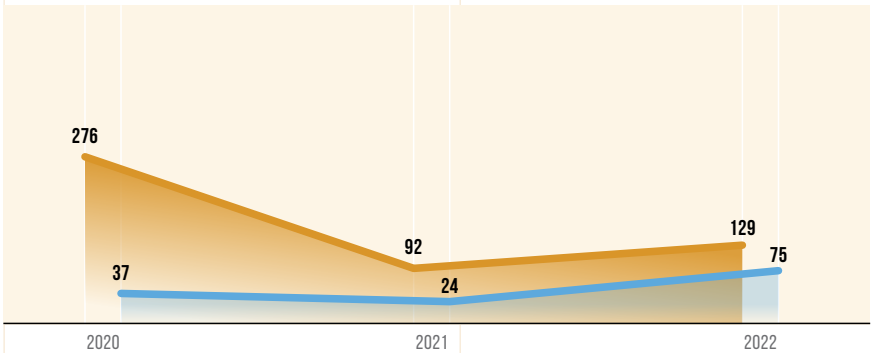
As production volumes grow, energy costs increase, so NMMC annually develops and implements measures aimed at energy and resource conservation.

EXECUTION OF THE ‘PLAN OF ORGANIZATIONAL AND TECHNICAL MEASURES TO SAVE FUEL AND ENERGY RESOURCES AND IMPROVE ENERGY EFFICIENCY’ IN 2022

MEASURE		
IMPROVEMENT OF TECHNOLOGICAL PROCESSES	INTRODUCTION OF ALTERNATIVE ENERGY SOURCES	INTRODUCTION OF ENERGY-EFFICIENT TECHNOLOGIES
PLAN	PLAN	PLAN
• 7.93 thousand GJ of electricity and 35.8 thousand GJ of natural gas	• 0.227 thousand GJ of electricity and 1.39 thousand GJ of natural gas	• 17.57 thousand GJ of electricity
REALISATION	REALISATION	REALISATION
7.98 thousand GJ electricity	0.231 thousand GJ electricity	18.58 thousand GJ electricity
73.6 thousand GJ natural gas	1.39 thousand GJ natural gas	
MEASURE		
MODERNIZATION AND RECONSTRUCTION (INCLUDING REPLACEMENT OF EQUIPMENT WITH LOWER CAPACITY, PUTTING IT ON STANDBY)	REDUCTION OF UNPRODUCTIVE LOSSES	
PLAN	PLAN	
• 91.85 thousand GJ of electricity	• 10.18 thousand GJ of electricity	
REALISATION	REALISATION	
92.18 thousand GJ electricity	10.24 thousand GJ electricity	

VOLUME OF ENERGY SAVINGS, THOUSAND GJ

Natural gas Electricity



At the end of 2022, total savings of electricity, natural gas, gasoline and diesel fuel were achieved through the implementation of the program to reduce energy intensity and introduce energy-saving technologies. The total reduction of electricity and natural gas through the implementation of the program to reduce energy intensity and introduce energy-saving technologies amounted to 204 thousand GJ.

In addition, during the reporting period, the Company implemented the following projects to introduce energy-efficient technologies:

- introduction of the transistorized converter-motor system on crawler excavators – 3.4 thousand GJ of electricity;
- application of variable-frequency drive – 14 thousand GJ of electricity;
- introduction of energy-saving lighting devices – 1.5 thousand GJ of electricity.

Calculation of fuel and energy resources savings was carried out according to the methodology developed by the Ministry of Energy of the Republic of Uzbekistan, considering the current base year.

ENERGY INTENSITY

GRI 302-3

In 2022, the level of specific consumption of fuel and energy resources in the Company's divisions remained at the same level as in 2021. Energy efficiency was assessed by the energy intensity indicator, which amounted to 0.006 GJ/\$ of total revenue. In calculating this indicator, all types of energy and fuel, including electricity, heat, natural gas, steam, diesel, gasoline and fuel oil consumption, were taken into account relative to total revenue in 2022.

In accordance with the above methodology, the energy efficiency indicator of an enterprise is determined by the ratio of total consumption of all types of energy resources (purchased, excluding renewable energy), reduced to a single indicator (GJ), to total revenue (GJ/\$ of total revenue).

204

thousand GJ

The total reduction of electricity and natural gas in 2022

To ensure rational use of energy resources during design, reconstruction, construction and commissioning of buildings and structures, they are checked for compliance with urban planning norms and regulations on the use of energy efficient and energy saving technologies. Also, the design, reconstruction and construction of all buildings and structures, except for individual housing construction, require the mandatory installation of certified solar hot water supply systems and energy-saving lamps. In addition, it is important to consider energy efficiency criteria in technical specifications for procurement of energy equipment, works and services, as well as design, and in further procurement of energy equipment, works and services.

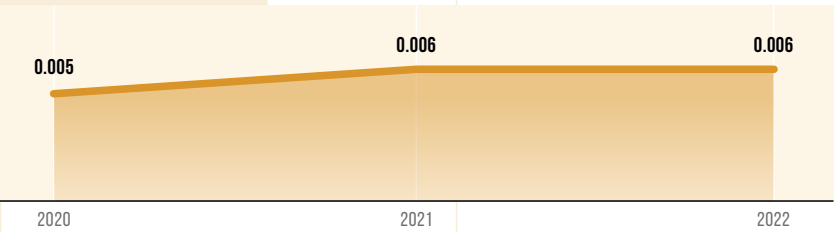
0.006

GJ/\$ of total revenue

the energy intensity indicator in 2022

PRODUCTION ENERGY INTENSITY INDICATORS IN 2020-2022, GJ/\$ OF TOTAL REVENUE

GRI 302-3



AUTOMATED INFORMATION AND MEASURING SYSTEM FOR ELECTRICITY CONTROL AND METERING

In the medium term, the Company plans to centralize the Automated Information and Measuring System for Electricity Control and Metering (AIMSECM), the facilities of which will have a local system, and to include additional facilities in the unified system.

AIMSECM is designed for automatic remote metering of electricity meter readings and data processing. The purpose of AIMSECM development and implementation is to increase the level of control and metering of electricity, to provide all users of the system with complete information on electricity consumption at NMMC facilities for:

- obtaining energy consumption readings in automatic mode;

- prevention of commercial losses of electricity;
- application of a multi-tariff metering system and ensuring rational energy consumption;
- introduction of a unified data collection system for NMMC;
- eliminate the human factor;
- reduction of transportation costs due to remote collection of data from meters;
- operational metering of electricity consumption for financial settlements;
- analysis of forecasting and operational tracking of loads;
- improving the accuracy of electricity billing.

PLANS FOR 2023 AND THE MEDIUM TERM

To further develop energy saving and improve energy efficiency, the Company will focus on rational management and operation of power supply systems, implementation of new technological solutions, modernization of equipment and increased use of renewable energy sources.

On the basis of the Decree of the President of the Republic of Uzbekistan No. 57 from 16.02.2023 'On measures to accelerate the introduction of renewable energy sources and energy-saving technologies in 2023' the Company planned savings of energy resources are planned in accordance with the following:

- improvement of technological processes – 65.29 thousand GJ of electricity and 40.85 thousand GJ of natural gas;
- modernization and reconstruction (including replacement of equipment at a lower capacity, withdrawal to the reserve) – 27.9 thousand GJ of electricity;
- introduction of alternative energy sources – 90 thousand GJ of electricity;
- application of frequency-controlled electric drive – 10.2 thousand GJ of electricity;
- introduction of transistorized converter-motor system on crawler excavators – 3.4 thousand GJ of electricity.

In 2023, due to the implementation of measures under the Roadmap to reduce production costs and energy intensity, as well as to improve energy efficiency at NMMC, it is planned to save 320.5 thousand GJ of diesel fuel and 74.6 thousand GJ of gasoline.

As part of the Innovative Development Program of JSC NMMC for 2023-2024, it is planned to conduct research on the technology of safe combustion of waste oil (heat energy generation).

SUSTAINABLE LAND USE

EM-MM-160a.1

THE COMPANY ADHERES TO THE PRINCIPLES OF RATIONAL USE OF LAND RESOURCES. THIS MEANS FOLLOWING THE NECESSARY PROCEDURES FOR PROPER DECOMMISSIONING OF FACILITIES IN ORDER TO PREVENT NEGATIVE ENVIRONMENTAL IMPACT OF THESE TERRITORIES AFTER THE COMPLETION OF THE COMPANY’S OPERATIONS. THERE WERE NO FIELD CLOSURES DURING THE REPORTING PERIOD. DEPOSITS UNDER EXISTING MINING AND LAND ALLOTMENTS ARE AT THE EXPLOITATION STAGE OR SUSPENDED FOR ADDITIONAL INTENSIVE EXPLORATION WORK.

NMMC IS GUIDED BY THE FOLLOWING NORMATIVE DOCUMENTS IN THE FIELD OF LAND EXPLOITATION AND CONSERVATION:

- LAND CODE OF THE REPUBLIC OF UZBEKISTAN;
- LAW OF THE REPUBLIC OF UZBEKISTAN “ON PROTECTED NATURAL AREAS”;
- LAW OF THE REPUBLIC OF UZBEKISTAN “ON RADIATION SAFETY”;
- SANPIN NO. 0183-05 “HYGIENIC REQUIREMENTS FOR THE QUALITY OF SOIL OF RESIDENTIAL AREAS IN SPECIFIC NATURAL AND CLIMATIC CONDITIONS OF UZBEKISTAN”; SANPIN NO. 0191-05 “MAXIMUM PERMISSIBLE CONCENTRATIONS (MPC) AND APPROXIMATE PERMISSIBLE CONCENTRATIONS (APC) OF EXOGENOUS HARMFUL SUBSTANCES IN SOIL”.
- UNIFIED RULES FOR THE PROTECTION OF SUBSOIL DURING THE DEVELOPMENT OF MINERAL DEPOSITS.

THE FOLLOWING ACTIVITIES AIMED AT SOIL COVER PROTECTION WERE IMPLEMENTED DURING THE REPORTING YEAR:

NORTHERN MINE GROUP

- Research of soil contamination level in the sanitary protection zone.

CENTRAL MINE GROUP

- Implementation of measures to comply with sanitary and hygienic standards related to the treatment and utilization of industrial waste.

HYDROMETALLURGICAL PLANT — 1

- Cleaning of soil from fuel and lubricants and their removal in the amount of

20 tons

- Soil quality control was carried out in the impact zone of the plant, at a cost of

\$6.76 thousand

MONITORING OF SOIL CONTAMINATION SOURCES

Based on the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 343 dated June 3, 2021 “On further improvement of the system of assessment of the level of environmental pollution”, monitoring of land resources is conducted semi-annually. In 2022, during monitoring in the sources of land resources pollution, 72 samples were taken from 60 points and 316 laboratory analyses were conducted. In 2022, specialists from the Ministry of Natural Resources conducted a number of inspections, and soil samples were taken from the tailing dump and industrial waste landfill.

JSC NMMC successfully implemented a number of activities related to monitoring within the framework of “Environmental Monitoring Program in the Republic of Uzbekistan for the period from 2021 to 2025” approved by the Decree of the Coun-

cil of Ministers of the Republic of Uzbekistan dated June 3, 2021 under the number 343. One of the important aspects of this monitoring is the assessment of sources of soil pollution. During 2022, the structural subdivisions of JSC NMMC monitored the sources of soil pollution in the area of Chikindi basins, including treatment facilities. 144 samples were taken to assess the condition of soil cover.

According to the results of monitoring in the territory of sanitary protection zones (SPZ) of industrial facilities, it was established that the soil condition of tailing ponds at the boundary of SPZ on the tested ingredients does not exceed the established standards. In 2022, the spread of soil contamination in the zone of influence of tailing ponds was not recorded, and no growth trend was observed.

72 samples were taken

316 analyses were made during the monitoring in the sources of land resources pollution in 2022

\$46 thousand the total cost of soil protection measures in this period



WASTE AND TAILINGS MANAGEMENT

WASTE MANAGEMENT

GRI 3-3, 306-1, 306-2, 306-3, EM-MM-150a.4, EM-MM-150a.6, EM-MM-150a.10, EM-MM-150a.7

Waste management in the Company’s operations is carried out based on the requirements of national legislation.

The Company’s waste management complies with the approved draft waste generation and disposal limits approved by the Ministry of Natural Resources. All structural subdivisions of MMC have developed drafts of waste generation and disposal limits agreed with positive conclusions from the State Expertise. This demonstrates the Company’s compliance with all regulatory requirements and standards in the field of waste management.

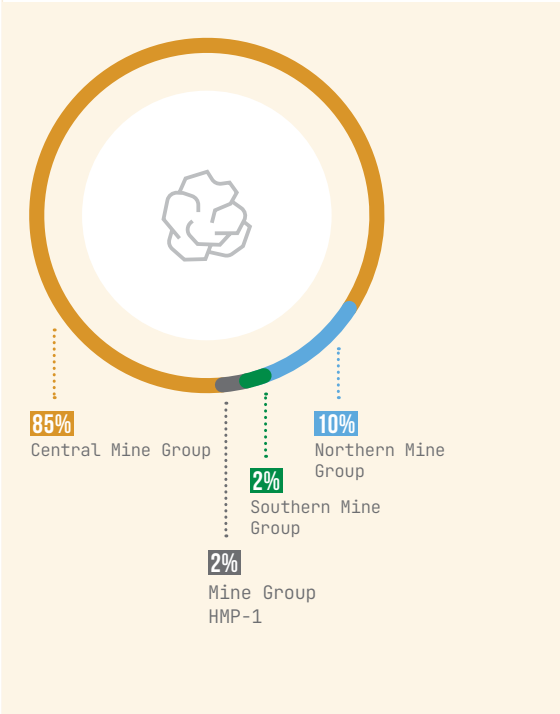
The main regulatory documents that the Company follows when carrying out activities related to waste management:

- Law of the Republic of Uzbekistan ‘On Waste’;
- Law of the Republic of Uzbekistan ‘On Environmental Control’;
- Law of the Republic of Uzbekistan ‘On Environmental Expertise’;
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan ‘Regulations on State Monitoring of Natural Environment in the Republic of Uzbekistan’ from April 03, 2002 No. 111;
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan ‘On regulation of import into the Republic of Uzbekistan and export from its territory environmentally hazardous products and wastes’ of April 19, 2000 No. 151.;

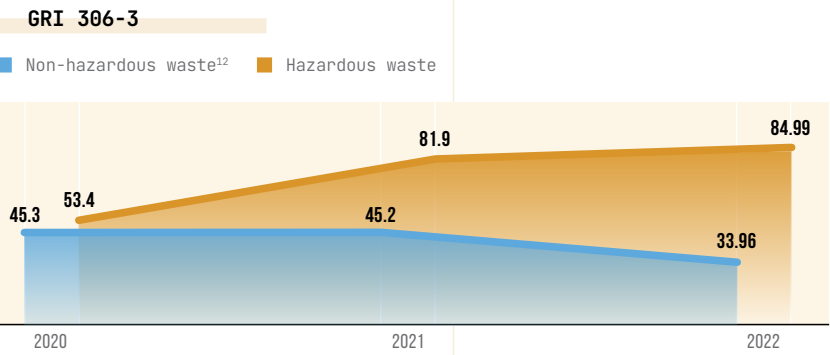
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan ‘On streamlining the activities of enterprises for the use and disposal of lamps and devices containing mercury’ of October 23, 2000 No. 405;
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan ‘On measures to further improve the efficiency of work in the field of household waste management’ dated October 02, 2018 No. 787;
- Resolution of the Cabinet of Ministers of the Republic of Uzbekistan ‘On measures to further improve the efficiency of work in the field of household waste management’ of February 06, 2019 No. 95;
- AUSS 30772-2001 ‘Resource conservation. Waste management. Definition terms’;
- ISO 14001:2015;
- SanRN No. 0128-02 ‘Hygienic Classifier of Toxic Industrial Waste in the Conditions of the Republic of Uzbekistan’;
- SanRN No. 0157-04 ‘Sanitary rules for collection, storage, transportation, neutralization and municipal solid waste (MSW) in cities of the Republic of Uzbekistan’;
- SanRN No. 0158-04 ‘Sanitary rules and norms for collection, transportation and disposal of asbestos-containing waste in Uzbek conditions’;
- SanRN No. 0300-11 ‘Sanitary Rules and Norms for Organizing the Collection, Inventory, Classification, Decontamination, Storage and Disposal of Industrial Waste in Uzbek Conditions’;
- SanRN No. 0317-15 ‘Sanitary Norms and Rules for Waste Collection, Storage and Disposal in Health Care Facilities’.

Data on waste generation and disposal from MMC’s divisions is collected by the Environmental Protection Department (EPD), which generates a single consolidated report and subsequently sends it to the relevant environmental and nature protection organizations. The main types of waste generated by the Company’s operations are developed rock mass and tailings of gold-containing ore processing at hydrometallurgical plants, which are stored in specially equipped tailings facilities built and operated in accordance with the design documentation.

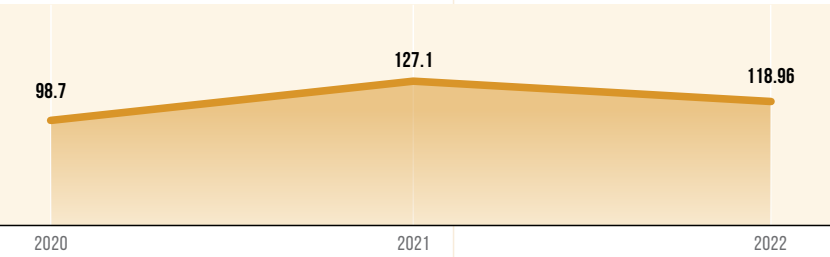
SHARE OF HAZARDOUS WASTE GENERATION BY KEY DIVISIONS OF MMC IN 2022, %



VOLUME OF WASTE GENERATED IN 2020-2022, MILLION TONS



TOTAL VOLUME OF WASTE GENERATION FOR 2020-2022, MILLION TONS



WASTE UTILIZATION

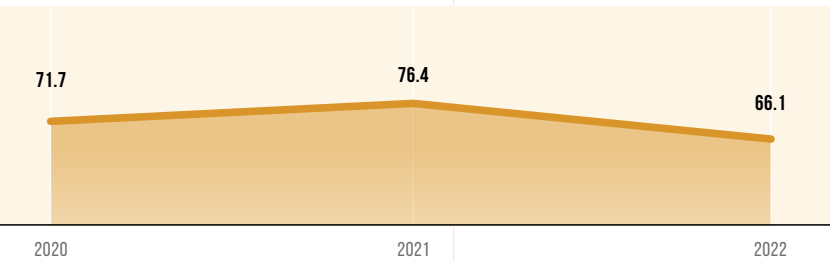
GRI 306-4, 306-5, EM-MM-150a.8, EM-MM-150a.9

In accordance with the legislation of the Republic of Uzbekistan, all wastes generated as a result of production activities of subdivisions are divided into five hazard classes.

Separate collection of scrap metal, plastic, waste oil, tires, waste paper, waste batteries, fluorescent and mercury lamps is organized in the Company’s subdivisions. Some waste is contractually transferred

to third-party organizations for disposal, neutralization or burial outside the Company. MMC conducts regular environmental control at the site, including monitoring of waste accumulation, removal certificates, as well as the availability of waste disposal limits and payments for negative environmental impact. There were no incidents involving hazardous materials and waste management violations in 2022.

TOTAL WEIGHT OF NON-HAZARDOUS WASTE SENT FOR DISPOSAL IN 2020-2022, THOUSAND TONS



¹² The reduction in the volume of non-hazardous waste in 2022 is due to the fact that in previous periods the volume of overburden also included the volume of mineralized mass (raw material for processing in future periods). During the reporting period, it was decided to clarify the approach to determining overburden by including only waste rock in the volume of non-hazardous waste, the volume of which in 2021 amounted to 35.3 million tons, in 2020 - 32 million tons. Waste rock is formed only in the Urtalik mine, the Marzhanbulak mine (SMG), and the Aristantau mine (HMP-1).

Total hazardous waste volume in 2022 was 84.99 million tons, an increase of 4% relative to 2021 due to the commissioning of HMP-5 in 2022).

Every month the Company carries out control at the facilities where industrial and household waste is generated and stored. On a quarterly basis, in accordance with the established reporting forms, subdivisions submit a report to the Head office of JSC NMMC.

The Corporate Environmental Protection Service of MMC collects and consolidates data on all production facilities and analyzes all reports from the Company’s facilities, and then prepares a consolidated report on all these facilities.

The methodology used to calculate the indicators is based on the Regulation on the procedure for state accounting and control in the field of waste management in the Republic of Uzbekistan. The data are collected by the Environmental Protection Department of the Central Office on a regular basis.

IN 2022, TOTAL WEIGHT OF NON-HAZARDOUS NON-RECYCLABLE WASTE SENT FOR DISPOSAL WAS 66.1 THOUSAND TONS, WHICH IS LESS BY 14% COMPARED WITH 2021.

WASTE SENT FOR DISPOSAL IN 2020-2022, THOUSAND TONS

Waste	2020	2021	2022
Total weight of non-hazardous waste sent for disposal at the Company's facilities	70.8	74.5	64.4
Total weight of non-hazardous waste sent for disposal outside the Company's facilities	0.9	1.9	1.7
Total weight of hazardous waste sent for disposal at the Company's facilities	1.7	1.02	1.11
Total weight of hazardous waste sent for disposal outside of the Company	0	0.007	0

VOLUME OF WASTE SENT FOR UTILIZATION BY HAZARDOUS AND NON-HAZARDOUS WASTE, TONS

GRI 306-4

Name	Unit	2020	2021	2022	Change, %
Waste utilized at the Company's facilities					
Hazardous waste	Tons	17.8	24	20	-17%
Non-hazardous waste	Tons	0	10.75	9.98	-7%
Waste transferred to third-party organizations for utilization					
Hazardous waste	Tons	402.3	253.2	241.5	-5%
Non-hazardous waste ¹³	Tons	24,107	65,219	10,532.5	-84%
Reused waste					
Hazardous waste	Tons	58	99.3	61.9	-38%
Non-hazardous waste	Tons	80,696	86,444.5	79,110.3	-8%
Total waste utilized and reused					
Hazardous waste	Tons	478.1	376.5	323.4	-14%
Non-hazardous waste	Tons	104,803	151,674.3	89,652.8	-41%

VOLUME OF WASTE DIRECTED TO WASTE DISPOSAL BY HAZARDOUS AND NON-HAZARDOUS WASTE, TONS

GRI 306-5

Name	Unit	2020	2021	2022	Change, %
Transferred to third-party organizations for waste disposal and neutralization					
Hazardous waste	Tons		245.7	241.5	-2%
Non-hazardous waste ¹³	Tons	22,780.7	63,263.9	10,532.5	-83%
Waste disposal at the Company's facilities					
Hazardous waste	Tons	53,443,328.8	81,867,739.5	84,990,699.3	4%
Non-hazardous waste	Tons	44,782,436.3	45,122,203.4	33,812,612.0	25%
Total amount of waste disposed					
Hazardous waste	Tons	53,443,328.8	81,867,985.3	84,990,940.8	4%
Non-hazardous waste	Tons	44,805,216.9	45,185,467.2	33,823,144.6	25%

323.4

tons

the total volume of hazardous waste utilized in 2022

89.7

thousand tons

the volume of non-hazardous waste utilized

Total amount of hazardous waste disposed increased by 4% in 2022, while the amount of non-hazardous waste disposed increased by 25%.

¹³ Decrease in the volume of non-hazardous waste transferred to third-party organizations for disposal in 2022 compared to 2021 is due to the fact that in 2022 NMMC was divided into a joint-stock company and two organizations, i.e. NMMC, Navoiuran and NMMC Fund.

TAILINGS MANAGEMENT

EM-MM-150a.5, EM-MM-540a.1, EM-MM-540a.2, EM-MM-540a.3

NMMC has 8 tailings storage facilities, which are in the following divisions:

- Mine Group HMP-1 in Navoi city;
- CMG – HMP-2, HMP-5 and gold recovery shop of Auminzo-Amantoi mine;
- NMG – HMP-3;
- SMG – HMP-4 and Marjanbulak gold recovery shop.

Tailings are generated as mined ore is crushed, pulverized and processed to separate valuable minerals from the ore, and consist of a suspension of fine mineral particles, reagent residues and water that are either incorporated into the materials used to backfill open pits or depleted underground treatment faces, or put as a slurry into a specially designed storage facility known as a tailings dam. Tailings components have the potential to cause significant environmental damage. There have been no hazardous incidents at tailings dams associated with a breach of the structural integrity and stability of such facilities during the entire period of the Company's operations.

Due to the fact that tailings dams are a source of special potential danger to the environment, they are under strict regular control of authorized state bodies, such as inspection of the State Committee for Industrial Safety, Environmental Protection, Ministry of Emergency Situations of the Republic of Uzbekistan and others.

The design, construction and management of tailings dams and heap leaching operations are based on state legislative requirements.

Author's supervision of construction is performed by the designer of tailings storage facilities (Uzgeorangmetliti Design Institute), which is an expert organization independent from NMMC. After commissioning, the design institute carries out quarterly monitoring of the tailings dams' condition with the issuance of a report on detected observations and recommendations for their elimination.

Based on the results of the inspection, recommendations are issued to take the necessary corrective actions to improve safety and responsible operation of tailings facilities, reduce environmental and operational risks, and prevent risks to the local communities that may be affected.

Tailings are an unavoidable by-product of gold mining. Ensuring the safe operation of tailings storage facilities and preventing negative environmental impact are priorities for NMMC. The Company fully supports initiatives aimed at developing the regulatory framework for tailings management. NMMC implements measures to assess the risks associated with the operation of tailings facilities. The tailings management facilities, in addition to the tailings ponds themselves, include a tailings hydraulic transportation system. Tailings dams are equipped with impervious blankets and containment dams. The Company regularly monitors their condition and proper operation. All tailings dams are equipped with a system of monitoring wells.

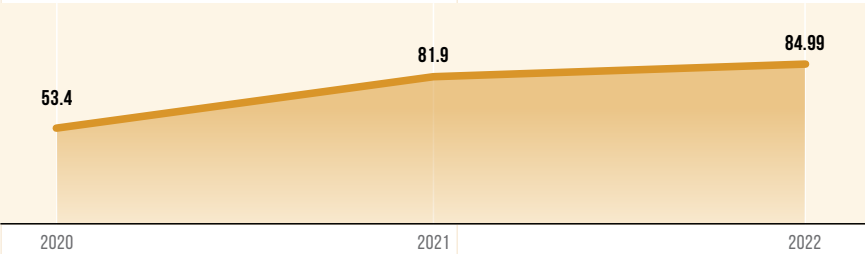
Every five years, in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On the State Program on Forecasting and Prevention of Emergency Situations" dated April 3, 2007, No. 71, NMMC conducts tailings dam stability studies, based on the results of which recommendations are developed to improve stability and repair and restoration works, if necessary. Tailings dam emergency response plans are in place for each tailings management facility.



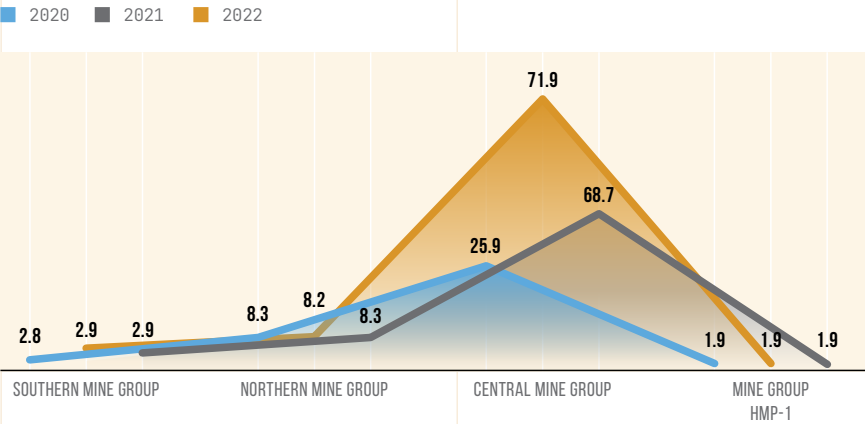
INFORMATION ON TAILINGS FACILITIES IN NMMC FOR 2020-2022

Name	Units	2020	2021	2022
Number of operating tailings	pcs.	7.0	7.0	8.0
Area of operating tailings	km²	72.9	74.5	76.4
Number of inactive tailings	pcs.	1	2	2
Area of inactive tailings	km²	0.6	1.7	1.7
Volume generation tails	thousand tons	53,439.5	81,863.9	80,180.6

TOTAL VOLUME OF WASTE SENT THROUGH THE SLURRY PIPELINE FOR 2020-2022, MILLION TONS



WASTE VOLUMES SENT THROUGH THE SLURRY PIPELINE BY NMMC DIVISIONS FOR 2020-2022, MILLION TONS



CYANIDE MANAGEMENT

EM-MM150a.10

Key regulatory documents the Company follows when handling cyanide:

- Safety Rules for crushing, screening, mineral processing and pelletizing of ores and concentrates, approved by the State Committee for Industrial Control of the Republic of Uzbekistan in 2008;
- General safety rules for metallurgical operations, approved by Goskompromprombez of the Republic of Uzbekistan in 2009.

Work with cyanide and other hazardous chemicals at NMMC is implemented on the basis of the current legislation of the Republic of Uzbekistan, the International Cyanide Management Code, as well as in accordance with the Company’s internal regulatory documents.

The volume of waste sent through the slurry pipeline for 2022 was 84.99 million tons, and the volume of hazardous waste increased by 4% in 2022.

84.99 million tons total volume of waste sent through the slurry pipeline in 2022



PROCESSES FOR MANAGING HAZARDOUS SUBSTANCES

The Company has implemented and maintains a set of measures to prevent and avoid natural and man-made emergencies.

CYANIDE CONTROL

NMMC strives to implement current business practices, including safe transportation, storage, use and disposal of cyanide. These practices include:

- Conducting regular internal audits on the cyanide handling process;
- Monitoring local water bodies and discharges for potential traces of cyanide;
- Formal tracking of all cyanide-related incidents;
- Training of employees involved in cyanide handling, transportation and disposal;
- Specialized training and equipment for cyanide emergency response teams;
- Require cyanide suppliers and transporters to have experience and skills in handling such substances or ICMC certification.

As part of the cyanide operations process, continuous monitoring of hazardous and potentially hazardous production facilities, as well as areas of increased technological hazard created by the Company’s facilities, was ensured. The main objective of this monitoring is to prevent cyanide, used as a leaching agent in the extraction of gold from ore, from entering the ecosystem.

Also, as part of measures to prevent and avoid emergencies, as well as work with hazardous, potent, explosive substances, petroleum products, and pressurized equipment, the processes are regulated by the Company’s comprehensive HSE and emergency response system, which is disclosed in Section 4 of this Report. In accordance with this system, NMMC provides training and briefings to all employees directly working with hazardous substances.

One of the main documents ensuring the process in emergency situations is the Emergency Response Plan. This document is updated annually in accordance with internal regulations and serves as a tool to minimize the risks of emergency or other unforeseen situations. As part of this Plan, NMMC defines measures for the safe handling and disposal of harmful chemicals to avoid unforeseen consequences for human health and the environment, as well as to exclude the reuse of these materials.

IMPLEMENTATION OF THE PROGRAM OF PREDICTIVE MODELING OF POSSIBLE SCENARIOS AND DEVELOPMENT OF EMERGENCY SITUATIONS

In 2022, NMMC continued implementing a project to create a program for predictive modeling of possible scenarios of emergencies and emergencies occurrence and development at the Company’s facilities where large quantities of highly toxic substances, explosive materials and other hazardous elements are used and stored.

One of the main modeling indicators is the forecast of spills of potent poisonous compounds or explosions at explosive material warehouses, planning and preparation for potentially possible situations accompanied by spills of these substances.

The advantage of implementing this program at NMMC is the ability to assess the impact of the modeled situation on humans and the environment, taking into account various external factors for correct calculation of costs and effective development of measures for each potential emergency situation.

Based on the resulting analysis, the Company plans actions for potential accidents and develops various alternative strategies for possible response.

At the end of 2022, the Company conducted a first stage comprehensive audit for compliance with the Principles for Responsible Gold Mining and the International Cyanide Management Code. The results of this audit were taken into account to further improve the predictive modeling program and implement the necessary measures to safely manage cyanide for both employees and the environment.

PLANS FOR 2023 AND THE MEDIUM TERM

- Widespread introduction of technologies for processing technogenic waste;
- Development and implementation of a waste classifier;
- The Company intends to continue using the predictive modeling program to simulate various emergency and contingency situations, also based on the results of the audit conducted in accordance with the International Cyanide Management Code;
- Ensuring safe and responsible management of industrial wastes in accordance with their classification.

The following activities are planned as part of the Innovative Development Program of JSC NMMC for 2023-2024:

- Creation of a comprehensive technology for the extraction of rare and rare-earth metals from the composition of NMMC’s technogenic waste;
- Increasing the degree of silver extraction from the waste of bioethanol sorption cyanidation process;
- Development of technologies for complete (waste-free) recycling of used cars.

BIODIVERSITY PROTECTION

GRI 304-1, 304-2, 304-3, 304-4, EM-MM-160a.1, EM-MM-160a.3

NMMC recognizes its responsibility for biodiversity conservation, protection of local species and their habitats. It should be noted that the Company's facilities are not located within World Heritage sites, specially protected natural areas or areas of high biodiversity value.

NMMC assesses the risks associated with impacts on biodiversity on an ongoing basis and seeks to minimize negative impacts at all stages of its operations. In particular, the current state of biodiversity is assessed prior to commissioning of the Company's facilities.

The fauna in the region where the Company operates is represented by species typical of the desert zone, including reptiles, rodents and birds. The area of NMMC deposits is not inhabited by animals listed in the IUCN red list and the national list of protected species of Uzbekistan. The animal world of the region is characterized by stability of species composition, despite the changes in the settlement structure caused by adaptation to changing environmental conditions as a result of geological exploration at the fields. As the changes are localized, they do not significantly affect the overall abundance of species in the region.

In order to preserve biodiversity and restore land in Uzbekistan, the Yashil Makon project was established. In accordance with this project, NMMC developed an action plan for planting tree and shrub seedlings as part of the Dolzarb 40 Days initiative. In 2022, more than 40 thousand fruit and ornamental trees and shrubs were planted on a 122.7 hectare land plot in the fall period, and 56.1 thousand in the spring period. The planting areas are located both around production facilities (mines, HMP) and in neighboring communities. Further monitoring of seedlings' survival rate is carried out, drip irrigation system is used and necessary agro-technical measures are applied. Fencing structures are installed to protect the plantations. Within the framework of the Yashil Makon project, the NMMC divisions have allocated \$47 thousand for 2022.

In March 2022, as part of the environmental action of the national event "Green Year" and the project "Yashil Makon", participants from NMMC planted 42 thousand saplings of the Aral Sea, located 70 kilometers from the city of Muynak.

No reclamation and reforestation works were carried out during the reporting year.

>40
thousand

fruit and ornamental trees and shrubs were planted in the fall period of 2022

56.1
thousand

in the spring period

PLANS FOR 2023 AND THE MEDIUM TERM

- Implementation of biodiversity monitoring programs;
- Taking measures to prevent negative impacts on biodiversity through research, cooperation to develop innovative solutions for reclamation of damaged land;
- Regular updating of the work plan and measures of technological and biological reclamation at operating fields.



In 2022, within the framework of the project Yashil Makon NMMC units have allocated

\$47
thousand

4

MANAGEMENT OF SOCIAL ASPECTS (S)



THE KEY FACTOR OF THE COMPANY'S SUCCESSFUL ACTIVITY
IS THE COORDINATED WORK OF ITS EMPLOYEES.

Personnel management	89
Socio-cultural diversity and equal opportunities	100
Occupational health, safety and emergency preparedness	105
Interaction with local communities	115

KEY INDICATORS FOR 2022

46,643

people
number of personnel

\$1.077

million
investments in personnel training

5.13%

employee turnover

0.68

Lost Time Injury Frequency Rate (LTIFR)

>34,000

people
have been trained in emergency preparedness

\$36,294.5

thousand
sponsor assistance

13%

of women in the team

0.18

FAR

MATERIAL TOPICS

- Employment
- Labor relations between employees and management
- Training and personnel development
- Socio-cultural diversity and equal opportunities
- Occupational health and safety and emergency preparedness
- Interaction with local communities

CONTRIBUTION TO THE UN SDGS



GRI, SASB INDICATORS

GRI 2-7, 202-1, 401-1, 401-2, 401-3, 402-1, 404-1, 404-2, 405-1, 405-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 203-1, 203-2, 413-1, 413-2

EM-MM-320a.1, EM-MM-310a.2



PERSONNEL MANAGEMENT

PERSONNEL MANAGEMENT APPROACH

GRI 3-3

THE KEY FACTOR OF THE COMPANY'S SUCCESSFUL ACTIVITY IS THE COORDINATED WORK OF ITS EMPLOYEES. IN THIS CONTEXT, ONE OF THE MAIN DIRECTIONS OF THE COMPANY'S DEVELOPMENT IS PROFESSIONAL IMPROVEMENT OF PERSONNEL.

To achieve this goal, specially designed personnel management programs are regularly introduced. The programs are aimed at attracting qualified specialists and also include issues of personal development, professional growth and encouragement of highly qualified specialists. NMMC's priority in this area is the continuous improvement of working conditions. In this regard, the Company develops and implements systems of incentives, motivation, training and talent development, and promotes the level of social support for employees.

The Company attaches great importance to the observance of human rights and freedoms. The Company's management, together with the Human Resources Department, ensures compliance with the labor laws of the Republic of Uzbekistan regulating the amount of wages, implementation of social policy, ensuring safety at the workplace, professional training of employees, as well as providing compensation and protection in case of disability.

The Company disapproves of any form of discrimination based on age, race, culture, religion and other characteristics unrelated to the professional skills of employees. The Company strictly adheres to the principles of zero tolerance to corruption, in connection with which the Company's "Anti-Corruption Policy" was formed.

The Company has established a number of official internal documents that regulate human resource management processes. The documents are aimed at prohibiting discrimination in any of its manifestations, combating corruption, protecting human rights, and ensuring labor safety. The following is a list of NMMC's main provisions in the field of human resources:

- Regulations on personnel administration;
- Regulations on the procedure for payment of allowances related to traveling and mobile nature of work, approved by the decision of the Cabinet of Ministers of the Republic of Uzbekistan;
- Regulations on the Human Resources Department;
- Regulations on bonuses;
- Personnel recruitment regulations;
- Regulations on professional re-training and advanced training of the Company's personnel;
- Regulations on the organization of training and knowledge testing;
- Regulations on the personnel reserve;
- Labor policy;
- Regulations on the Procedure for Handling Appeals of Individuals and Legal Entities at the Company;
- Regulations on the Council of Youth Leaders of the Company;
- Collective agreement;
- Regulations on the Compliance Service;
- Code of Ethics of NMMC employees.

In 2022, due to the reorganization of the Company at the end of 2021, internal documents were updated in terms of human resources management, recruitment of employees, and work was started to revise the organizational structure of human resources management. Thus, in 2022, the "Regulations on Hiring at JSC NMMC dated March 11, 2022" were revised and approved. According to the document, the process of hiring employees at NMMC enterprises is carried out on a competitive basis. When recruiting personnel for vacancies resulting from the commissioning of both existing and new facilities at enterprises and organizations, it is necessary to:

- Strict adherence to the principles of transparency, openness and fairness;
- Introduction of a system of hiring through selection by a commission consisting of chief specialists of the enterprise. At the same time, special attention is paid to education, experience and level of professional knowledge of candidates in order to exclude cases of nepotism, favoritism and corruption;
- Ensuring openness and transparency of candidate selection procedures, including video recording of the process in accordance with the requirements of applicable laws;
- Providing constructive responses by a person authorized by the employer to inquiries from candidates seeking employment.

MANAGEMENT STRUCTURE AND TOOLS

In the Company, the Human Resources Department is responsible for issues related to HR management and compliance with the social policy, whose main duties include:

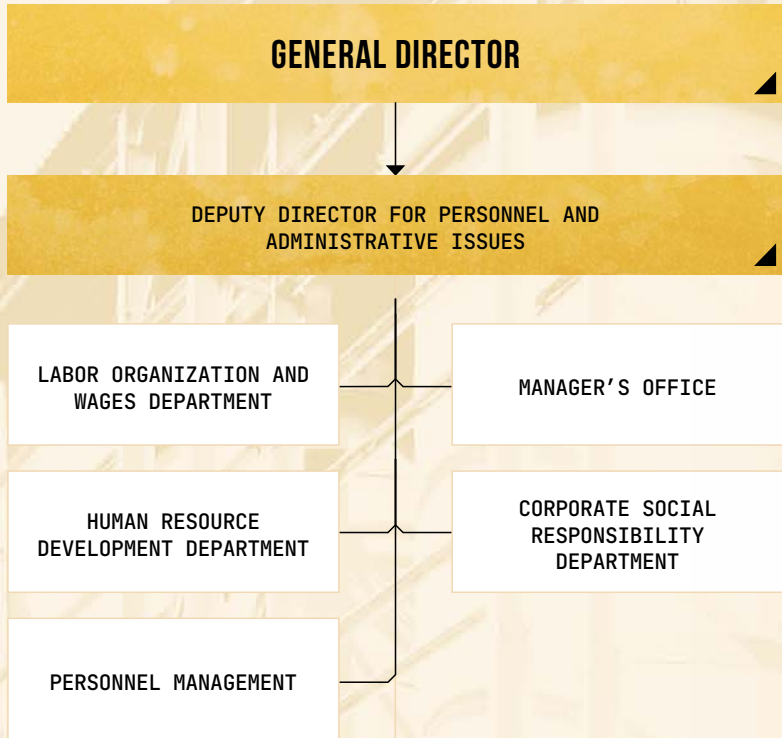
- Organization and execution of the Company’s Labor remuneration fund budget;
- Planning of personnel policy, both in the Company’s central offices and in the implementation of other projects;
- Formation of the personnel reserve;
- Motivation of employees (provision of benefits, compensations and other incentives);
- Protection of labor rights of employees;
- Organization of training processes, such as master classes, seminars, staff development courses.

In order to ensure proper observance of employees’ rights, the Company adheres to the recommendations of the Trade Union Council and is always open to negotiations with its representatives. All divisions and branches of NMMC have created the necessary conditions for the effective activity of the trade union: offices are equipped, service transportation is provided, attention and response to all appeals, including those coming from remote areas of the Company’s presence, are guaranteed.

The following important events were held during the reporting period:

- On June 14, in the Palace of Culture “Farhad” of Navoi city a conference of the labor collective of JSC NMMC was held, where the results of implementation of the Collective Agreement for 2021 were discussed, approval of the new Collective Agreement for the period of 2022-2024. The reports focused on the implementation of the tasks defined in the Collective Agreement, the work done in the social and economic spheres, the results achieved and plans for the future.
- The reports of K. Taparov, Deputy General Director for Human Resources and Administrative Issues, on the results of bilateral inspection of the implementation of the Collective Agreement of NMMC in 2021, on the minutes of the Central Commission on amendments and additions to the draft Collective Agreement of NMMC, as well as the reports of the Director for Labor Protection on industrial accidents and adoption of the Labor Protection Agreement for 2022 were heard.

ORGANIZATIONAL STRUCTURE OF PERSONNEL MANAGEMENT



- On October 28, 2022 the reporting and election Conference of the Trade Union of NMMC employees for 2017-2022 was held. The Conference considered the reports of the Chairman of the Council of the Trade Union of NMMC employees on the activities for the last five years, including the fulfillment of the Collective Agreement and protection of social and economic interests of employees, as well as the report of the Control and Audit Commission for the same period. The Council activity was highly appreciated, I. Rakhmatov was duly re-elected as the Chairman of the Council of the Trade Union of NMMC employees, as well as members of the Control and Audit Commission of the Council of the Trade Union of NMMC employees were elected.

As noted above, the priority of NMMC’s HR management activities is the creation of a favorable and healthy working environment that provides for individual characteristics of employees at all levels of corporate management. This contributes to the full realization of employees’ potential. The Company continuously implements modern initiatives and programs aimed at enhancing the professionalism of its employees and their personal development, supporting their health and well-being.

+3%

increase in the number of employees in 2022

NUMBER OF EMPLOYEES OF JSC NMMC IN 2022

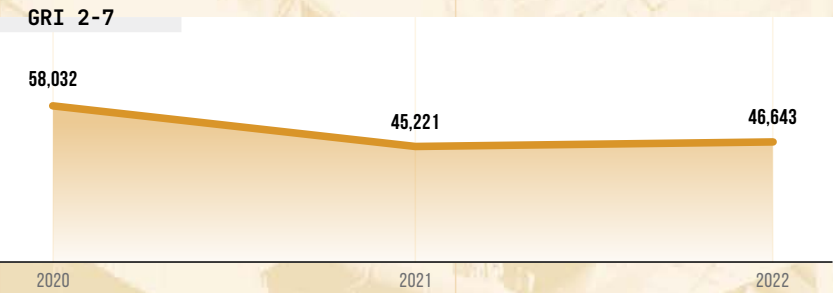
EMPLOYMENT

GRI 2-7, EM-MM-310a.2, EM-MM-000.B

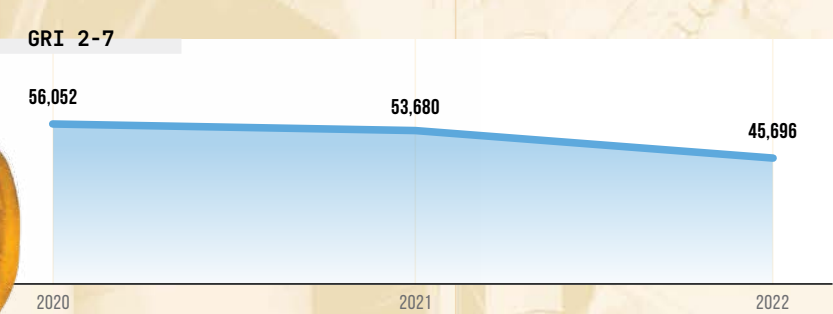
As of December 31, 2022, the number of employees at NMMC was 46,643. During the reporting period, the total number of employees increased by 3%.

Statistical data on quantitative indicators were obtained by completing the Data Collection Form and calculating their sum by division.

HEADCOUNT AT THE END OF 2020-2022, PERSONS



CHANGE IN THE AVERAGE HEADCOUNT IN 2020-2022, PERSONS



46,643

people

HEADCOUNT BY DIVISIONS AND GENDER, PERSONS

Division	2020		2021		2022	
	Males	Females	Males	Females	Males	Females
Central Mine Group	15,461	3,859	17,183	2,577	18,508	2,624
Northern Mine Group	8,194	2,131	6,918	1,175	6,982	1,177
Southern Mine Group	6,975	1,311	5,497	465	5,490	461
Zarafshan Construction Department	3,029	401	2,887	330	2,631	307
Representative office in Moscow	4	1	3	1	3	1
Representative office in Tashkent	7	3	5	3	5	3
Research and Production Center	0	2	0	2	0	0
Geological exploration expedition	558	62	475	60	537	70
Navoi Machine Building Plant	2,997	953	2,780	702	2,737	696
Mine Group Hydrometallurgical plant-1	2,116	299	2,021	258	2,223	265
Substation of the network and workshop	133	25	135	24	129	25
Automation office	126	70	113	71	109	69
Central Research Laboratory	59	133	56	144	55	147
Autobase No. 3	443	29	349	31	338	29
Training centre	12	10	10	10	10	9
Central Archive	0	8	0	7	0	7
Information and communication technology management	83	61	73	56	65	41
Central project office	46	32	46	32	44	30
Central design bureau	15	3	16	4	13	4
Innovation Centre for implementation new Technologies	9	9	9	7	7	7
Central material and technologic base	0	0	174	60	171	57
Tashkent material and technologic base	0	0	32	17	34	19
Supervisory board unit	0	0	3	0	15	0
Administration	176	131	233	153	308	167
Mine group No. 5	3,915	751	0	0	0	0
Jewellery factory	0	0	0	0	0	0
Agama	49	272	0	0	0	0
Hotel in Tashkent	7	15	0	0	0	0
Railway service centre	0	0	0	0	0	0
Housing and utilities department	284	399	0	0	0	0
Agrofirm	447	225	0	0	0	0
NMMC Hospital	165	1,014	0	0	0	0
Project office	35	24	0	0	0	0
Utility Grid	0	0	0	0	0	0
Typography	12	22	0	0	0	0
SMD and PS	5	11	0	0	0	0
ID	16	6	0	0	0	0
Department of Capital Construction	25	8	0	0	0	0
Material and technological management	255	81	0	0	0	0
KGTU	13	0	14	0	14	0
Total	45,671	12,361	39,032	6,189	40,428	6,215

The Company is represented in 4 main regions where it operates in the mining industry.

>95%

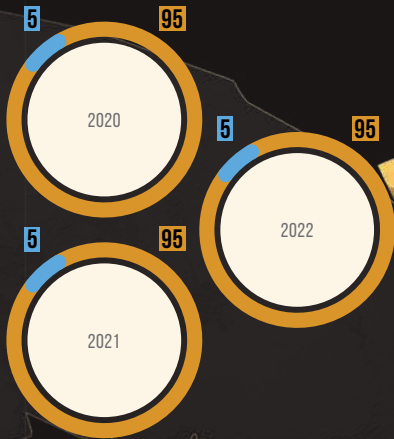
of employees, regardless of gender, were employed on a full-time basis in 2022

All employees of NMMC are hired by concluding an employment contract on an open-ended or fixed-term basis. In the reporting year, more than 90% of employees entered into open-ended employment contracts, including interns, seasonal employees, and experts engaged for certain projects.

RATIO OF EMPLOYEES BY TYPE OF EMPLOYMENT FOR 2020-2022, %

GRI 2-7

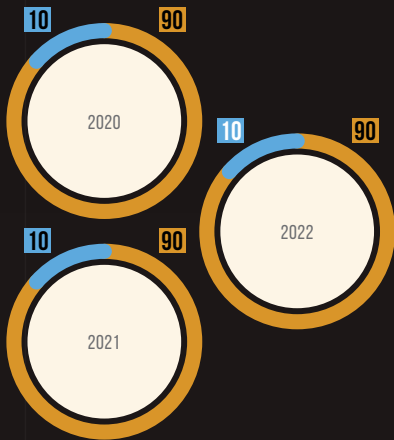
Full-time Part-time



RATIO OF EMPLOYEES BY TYPE OF CONTRACT FOR 2020-2022, %

GRI 2-7

Open-ended Fixed-term



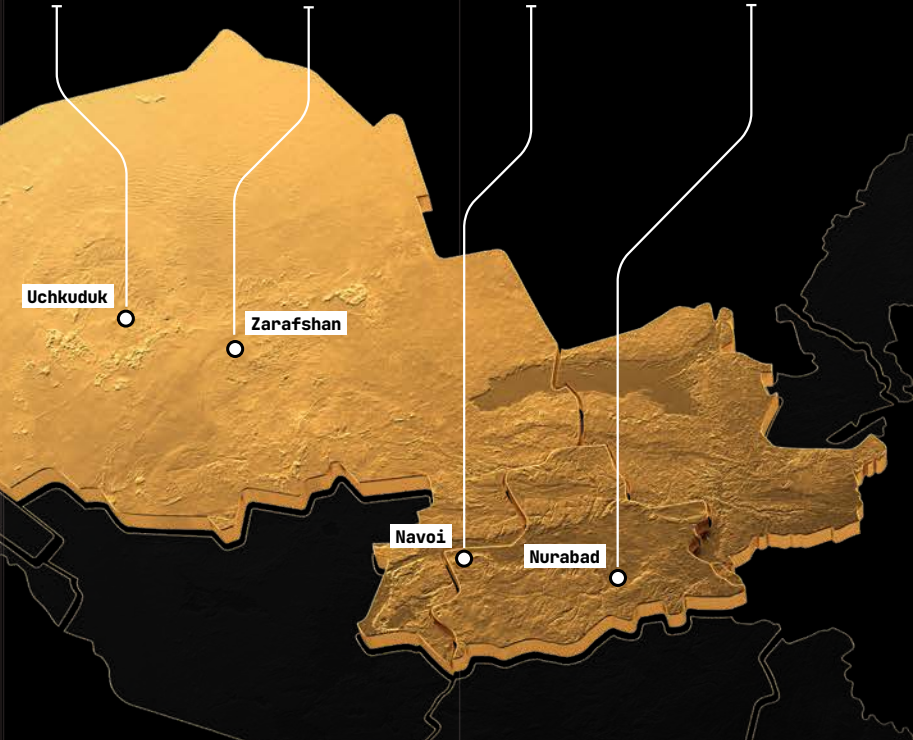
>90%

of employees have a fixed-term employment contract in 2022

HEADCOUNT BY REGION, PERSONS

GRI 2-7

8,159 24,070 8,463 5,951



PERSONNEL RECRUITMENT

GRI 401-1

In 2020, NMMC developed the document “Regulations on Personnel Recruitment of JSC NMMC”, which regulates the Company’s approach to personnel recruitment. As well as the “Regulations on Personnel Management of JSC NMMC” the personnel recruitment system is unified for all divisions of NMMC. It is based on internal regulations and Laws of the Republic of Uzbekistan. The Regulation was developed taking into account cultural peculiarities of the region where the subdivisions are located, the performance of employees and provides equal opportunities for each employee. The recruitment process is based on the principles of meritocracy – when selecting a candidate, his/her professional skills and competencies are taken into account.

DEVELOPMENT OF YOUNG PERSONNEL

During the reporting period, the Company hired 3,747 new employees. Most of the hired employees belong to the categories “male”, “employees under 30 years of age” and “Zarafshan region”.

In 2022, there were no cases related to discrimination of candidates in the workplace on age, cultural, religious, racial or other grounds.

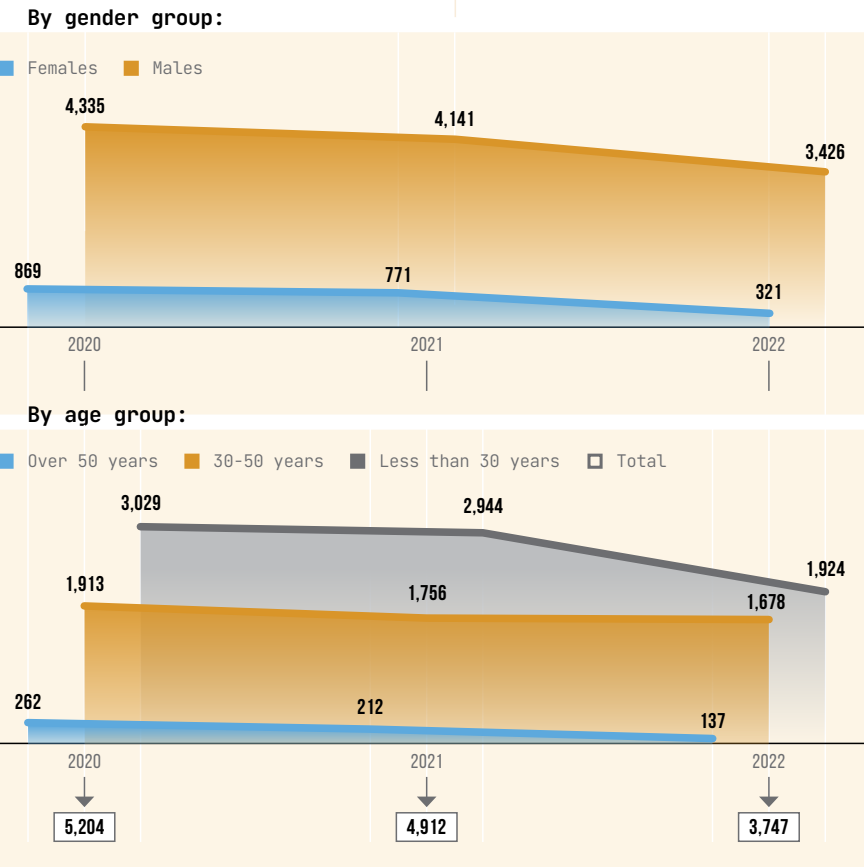
3,747

employees

hired by the Company in 2022

NUMBER OF HIRED EMPLOYEES BY GENDER AND AGE GROUPS IN 2020-2022 PERSONS

GRI 401-1



NUMBER OF HIRED EMPLOYEES BY REGION IN 2020-2022, PERSONS

GRI 401-1

	2022	2021	2020	
	389	489	742	
	2,354	3,355	2,809	
	855	928	1,092	
	149	140	561	

Uchkuduk

Zarafshan

Navoi

Nurabad

EMPLOYEE TURNOVER

GRI 401-1, EM-MM-210b.2

In 2022, the total number of employees whose employment was terminated was 2,344. Among them, the groups “30-50 years old” and “over 50 years old” are distinguished by age category. In terms of gender groups, the largest number is made up of men.

The employee turnover rate in 2022 amounted to 5.13%. The low level of staff turnover is evidence of the Company’s ability to maintain the stability of its employees by providing them with optimal working conditions.

GRI 402-1

The minimum notice period for employees in the event of termination of the employment contract in connection with the reduction in the number or staff of employees is 2 months, in accordance with Article 137 of the Labor Code of the Republic of Uzbekistan and the provision of the Collective Agreement NMMC for 2022-2024. At the same time, in 2022, no cases of filing lawsuits on the part of the Company’s employees for non-compliance with this requirement of the labor legislation have been established. Also, during the reporting period the Company did not observe any protests or strikes, as well as mass dismissals among employees.

2,344

persons

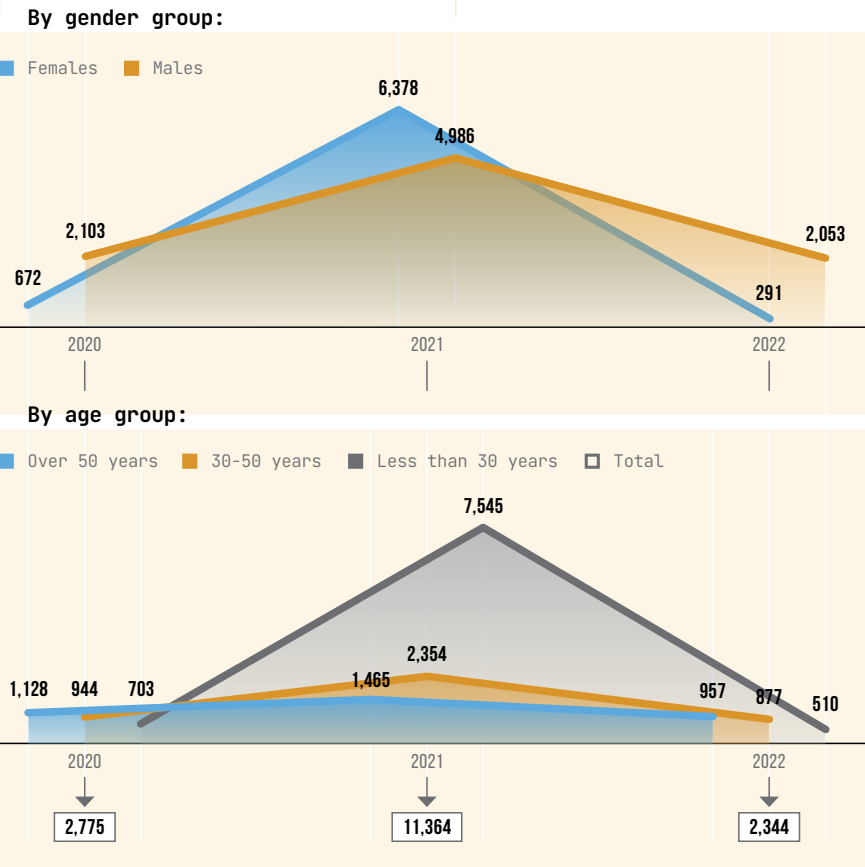
number of employees, whose employment was terminated in 2022

5.13%

employee turnover rate in 2022

NUMBER OF EMPLOYEES WITH WHOM LABOR RELATIONS WERE TERMINATED BY GENDER AND AGE GROUPS IN 2020-2022, PERSONS

GRI 401-1



EMPLOYEE TURNOVER, %

GRI 401-1

Indicator	2020	2021	2022
By gender group:			
Females	1.20	11.88	0.64
Males	3.75	9.29	4.49
By age group:			
Less than 30 years	1.25	14.06	1.12
30-50 years	1.68	4.39	1.92
Over 50 years	2.01	2.73	2.09
Total for the Company:	4.95	21.17	5.13

REMUNERATION AND MOTIVATION

GRI 202-1

NMMC’s HR management system is aimed at providing the Company’s workforce with qualified employees. The developed motivation program increases the efficiency of the remuneration system and ensures a harmonious balance between the interests of the Company and its employees.

The incentive system, which is closely linked to benefits and social guarantees, is characterized by full transparency and functions effectively in competitive market conditions, and is designed for a long-term perspective.

The remuneration system is unified throughout the Company. The average salary level is \$762, which is 22% higher compared to the previous year.

GEOGRAPHY OF DISSEMINATION OF THE RESOLUTION ON DISTRICT COEFFICIENTS, %

Name of districts and localities with severe and unfavorable natural and climatic working conditions	Amount of regional coefficient allowances to the official salary
Zarafshan	1.6
Uchkuduk	1.6
Tamdyn	1.6
Kanimeh	1.6
Nuratin	1.6
Navoi	1.6
Gijduvan	1.6
Peshkun	1.6
Bukhara region	1.6
Hazarasp	1.6
Nurabad	1.3
Koshrabad	1.3
Pakhtachi	1.3
Urgut	1.3
Gallaaral	1.3
Zaamin	1.3
Karmanin	1.2
Shahrisabz	1.2
Kitab	1.2
Almalyk	1.2
Pskent	1.2
Ahangaran	1.2

Salaries at NMMC are formed on the basis of an employee’s base salary determined in accordance with the Company’s wage scale, which takes into account labor conditions, specifics and nature of subdivisions’ activities. In addition to salaries, the following are paid: seniority bonus; bonus for economic and production results; district coefficient, etc.

The seniority bonus is accrued on a monthly basis. With an increase in length of service of more than one year, the seniority bonus may vary from 40% to 100% of the official salary. The length of service is calculated in accordance with the Regulation “On seniority bonus for employees of NMMC”.

In order to incentivize employees, the Cabinet of Ministers of the Republic of Uzbekistan established district (territorial) coefficients to the salaries of NMMC employees from May 1, 2017. This coefficient varies from 1.2 to 1.6 depending on the location of the unit. The maximum amount for accrual of district (territorial) coefficients to the wages of NMMC employees is 2.11 of the minimum wage established in the territory of the Republic of Uzbekistan.



\$762

the average salary level in 2022

22%

salary growth compared to the previous year



14%

the number of women in management positions (in Management Board and Supervisory Board)

IN 2022, THE MINIMUM WAGE FOR MEN AND WOMEN WAS 59% HIGHER THAN THE MINIMUM WAGE IN THE REPUBLIC OF UZBEKISTAN.

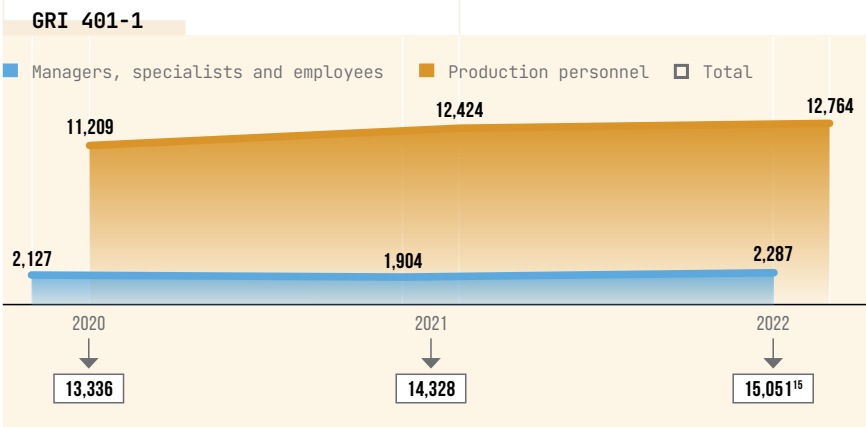
PERSONNEL SALARY INDICATORS, UNITS

GRI 202-1				
Indicator	2020	2021	2022	Change, %
Minimum wages in regions of operation, \$	67.2	72.3	79.6	10%
Salary of an entry-level employee in the Company, \$	87.9	104.8	126.5	20.7%
Ratio of minimum wage in the Company to wages in regions of operation, times	1.3	1.5	1.59	6%

SHARE OF EMPLOYEES TRAINED FROM THE TOTAL NUMBER OF EMPLOYEES IN 2020-2022, UNITS

GRI 404-1			
Personnel	2020	2021	2022
Headcount, persons	58,032	45,221	46,643
Share of employees trained, %	23%	32%	32%
Total trained, persons	13,336	14,328	15,051

NUMBER OF EMPLOYEES TRAINED IN 2020-2022, PERSONS



In accordance with the Labor Code of the Republic of Uzbekistan, remuneration of employees in the same positions does not depend on gender and other attributes unrelated to the professional qualities of employees. The difference in average salary between men and women in FY 2022 was \$244. The lower average salary level for women is due to the fact that they are mostly employed in administrative positions, with 14% of women in management positions (in Management Board and Supervisory Board).

Ensuring a high level of labor remuneration is one of the Company’s most important tasks. NMMC regularly reviews salary levels, which helps to increase employee loyalty and favorably affects their well-being. In 2022, the salary level was increased by 15%.

PERSONNEL TRAINING AND DEVELOPMENT

GRI 404-1, 404-2

Training and professional development of employees is one of the priority areas of NMMC development. Providing the enterprise with enough employees whose professional qualities fully correspond to the production and commercial goals of NMMC is the main factor of reliable and efficient operation of the Company.

To achieve these goals, a Professional Training Plan is prepared annually, which includes professional development courses designed in accordance with the conditions of current production. In addition, retraining courses are provided, upon completion of which an employee can move to another position, having fully mastered a new profession within the Company, as part of the internal relocation system. A total of 15,051 employees of the Company received training in 2022¹⁴.

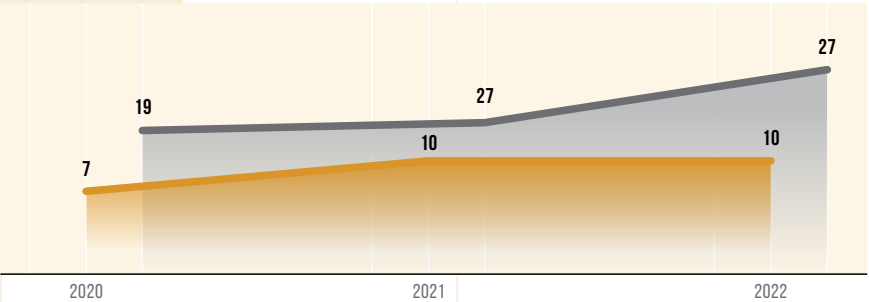
¹⁴ There were no people trained in HMP-1 and NMBP in 2022.

¹⁵ The boundaries of this indicator include the CMG, NMG, SMG, ZCD and the NMMC Head office (NMMC Training Center).

AVERAGE ANNUAL HOURS OF TRAINING PER EMPLOYEE BY CATEGORY, HOURS¹⁶

Managers, specialists and employees Workers

GRI 404-1



¹⁶ When calculating the average annual number of hours, the duration of training for workers is taken as an average of 80 hours of training regardless of the course. When calculating the average annual number of hours, the duration of training for managers, specialists and clerks is taken as an average of 40 hours of training regardless of the course.

Males and females have equal access to training.

Training programs are presented in three Training Centers of the Company's divisions located in Navoi and Zarafshan, as well as in training points in Uchkuduk and Nurabad.

Professional development programs implemented by NMMC play a key role in training a new generation of highly qualified personnel. Professional development courses, seminars, face-to-face and digitalized educational programs allow experienced teachers and industry veterans to impart their knowledge and skills in the areas of geological exploration, gold mining, ecology and other areas.

INVESTMENTS IN TRAINING

In 2022, NMMC spent a total of \$1,077.044 thousand on training, which is 25% more than in 2021. The increase in costs is due to the relaxation of restrictive quarantine measures, which allowed for face-to-face training with employees traveling to training centers.

\$1,077.44

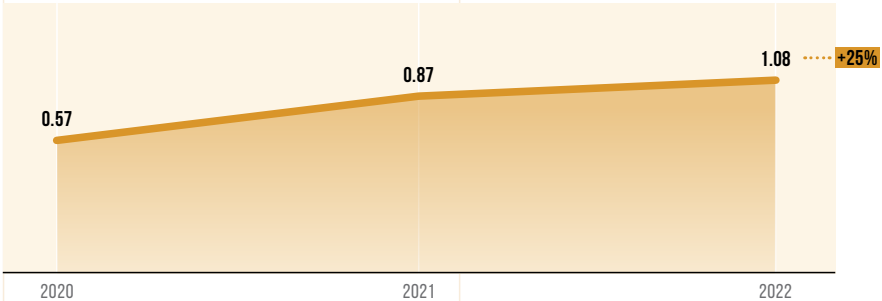
thousand

spent on training in total in 2022

NMMC has retraining and requalification programs for all employees in case of significant personnel changes or layoffs in the Company. To participate, the employee must contact HR and complete the necessary refresher training to be able to transition to the new position.

In 2022, NMMC sent specialists from the production division to foreign countries (Canada, Japan, UAE) to study the leading practices of international experience in gold mining.

INVESTMENTS IN PERSONNEL TRAINING, \$ MILLION



PERSONNEL RESERVE

NMMC adheres to the policy of identifying and developing talented personnel within the enterprise. The Company makes maximum efforts to fill vacant managerial positions relying on internal resources. There is a Personnel Reserve, which is aimed at motivating employees to improve their qualifications and advance their careers to a higher level. The personnel reserve is formed in accordance with the Regulations on the Personnel Reserve.

As of 2022, the number of personnel reserve reached 13,250 people, which is 28% of the total number of employees.

The structure of the personnel reserve includes the following levels:

- Reserve of personnel included in the nomenclature of the Presidential Administration;
- Reserve of personnel included in the nomenclature of the General Director of the Company;
- Personnel reserve of the Head of the Personnel Department;
- Reserve of personnel of heads of structural subdivisions of the Company.

13,250

persons

the number of personnel reserve in 2022

Increase in training costs in NMMC compared to 2021

25%



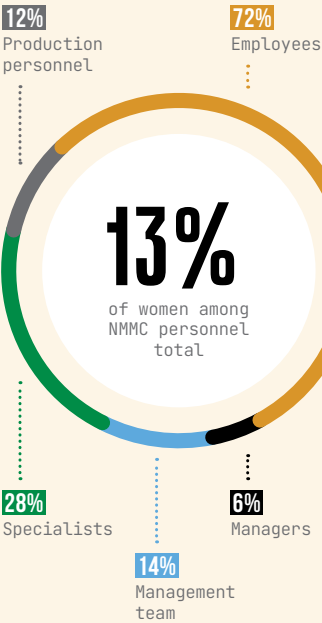
SOCIO-CULTURAL DIVERSITY AND EQUAL OPPORTUNITIES

THE COMPANY IS COMMITTED TO ENSURING SOCIO-CULTURAL DIVERSITY, EQUALITY AND CONSIDERATION OF INDIVIDUAL CHARACTERISTICS OF EMPLOYEES. CREATING A DIVERSE ENVIRONMENT IS KEY TO DEVELOPING INCLUSIVENESS AND INCREASING PRODUCTIVITY IN ALL NMMC’S DIVISIONS.

Uzbekistan implements a policy of supporting socially vulnerable groups of the population with special attention to supporting women. NMMC, being one of the leading companies in the key industrial sectors of the country, actively supports these policy initiatives and participates in their implementation. Since 2020, the Company has adopted and implemented the Principles of Gender Equality and Promotion of Women’s Rights.

The Company has a Women’s Council, each division of NMMC has female representatives responsible for gender equality activities. The Council’s work plan is prepared annually and approved taking into account the opinions of local authorities and representatives of religious organizations. Meetings and events are held to promote and protect women’s rights, encourage them to receive education, and discuss family and interpersonal relations.

PERCENTAGE OF WOMEN AMONG NMMC PERSONNEL IN 2022, %



The Council promotes opportunities for women in secondary and higher education. Courses for professional development and second profession training are held annually on the basis of the Training Center. After mastering a new profession and certification qualification, female employees are given the opportunity to transfer to appropriate positions within NMMC.

There are 1,588 women in NMMC who have received awards and honorary titles, ranging from letters of thanks from departmental management to state awards.

DIVERSITY OF MANAGEMENT BODIES AND PERSONNEL

GRI 405-1, 405-2

NMMC adheres to the principles of gender equality and inclusion by ensuring gender, racial and age diversity at all levels of the Company’s operations. However, given the specifics of the mining industry, where there are legal restrictions on working professions for women, the gender structure of the staff is dominated by male employees – 86%. At the same time, the share of women in the Supervisory Board is 13% and in the Management Board – 17%.

At NMMC there are no differences in base salary and remuneration system depending on gender differences. The salary level in the Company’s divisions is linked to the position, i.e. men and women working in the same position receive the same salary and other payments stipulated by the remuneration rules of the organization.

In 2022, according to the gender group in accordance with the specifics of NMMC, the majority of employees are men – 40,428 people.

13%
the share of women in the Supervisory Board

17%
the share of women in the Management Board

GENDER STRUCTURE OF PERSONNEL BY POSITION IN 2020-2022, %

Job title	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Management team	34	66	34	66	14	86
Managers	10	90	6	94	6	94
Specialists	49	51	30	70	28	72
Employees	78	22	73	27	72	28
Production personnel	18	82	13	87	12	88
Total number of personnel	19	81	14	86	13	87



The share of women among NMMC personnel

13%

Management of social aspects (S)			
NUMBER OF EMPLOYEES BY CATEGORY AND GENDER GROUP AS OF DECEMBER 31, 2022, PERSONS			
GRI 405-1			
Category	Total	Males	Females
Managers	4,497	4,233	264
Specialists	3,728	2,672	1,056
Employees	299	84	215
Production personnel	38,119	33,439	4,680
Number of employees, total	46,643	40,428	6,215

PERSONNEL STRUCTURE BY AGE IN 2020-2022, %

GRI 405-1						
Age	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Up to 30 years	4	22	4	26	3	26
30 to 50 years	14	44	8	48	8	49
Over 50 years	3	12	2	12	2	12

NUMBER OF EMPLOYEES BY CATEGORY AND AGE GROUP AS OF DECEMBER 31, 2022, PERSONS

GRI 405-1				
Category	Total	Up to 30 years	30-50 years	Over 50 years
Managers	4,497	361	3,362	774
Specialists	3,728	700	2,497	531
Employees	299	94	175	30
Production personnel	38,119	11,809	21,103	5,207
Number of employees, total	46,643	12,964	27,137	6,542

EMPLOYEE STATISTICS BY ETHNICITY FOR 2020-2022, PERSONS

GRI 405-1			
Nationality	2020	2021	2022
Uzbeks	48,962	39,267	40,835
Kazakhs	4,277	2,877	2,868
Tajiks	369	189	187
Karakalpaks	1,301	553	554
Russians	1,555	1,182	1,077
Other nationalities	2,440	1,324	1,108

37

years old

the average age of employees at NMMC

The average age of employees at NMMC is 37 years. At the same time, more than 13% of employees are over 50 years old. It should be noted that employees closer to retirement age are offered remote working conditions or mentoring roles that do not require much physical effort.

In 2022, the majority of employees categorized as “production personnel” were in the 30 to 50 age group.

In 2022, the Company employed employees with disabilities, most of whom were categorized as production personnel.

Representatives of different nationalities work at NMMC. Of the total number of the Company’s employees, the main share is made up of representatives of Uzbek (local residents), Kazakh, Tajik, Karakalpak and Russian nationalities.

The payroll system for the top management and executive management team focuses on performance, motivation, productivity and efficiency, and includes elements of short-term remuneration based on the achievement of KPIs.

AVERAGE SALARY OF EMPLOYEES BY REGION IN 2020-2022, \$

GRI 405-2						
Region	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Navoi	354	515	422	620	562	743
Zarafshan	292	625	452	728	518	786
Uchkuduk	364	646	472	761	683	886
other regions	324	504	542	633	468	827

RATIO OF EMPLOYEE BASE SALARY BY CATEGORY AND GENDER GROUP IN 2020-2022¹⁷, \$

GRI 405-2						
Category	2021			2022		
	Females	Males	Ratio,%	Females	Males	Ratio,%
Managers	1,077	1,388	0.78	1,327	1,362	0.97
Specialists	758	898	0.84	819	953	0.86
Production personnel	434	653	0.66	447	655	0.68
Technical personnel	459	586	0.78	486	535	0.91
Service personnel	326	407	0.80	346	420	0.82

INCLUSION AND SOCIAL SUPPORT FOR PERSONNEL

GRI 2-30,401-2,401-3,EM-MM-310a.1

Recognizing its responsibility to its employees, NMMC pursues a balanced social policy aimed at business sustainability, preserving social stability and maintaining comfortable working conditions.

The basis for the implementation of the social policy was the Collective Agreement between NMMC and the Company’s employees dated June 14, 2022. The document reflects the basics of corporate culture, as well as the procedure for payment of benefits and compensation for all employees of the Company. As of 2022, the Collective Agreement was signed by a specially appointed commission of employee and employer representatives. In the reporting year, the Collective Agreement covered 100% of the Company’s employees.

IN 2022, NMMC HIRED THE FOLLOWING CITIZENS BELONGING TO THE CATEGORY OF VULNERABLE GROUPS OF POPULATION:

27	PARENTS WITH MANY CHILDREN
4	PARENTS RAISING A CHILD WITH A DISABILITY
169	YOUNG PROFESSIONALS
60	SINGLE PARENTS
2	ORPHANS
4	PERSONS FROM PLACES OF IMPRISONMENT
9	THOSE AFTER SERVICE IN THE ARMED FORCES
2	EMPLOYEES WITH DISABILITIES



Below is a partial list of benefits provided by the Company to its employees on the basis of the collective bargaining agreement:

- Provision of vehicles for travel to health improvement and preventive care institutions;
- Organization of recreation for children of NMMC employees and retirees during the summer season;
- Assistance to employees with dependent minor children;
- Allocation of places in pre-school institutions for children of NMMC employees and retirees;
- Allocation of funds for purchase of New Year gifts for children of NMMC employees and retirees;
- Provision of vouchers for health resort treatment;
- Free medical care for employees and retirees of NMMC;
- Partial payment for expensive medical products for employees with disabilities or former employees who suffered labor injuries;
- Benefits established in the Labor Code.

The Company takes care of its employees and carefully monitors the observance of labor and human rights in the workplace. In case of occupational injuries, employees have the opportunity to receive social payments under the Collective Agreement. Also, in certain cases, their family members can also count on payments from NMMC.

¹⁷ Data for 2020 are not available as no statistics were kept for this period.

NMMC is convinced that taking care of children is taking care of the future of the country, therefore every employee of the Company has an opportunity to receive parental leave and relevant payments in accordance with Article 233 of the Labor Code of the Republic of Uzbekistan.

In 2021, 709 employees, including 1 man, were on parental leave, in 2022 – 691 employees, including 2 men.

The Company fully pays parental and childcare benefits for employees taking parental leave. In the reporting period, the Company’s hotline did not receive any complaints about withholding or non-payment of compensations.

PLANS FOR 2023 AND THE MEDIUM TERM

- Restructuring of the recruitment system at NMMC;
- Revision of the organizational structure of personnel management – formation of new departments of the Company;
- Development and approval of the Personnel Policy of NMMC;
- Updating the HR risk management system;
- Development of a shaping and timing system in terms of personnel performance appraisal;
- Digitalization of the HR management system;
- Development and implementation individual development plan;
- Establishing KPIs in the field of HR management for CEO-3.

EMPLOYEES ON PARENTAL LEAVE IN 2020-2022, PERSONS

GRI 401-3			
Gender	2020	2021	2022
Females	1,291	708	689
Males	4	1	2
Total	1,295	709	691



OCCUPATIONAL HEALTH, SAFETY AND EMERGENCY PREPAREDNESS

APPROACH TO THE MANAGEMENT OF OCCUPATIONAL HEALTH AND SAFETY ISSUES

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

Mining is a sector with many inherent risks and hazards. Non-compliance with standards and safety measures can lead to equipment damage, serious occupational injuries and accidents, including fatalities. With proper control and compliance with all necessary measures to prevent injuries, proper organization of training of NMMC employees, it is possible not only to minimize the number of accidents, incidents and incidents, but also to avoid them completely.

OHS at NMMC is one of the most important areas in building the management’s policy and strategy with regard to employees. When hiring each new employee, NMMC takes responsibility for the life and health of this employee. In connection with the transformation of NMMC State Enterprise into JSC NMMC in 2022, the Occupational Health and Safety Management System of JSC NMMC (OHSMS), a fundamental document regulating occupational health and safety practices in the Company, was introduced and approved. The OHSMS requirements are mandatory for all NMMC employees and are aimed at:

- Preservation of life and health of employees in the course of their labor activity;

- Implementation of technological, technical and organizational measures to reduce the probability of emergencies;
- Minimizing the impact of harmful and hazardous production factors on humans, as well as preventing negative impact on the environment;
- Ensuring safe working conditions, managing the risks of occupational injuries and occupational diseases;
- Continuous improvement of labor protection indicators;
- Compliance with legislative and other regulations;
- Achievement of occupational health and safety goals.

The OHSMS is designed to eliminate and (or) minimize occupational risks in the field of occupational health and safety and to manage these risks (identification of hazards, assessment of levels and reduction of occupational risks), managed by the employer of the organization, taking into account the needs and expectations of the organization’s employees, as well as other stakeholders. The OHSMS applies to all employees at all workplaces, in all structural subdivisions of the employer managed by the employer.

In addition, the safety requirements and provisions set out in the OHSMS apply to all persons on the employer’s premises, buildings and facilities. This includes representatives of supervisory and control bodies, as well as employees of contractors allowed to perform work and other activities on the employer’s territory and facilities in accordance with the requirements of the Company’s applicable regulations. These safety provisions of the OHSMS are provided for familiarization to the abovementioned persons during induction briefings and are included in contracts for the performance of contractor work.

Responsibility for compliance with Occupational Health and Safety Management System requirements at all NMMC facilities rests with each employee of the Company. Management responsibility for occupational health and safety rests with the General Director and Chief Engineer of NMMC, as well as the heads of occupational health and safety services of the Company’s divisions.

The main functions of occupational health and safety management:

- Planning of labor protection works;
- Organization and coordination of occupational safety work;
- Detection (identification) of hazards and risk assessment;
- Training and testing of labor protection knowledge;
- Control of labor protection status;
- Evaluation, analysis.

NMMC management is directly involved in all stages of OHSMS implementation and improvement processes in the direction of occupational health and safety. In 2022, an Action Plan for improvement of occupational health and safety was developed and approved. One of the key decisions was the approval of the Roadmap for the improvement of occupational health and safety and prevention of injuries at work in the divisions of JSC NMMC.

On an annual basis, a plan-schedule of comprehensive and targeted surveys is approved for the purpose of preventing accidents, emergencies and emergencies, checking the state of occupational health, environment and safety at NMMC’s divisions.

The Company annually reviews and adjusts its goals in accordance with the current objectives of NMMC and global trends. NMMC works to create a strong safety culture based on individual and shared responsibility, and strives to continuously improve its safety performance. The Company’s main goal is to eradicate occupational injuries by achieving the “Zero Harm” target.



In the reporting year, the coverage of the certified OHS system in the CMG amounted to

21,132 employees

NMMC GOALS AND PROGRESS IN 2022	
BUILDING AN EFFECTIVE OCCUPATIONAL HEALTH, SAFETY, AND EMERGENCY MANAGEMENT SYSTEM IN ACCORDANCE WITH INTERNATIONAL STANDARDS AND BEST PRACTICES, SYSTEMATIC IMPROVEMENT OF SAFETY CULTURE, PREVENTION OF ACCIDENTS AND OCCUPATIONAL DISEASES, AS WELL AS REDUCTION OF THE RISK OF ACCIDENTS AT WORK, PROMOTION OF SAFE AND HEALTHY BEHAVIOR AMONG EMPLOYEES.	
PROGRESS FOR 2022	
<ul style="list-style-type: none">• Covered with occupational health and safety management system – ISO 45001	<ul style="list-style-type: none">• Emergency training was organized for more than
21,132 employees of CMG NMMC	>34 thousand employees
<ul style="list-style-type: none">• In 2022, 402 civil protection formations were established in NMMC divisions with	<ul style="list-style-type: none">• NMMC fire safety retrofit in 2022 at a cost of over
4,197 personnel	\$257.5 thousand
<ul style="list-style-type: none">• Workers and employees not included in civil defense formations trained	
27,716 people	



The Company promotes a culture of commitment to occupational health and safety, maintaining a healthy and safe working environment for employees, contractors and site visitors. This applies to all structural levels of the gold mining segment, where more than 46 thousand people are involved. NMMC’s activities in this area are regulated by the following internal and external documents:

- Regulations on the procedure for technical investigation of the causes of incidents at NMMC’s hazardous production facilities;
- Regulations on the organization and implementation of industrial control over compliance with industrial safety requirements at NMMC’s hazardous production facilities;
- Policy of the Central Mine Group of NMMC in the field of quality, environment, health and safety;
- Regulations on performance of contractual works on the territory of the operating subdivision (facilities) of NMMC;
- Collective Agreement.

External regulatory documents include ISO – 9001, 14001 and 45001 standards; the Law of the Republic of Uzbekistan “On Occupational Safety and Health” dated September 22, 2016.

Occupational Health and Safety Management System ISO 45001 covers the division of CMG. In the reporting year, the coverage of the certified OHS system in the CMG amounted to 21,132 employees.

MANAGEMENT STRUCTURE AND INSTRUMENTS

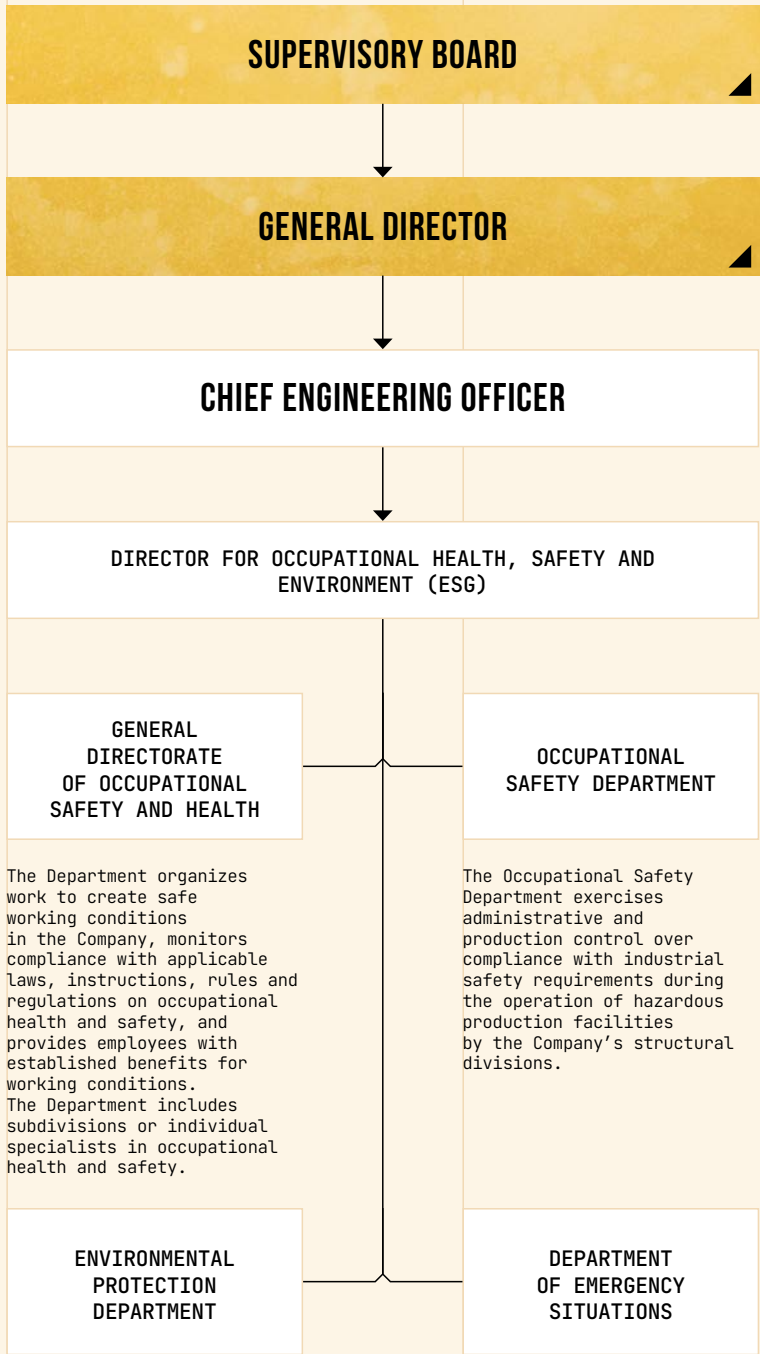
At NMMC, occupational health, safety and emergencies activities are assigned to structural units designated for these purposes.

In the reporting year, the structure of the Occupational Health and Safety Department changed in accordance with the decision of the Sole Shareholder of NMMC dated December 13, 2022.

By Resolution No. 13, the position of the Director for Occupational Health and Safety was replaced by the Director for Occupational Health, Safety and Environment (ESG). As a result, the Occupational Health and Safety Department was restructured into the General Department of Occupational Health and Safety at NMMC.

At all levels of NMMC, control over the results of HSE activities is exercised. Internal audits are conducted annually by the relevant departments and employees, organized in accordance with the approved HSE plans-schedules and topics. In 2022, mutual audits were conducted to regulate labor protection relations, prevent incidents, improve working conditions, strengthen discipline at work, and ensure labor safety. Based on the results of the inspections, the repeatedly identified and unaddressed deficiencies were submitted to the Company’s management for decision-making on the implementation of cardinal measures in the field of labor protection. This is necessary for a more transparent understanding by the Company’s management of the HSE situation and for preventive work to ensure safe working conditions at workplaces.

STRUCTURE OF THE OCCUPATIONAL HEALTH AND SAFETY DEPARTMENT



The Department organizes work to create safe working conditions in the Company, monitors compliance with applicable laws, instructions, rules and regulations on occupational health and safety, and provides employees with established benefits for working conditions. The Department includes subdivisions or individual specialists in occupational health and safety.

The Occupational Safety Department exercises administrative and production control over compliance with industrial safety requirements during the operation of hazardous production facilities by the Company's structural divisions.

The Environmental Protection Department ensures organization and coordination of activities of the Company's structural subdivisions on compliance with environmental norms and rules during production activities, prevention of harmful impact of production on the environment.

The Department of Emergency Situations provides the Company with the resources and responsibilities to address all human and material assets of the Company in the aspect of emergencies (prevention, preparedness, response, mitigation, and recovery).

NMMC strongly recommends stopping work in case of life-threatening situations. In addition, employees who have reported a potential hazard at the workplace are entitled to financial incentives based on Order No. 85 dated December 30, 2021 "On Approval of the Regulation on Additional Remuneration of Employees in the Regulation on Bonuses for JSC employees based on the results of production and economic activities". On a similar principle, if an employee was involved in any way in an accident, he/she may be subject to disciplinary sanctions.

In addition, the Company has a multi-stage control over occupational health and safety: in particular, NMMC has Commissions to check occupational health and safety at the workplace of employees. The Commissions are established by an internal Order of NMMC's management and include representatives of employees and administration. These Commissions carry out their activities in the Company's structural subdivisions.

In the Company, employees may notify their managers of risks according to the approved scheme, and hazard identification cards are also prepared. Notification of management is not an anonymous process.



KEY ASPECTS OF NMMC'S IN THE FIELD OF OHS

 RISK ASSESSMENT	 TRAINING
Site-level risk assessment to identify and inform employees of any potential operational risks and the most appropriate control measures to prevent and avoid them. The Company has a principle of dialog with colleagues responsible for OHS at sites about conducting a personal risk assessment before any employee or team engages in potentially hazardous or non-standard work activities.	Training is an integral part of NMMC's OHS management processes. All employees of NMMC receive training and appropriate briefings in accordance with the established procedure. Contractors are provided with safety briefings, with the preparation of a Permit to Work in the area of the unit where the work will be performed.
 MONITORING	 DIGITALIZATION OF PROCESSES
Monitoring is consistently conducted at NMMC through regular internal and external audits and inspections of safety procedures. Internal safety rules are used daily to actively involve the Company's employees in inspections, identify potential deficiencies in controls, and develop alternative and additional controls in the future. NMMC is assisted in the implementation of this area by an automated control system.	Digitalization of processes is a priority area and an investment in the future of NMMC. The introduction of new technologies and solutions helps to move towards a more transparent implementation of the Company's processes, and reduces the Company's time resources for analyzing information on processes, faster response to make necessary decisions, warning and preventing undesirable situations in the future.
 SAFETY EQUIPMENT	
Safety equipment and its provision to all employees and contractors when carrying out activities at the Company's production sites. Daily monitoring and timely provision of all necessary PPE to employees.	



OHS ORGANIZATION

GRI 403-3, 403-6, 403-10

Mining can expose employees to a variety of occupational hazards, each of which can lead to serious long-term health problems if not promptly identified and carefully controlled. These risks include:

- Respiratory problems due to exposure to dust or hazardous materials;
- Industrial hearing loss and deafness due to prolonged exposure to loud noises from heavy machinery and drills;
- Overexertion injuries from repetitive motion;
- Mental health problems associated with high-stress jobs, often in remote locations.

All Company employees who work in unfavorable conditions undergo annual professional medical examinations. If the results of this examination reveal health problems that prevent an employee from performing his/her duties (conclusion of the shop therapist), the issue of his/her transfer to another job with easier working conditions is resolved in accordance with the established procedure. Information on the employee's health condition from the medical and sanitary unit is passed on to the employer's representative (HR department, workshop/site manager).

All employees of NMMC, in accordance with the legislation of the Republic of Uzbekistan and internal regulations of the enterprise, are provided with emergency, ambulance and pre-hospital medical care.

WORKING WITH CONTRACTORS

GRI 403-4, 403-7

NMMC requirements regarding OHS also apply to employees of contracting organizations. The Company has a mechanism for interacting with contractors and fulfilling the requirements of the OHS. Contracts with contractors reflect the degree of danger of the carried out work, as well as all the necessary PPE and conditions of interested parties in terms of ensuring OHS. At the time of finding and performing work at NMMC, contract employees are fully protected by all necessary measures in accordance with the requirements of the labor legislation of the Republic of Uzbekistan.

Before starting work, contractor employees must, like the same way as full-time employees, be instructed on OHS in the customer’s department. After the briefing and the transfer of the workplace of production to the contractor by the Permit to Work, responsibility for the organization of safe work is assigned to the contractor.

NMMC does not reflect in its statistics accidents that occur with contract workers but conducts investigations according to the rules established in the Company and in accordance with internal regulatory documents.

SAFE DRIVING

Work is underway to reduce risks associated with vehicles and their driving, which accounted for 16% of the percent of incidents in 2022. The Company adheres to the following policies with regard to preventing and minimizing accidents on and off Company facilities:

- Availability of safety systems in vehicles;
- Tracking the behavior and condition of drivers and following the rules for using and being in company vehicles;
- Timely repair of vehicles and refusal to use the vehicle if its technical condition is at a level prohibiting the operation of the vehicle;
- Careful selection of employees for positions involving driving a vehicle.

Management of social aspects (S)

OHS RISK MANAGEMENT

GRI 403-2, 403-7

In 2022, NMMC’s management continued to implement corporate risk management in the Company through occupational health and safety management systems, which applied a consistent approach to forecasting, identifying, assessing, controlling and monitoring occupational health risks.

NMMC’s management, together with the responsible services, develops and implements measures to mitigate HSE risks. A level approach is used for risk definition, hazard identification and consequence modeling. The main risks are identified as part of the integral part of the OHSMS “Risk Assessment of Employee Injury (Poisoning) Factor” for each ore mining division.

NMMC has implemented an automated industrial safety management information system (AISMIS) to manage risks.

In the Company, there are two groups of risk:

1. Industrial safety risks.
2. Occupational health and safety risks.

INDUSTRIAL SAFETY RELATED RISKS

Workplace accidents are one of the main risks that the Company is actively working on. NMMC’s industrial safety policy is aimed at minimizing this risk and achieving the Zero Harm goal, putting it at the heart of the corporate strategy to protect employees from possible hazards. The Company has defined a list of risks to which serious control measures are applied.

Such risks include:

- Handling of explosives;
- Sudden manifestation of rock pressure leading to rock falls in underground mine workings;
- Increased level of electromagnetic radiation;
- Risks associated with hydrometallurgical beneficiation processes,
- Work with hoisting mechanisms.

Employees of NMMC responsible for risk identification monitor and analyse every incident that occurs on the territory of the enterprise. Internal inspections of facilities are carried out in accordance with the established schedule.

OCCUPATIONAL HEALTH AND SAFETY-RELATED RISKS

NMMC’s internal standards and regulations on occupational safety and health are aimed at minimizing risks to the health of employees, contractors, and visitors. Principles of forecasting, recognition, assessment, and control of the management of hazardous situations for health at work in connection with a dangerous type of work, prevention, and infectious/non-infectious diseases.

The main risks associated with occupational safety and health are:

- **physical** – noise, vibration, temperature changes, exposure to ionizing and non-ionizing radiation, etc.;
- **chemical** – interaction with harmful substances;
- **biological** – interaction with plants, animals, and microorganisms;
- **the severity of the labor process** – is everything related to physical exertion during work;
- **the intensity of the labor process** – is the load on the organs of perception and emotional tension.

At the operational level, the Company has an employee health risk identification and management process in place to identify major and probable health hazards in the workplace.

In the near term, NMMC will focus on further reducing employee health risks through the introduction of an automated pre-shift inspection system. The program is aimed at conducting pre-shift examinations, identifying risks that may adversely affect job performance and employee health, and may provide additional incentives for employees to seek necessary medical assistance in a timely manner.

The enterprise uses a tiered approach to risk management. At each level the information required for disclosure of this approach is collected and processed once a year. The person responsible for providing HSE information is meticulous in processing all incoming information, as this is key to the overall understanding and effectiveness of risk management in the company.

DIGITAL SOLUTIONS IN THE FIELD OF INDUSTRIAL SAFETY

In 2020, AISMIS was implemented to create a unified database of facilities, employees and documentation related to industrial safety. The system allows the following information to be promptly obtained:

- Number and maintenance of a register of hazardous production facilities with a description of the main potential sources of danger and possible consequences of accidents;
- Timely performance of necessary tests and technical inspections of supervised technical devices used at hazardous production facilities;
- Fulfillment by the Company’s subdivisions of the instructions of the State Committee for Industrial Control of the Republic of Uzbekistan and its regional bodies, as well as instructions of the Production Control Department of NMMC;
- Status of fulfillment of corrective actions and prescriptions;
- Internal regulations and documents on industrial safety, etc.;
- Number of cadastral passports for High Technogenic Hazard Zones created by NMMC facilities;
- Number of engineers trained and certified in industrial safety.



INCIDENT PREVENTION AND IMPROVEMENT OF SAFETY CULTURE

GRI 403-7, 403-9, SASB EM-MM-320a.1

NMMC maintains and analyzes statistics at all levels of the enterprise. Some indicators, compared to the previous year, have worsened – for example, in 2022 there were 50 accidents, which is 2 more incidents than in 2021 (48 accidents). Of the 50 accidents recorded in 2022, 2 are recognized as group accidents related to traffic accidents. A total of 54 – employees were injured during 2022, including 14 fatalities.

ACCIDENTS IN 2022, UNITS

GRI 403-9			
Indicators	2020	2021	2022
Fatal accident	5	5	14
Accidents with severe injuries	19	24	28
Accidents with minor injuries	22	15	12
LTIFR	0.50	0.55	0.68
FAR	0.05	0.06	0.18

The LTIFR does not include contractor casualties. The formula for calculating this indicator is: (number of injuries * 1,000,000)/total number of hours worked (78,970,159.13 man hours worked).

FAR: (Fatal Accident Rate) was calculated as follows: (number of fatal accidents * 1,000,000)/total hours worked (78,970,159.13 man hours worked).

As part of the implemented OSMS, cases of each accident that occurred at work in structural divisions are brought up for discussion on a monthly basis. The details of the incidents and the implementation of all prescribed measures to prevent harm to health and other types of damage in accordance with Form N-1 “Accident and Emergency at Work” are discussed.

Behind every incident and accident there is, first of all, human life and every fatal incident is a tragedy for the Company. Families who have lost their loved ones receive full support from NMMC in the manner prescribed by law and the employment contract.

Based on the results of the analysis of accidents that occurred at the end of 2022 in NMMC divisions, the following causes of incidents were identified:

- Failure to comply with traffic rules;
- Not using personal protective equipment;
- Violation of the correct conduct of open-pit and underground mining;

- Failure to comply with the “three points of contact” system when ascending and descending stairs, as well as working at heights;
- Underground mining operations associated with collapses and failures;
- Personal negligence and carelessness of victims.

At all areas and stages where the incident occurred, the work of an incident investigation commission was carried out, which was appointed by order of the management of NMMC. The commission carried out the following actions:

- Studying the testimony of witnesses and eyewitnesses;
- Inspection of the scene of the incident;
- Study of regulatory and technical documentation (if necessary, expert commissions are involved in the investigation);
- Establishing the circumstances and causes of the accident.

Based on the results of the investigation, a report is drawn up in which measures are developed to prevent such cases. The report is sent to departments to carry out corrective and preventive measures.

In 2022, based on the corrective measures taken, the following actions were implemented at NMMC:

- Training courses on safe performance of work were organized in order to increase the level of knowledge in the field of labor protection;
- Modern methods of high-quality introductory briefing on labor protection have been introduced;

- Information about workplace safety is disseminated through local media;
- The work on organizing and conducting employee knowledge testing has been intensified; if necessary, the main specialists of the Company's divisions (by area) are involved in this process;
- Periodic visits to workplaces were organized by the main specialists of the departments.

To minimize accidents and injuries to NMMC employees in 2022, based on an analysis of the causes of incidents that occurred during the winter period of the previous reporting year, the following measures were taken:

- Timely de-icing of the department's territories;
- Timely removal of snow in places where employees move, including platforms, stairs, ramps and other approaches;
- Regular training for all employees at their workplaces on safety rules and specifics of movement in icy conditions.

In 2022, no cases of injuries or accidents were recorded during the performance of work by contractors at NMMC, which is an indicator of NMMC's compliance with all safety conditions when working with contractors.

MATERIAL CONSEQUENCES OF ACCIDENTS IN 2022, \$ THOUSAND

Indicator	2022
Lump-sum allowance to family members in connection with the death of a breadwinner as a result of an industrial accident in excess of the established legislation	178.97
Monthly additional payments of compensation for damages in excess of those established by law to the victim of a labor injury	469.02
Compensation to the victim for additional expenses caused by the labor injury at work	29.72
Payments for moral damages	-
Monthly compensation for family members in connection with the death of a breadwinner as a result of an industrial accident	199.89
Lump-sum benefit in the amount of one year's earnings to a victim of a labor injury	132.81
Monthly indemnity for the injured person	324.42
Compensation payments for the care of an occupationally ill person	55.92
Regression claims	111.21
Total	1,501.96

According to the Resolution of the Ministry of Economics and Finance, a different mechanism of compensation payments through an insurance company was applied in 2022. The relevant contract was concluded with an insurance company. Not all payments to the victims and families of the deceased were made by the insurance company, and court proceedings on this issue are still ongoing as of the date of publication of the Report.

TRAINING AND INSTRUCTION

GRI 403-5

Training of NMMC employees is conducted on an annual basis in accordance with national, industry and international norms and standards in the field of occupational health and safety. In this area, the Company carries out comprehensive work to develop a culture of safe work practices in order to improve the level of knowledge and competence of employees in complying with OHS requirements in accordance with leading international practices.

In 2022, the average number of hours of OHS training per employee of NMMC of the Company was 36 hours.

AVERAGE ANNUAL NUMBER OF HOURS OF OHS TRAINING PER EMPLOYEE

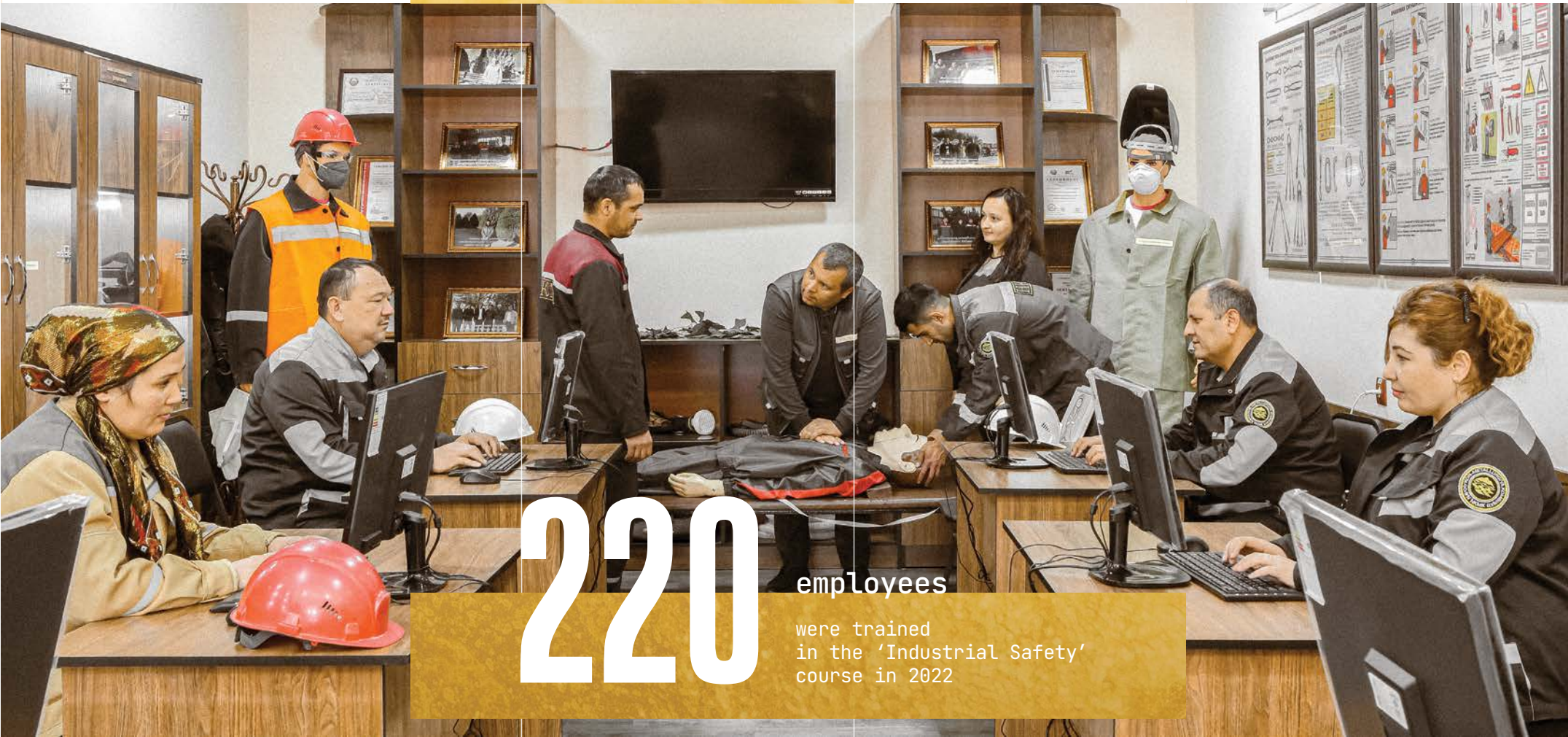
GRI 403-5

- Number of NMMC employees trained

1,000 people

- Average number of training hours per NMMC employee

36 hours



EMERGENCY PREPAREDNESS

Ensuring preparedness for emergency situations (hereinafter referred to as ES) and response to them at the corporate level is entrusted to the NMMC Emergency Situations Department. At the managerial level, emergency preparedness and response are regulated by the Laws of the Republic of Uzbekistan, Resolutions of the Cabinet of Ministers of the Republic of Uzbekistan:

- Law RUZ 'On protection of population and territories from natural and technogenic emergencies';
- Law RUZ 'On Civil Protection';
- Law RUZ 'On Industrial Safety of Hazardous Production Facilities';
- Law of the RUZ 'On Fire Safety';
- Law of RUZ 'On Labor Protection'.

The main internal document regulating the activity of NMMC in the field of emergency preparedness is the 'Regulations on the Emergency Situations Department' of JSC NMMC. The main tasks of the Emergency Department are:

1. Organization, methodological guidance, and control over the implementation of planned activities:

- prevention and elimination of emergencies, improvement of reliability and sustainability of NMMC facilities, compliance with fire safety requirements;
- to equip formations and Civil Protection Services (hereinafter – CP), NMMC employees with the necessary collective and personal protective equipment, equipment and engineering protective structures.

2. Organization and control of readiness of management bodies, forces and means intended for prevention and elimination of emergencies at NMMC facilities.

3. Organization and management of localization of emergencies, evacuation of NMMC employees in case of emergencies.

4. Ensuring collection, analysis, and generalization of information on emergency and fire safety issues in accordance with the established procedure, preparation of records and reports to higher management bodies on the basis thereof.

‘The Action Plan for Prevention of Natural and Technogenic Emergencies Associated with Floods, Mudflows, Snow Slides, and Landslides at the Facilities and Operations of JSC NMMC is developed on an annual basis.’ According to this document, the following measures to prevent emergencies were implemented in 2022:

- Monitoring the locations of NMMC’s production locations, facilities, and sites and identifying areas of possible formation and passage of storm flows, floods and landslides;
- Checking the technical condition of existing dams, drainage and mudflow diversion channels, road and railroad sections and bridges located in the areas of the possible impact of storm, mudflow, and landslide flows, as well as carrying out the necessary bank protection works, and cleaning of drainage channels located in the vicinity of mudflows and other mudflow-prone areas;
- Ensuring readiness of available emergency teams with vehicles and necessary equipment, properly, and tools for timely departure to the areas of flooding or destruction as a result of mudflow impact;
- Ensuring periodic monitoring of the condition of mudflow protection facilities of the CMG, – on the main section of water pipelines section of water pipelines No. 1, 2 between the switching chamber -51 (KP -51) and pumping station No. 6 of the Karakutun mine of the HMP-1 mining management.

The result of the implementation of these measures is the absence of emergency cases in 2022.

NMMC has specially trained emergency response teams at all facilities. Each division of the Company has employees trained in first aid.

Specially trained underground rescue teams work in underground mines, in addition, all underground work sites include shelter in case of rock-falls or cave-ins. NMMC regularly conducts emergency drills and equipment testing.

RETROFITTING OF NMMC IN TERMS OF FIRE SAFETY IN 2022, \$ THOUSAND

Material and technical means	Expend
Spare parts for Ansul fire extinguishing systems	161.8
Fire extinguishers	44.5
Fire hoses	34.2
Fire hydrant	16.9
Total	257.5

In 2022, the emergency services of NMMC’s divisions (Central, Northern, Southern, and HMP-1 mine groups) organized and conducted the following training sessions in accordance with the 15-hour program with the commanding and rank-and-file staff of CP formations, all categories of workers and employees of NMMC ‘s divisions to improve the knowledge and practical skills of the management and personnel of emergency response teams on prevention and actions in emergencies:

- 56 drills involving 2,530 personnel and 280 pieces of equipment were conducted;
- 399 personnel of the commanding and senior staff (CS) of the CP formations were trained;
- 3,430 rank-and-file personnel of CP formations were trained;
- 27,716 workers and employees not included in the CP formations were trained.

The Company annually develops and updates action plans to localize and eliminate the consequences of accidents. All emergency response plans and procedures are widely and regularly communicated to employees, the public, and all stakeholders.

NMMC has developed and approved a schedule of comprehensive and targeted inspections for the prevention of accidents and emergencies, inspections of labor protection, environmental protection, and occupational health and safety. According to this schedule, the Company’s structural divisions are inspected, based on the results of which prescriptions are drawn up specifying the identified violations. Identified violations are discussed in detail at the Council meetings for Strengthening Industrial Discipline.

In 2022, 402 civil protection formations with a staff of 4,197 people were established at NMMC ‘s divisions, and the implementation of the automatic warning system project for prompt response at the facilities was launched.

In 2022, NMMC carried out additional equipment in terms of fire safety: an agreement was concluded for the supply of two fire engines in the amount of \$500.4 thousand.

PLANS FOR 2023 AND THE MEDIUM TERM REGARDING HEALTH, SAFETY AND EMERGENCY SITUATIONS

NMMC’s OHS and emergency situations plans for 2023 include:

- Review and update of the OHSMS;
- OHS KPI updates for managers and for line staff;
- Conducting NEBOSH and IOSH training in 2023.



INTERACTION WITH LOCAL COMMUNITIES

MANAGEMENT APPROACH

GRI 3-3

The Company tries to take care not only of its employees but also of the population in all areas of its presence and beyond. The Company’s management strives to contribute to the social aspects of society – creating new jobs, cooperation with local suppliers, and participation in tax support to the development of regions and the republic. The Company is the largest taxpayer in the Republic of Uzbekistan and makes a significant contribution to the economic development of the country.

Despite the transformation of the Company into three separate legal subdivisions of JSC NMMC, NMMC Fund SA, and Navoiuran SE, NMMC still remains the key structure of social support for employees and local communities in the regions where it operates. The Fund’s representative offices are located in all cities of NMMC ‘s main activity in the gold mining segment: the cities of Zarafshan, Navoi, Uchkuduk, and Nurabad.

To implement the social policy, the NMMC Fund, through its representative offices, interacts with representatives of the civil community through khokimiyats and gatherings of citizens of mahallas.

The functions of the NMMC Fund are:

- Development of activities in the field of disease prevention and health protection;
- Assistance to medical institutions in the procurement of supplies and equipment;
- Development of physical education and mass sports;
- Development of culture, art, education, and spiritual development of the individual for adults and children;
- Development of various forms of amateur and artistic activity and performing skills among children, youth, and other citizens;
- Construction, maintenance, and operation of sports and recreational and residential buildings, infrastructure, socio-cultural, sports and health and medical facilities;
- Development of activities in the field of HCS, incl. financing

- of projects and development of housing and communal services, development and improvement of territories;
- Support and material support for the development of gardens.

Social policy and charity are an important part of NMMC’s core policy. All requests for sponsorship and assistance are carefully reviewed, and all decisions on these requests are transparent and publicized through publicly available sources.

NMMC adheres to the policy of open dialog with all social groups. Close interaction between representatives of NMMC and municipalities provides an opportunity for a more nuanced understanding the needs of society, as well as for determining the priorities of social policy.

The main vectors of interaction and development of local communities in 2022 were the opening of jobs in remote areas of Uzbekistan, support for socially vulnerable segments of the population, development of culture and sports, as well as medicine.

One of the types of interaction with the population is carried out through public hearings, which are held at the request of government bodies or initiated by the Company directly. Hearings may be organized by the Company or local authorities. As a rule, this is carried out in villages and/or cities closest to the mining site. The minutes of the meeting (hearings), as well as the log of registration of meeting participants, are kept by the heads of local authorities (khokims) with a copy of the minutes for the Company.

Other methods of interaction include:

- Reception with Company specialists responsible for inquiries from individuals and companies (usually related to employment, housing and registration);
- Publications in the press highlighting the results achieved, volunteer initiatives and charitable activi-

GRI 3-3, EM-MM-210b.1

- ties, including sponsorship of cancer treatment;
- Regular meetings with deputy khokims on women and family issues (mayor/head of local authorities), usually conducted by specialists from the Company’s committees on women and youth issues;
- Events held in partnership with government authorities (intellectual game for youth “Zakovat”, events dedicated to national holidays such as Navruz and International Women’s Day).

Officials of JSC NMMC hold open meetings and receptions for the local population according to pre-established schedules at the Company’s facilities, as well as meetings with khokims.

The frequency and scale of interaction with local communities across the divisions of JSC NMMC depend on the distance between mining facilities and nearby settlements. The administration of mines located within 10 km of populated areas interact more actively with local communities.

The standard method of filing complaints in Uzbekistan is to register complaints with local (at the level of Mahalla – district/block) authorities, through the President’s portal, as well as directly to the Company through available communication channels (a single portal, telephone, messenger, mail or personal reception).

All mines have established contact with local authorities. The Company’s representative in Zarafshan interacts with the deputy khokims and involves the khokims in many meetings with the Company’s management. At most mines, meetings with khokims are held at least once a month.

In the divisions of JSC NMMC, the director of the division is responsible for communication with the local community. Reception days are organized on a weekly basis, during which the director receives citizens in his office, listens to their suggestions, comments and answers to pressing questions.

NMMC — FOR CHILDREN AND RETIREES

GRI 203-2

The Company strives to contribute to the creation and preservation of the cultural and educational heritage of Uzbekistan. Many social projects and charities are aimed at supporting children and pensioners who do not participate in work.

In 2022, as part of the implementation of the Collective Agreement, the Company jointly with the NMMC Fund implemented activities on health improvement and recreation of children in camps during summer vacations for children of employees and non-working retirees of NMMC. NMMC spent \$2,723.7 thousand to implement these activities.

In the summer season ‘Summer – 2022’ for 11,018 children from low-income families and non-working retirees in need of social protection, recreation was organized in 13 health camps of the Fund. Of these:

- 9,684 vouchers were provided to children of employees and pensioners of the Company and the Fund based on a joint decision of NMMC and the Council of Trade Unions;
- 1,334 vouchers were allocated to children in need of social protection, including children from low-income families, children with disabilities and children without parental care living in Navoi, Samarkand and Khorezm regions.

NMMC, being a socially responsible enterprise, actively participates in the development of the infrastructure of the Kyzylkum region. One of the important events of June 2022 was the launch of a multi-disciplinary specialized pre-school educational organization with a rehabilitation center ‘Umid’ for children with disabilities on the initiative of NMMC and the President of the Republic of Uzbekistan.

\$2,723.7 thousand

allocated for recreation for children and retirees in 2022

11,018 children and retirees

sent to rest in 13 health camps of the Fund



NMMC — CULTURE AND SPORTS

GRI 203-2

Healthy lifestyle is not just a global modern development trend, but also a great contribution to the future of the society of each state. Implementing the state policy in the field of sports and cultural education and support of the nation’s health, NMMC invested a large amount of financial resources and human capital in this area in 2022. The Company fully supports the initiative of its colleagues and employees with regard to sports and cultural development, and also supports health-improving activities in the regions where it operates.

On May 7, 2022, a modernized sports facility – a handball hall – was put into operation in Navoi city. At the opening ceremony, the work done by NMMC in recent years on the de-

velopment of sports, selection and education of talented athletes, their worthy encouragement was noted. The Company plans to continue to pay special attention to the development of sports and support the realization of the aspirations of young people.

Last year, many sports events were organized for employees and their family members, including soccer and volleyball matches, as well as various sports games.

NMMC in 2022 provided sponsorship for:

- Swimming Federation of Uzbekistan – \$978 thousand;
- The Ministry of National Education of the Republic of Uzbekistan – \$2,373 thousand;

- The Gifted Youth Support Fund under the Agency of Educational Institutions of the Republic of Uzbekistan – \$2,262.2 thousand;
- National Olympic and Paralympic Committee – \$1,886.7 thousand.



NMMC — MEDICINE

GRI 203-2, 403-6

During 2022, the Medical and Sanitary Section and the Fund’s medical and sanitary units included in it provided free medical services to employees of NMMC and the Fund SI, their minor children, and pensioners of NMMC based on the collective agreement.

As of December 31, 2022, medical services have been provided to 115,207 employees, their minor children, and retirees of the Company.

The average annual population served by medical and sanitary section and subdivisions is 114,528. Of these:

- men – 35.2%;
- women – 32.2%;
- children aged 0-14 years – 28.2%;
- adolescents – 4.4%.

The planned capacity of outpatient and polyclinic facilities of medical and sanitary section and subdivisions of the Fund in one shift is 3,131 people.

In 2022, 27,067 patients were treated in hospitals of the Faculty of Medicine and its subdivisions (inpatient). Only the outpatient polyclinic (day hospital) in Navoi Square is designed for 12 beds, 708 patients were treated there.

In addition, during 2022, the medical and sanitary department provided necessary medical services to employees and retirees in need of prosthetic and orthopedic devices. In particular, funds were allocated for:

- Dental prosthetics \$14.9 thousand;
- Prosthetic and orthopedic products \$162.5 thousand;
- Payment to donors for food products \$1 thousand.

In 2022, 708 people received referrals to medical centers, research institutes, and specialized medical institutions of the Ministry of Health of the Republic of Uzbekistan, the cost of which amounted to \$283.5 thousand.

In accordance with the requirements of sanitary rules and norms of the Republic of Uzbekistan No. 0184-5 dated February 18, 2005 and acting article 12 of section IV of the “Collective Agreement” of JSC NMMC for the employees of the Company who are in unfavorable working conditions are assigned free medical and preventive nutrition according to the relevant norms (1, 2, 3, 4, 5 – feed ration).

115,207 employees,

their minor children, and retirees of the Company received medical services in 2022

\$283.5 thousand

funds allocated for referrals to medical institutions from NMMC in 2022



5

CORPORATE GOVERNANCE (G)

NMMC AIMS TO IMPROVE THE PROCUREMENT SYSTEM TO ENSURE ECONOMIC AND OPERATIONAL EFFICIENCY, COMPETITIVENESS, AND TRANSPARENCY OF BUSINESS PROCESSES.



Ethics and anti-corruption	124
Responsible supply chain	127
Economic performance	130
Information technology and digitalization	131
Innovation development	133

KEY INDICATORS FOR 2022

1,040

active
supplier

91%

local
procurement

MATERIAL TOPICS

- Indirect economic impacts
- Anti-corruption
- Procurement practices
- Economic Performance
- Information Technology and Digitalization
- Innovative development

CONTRIBUTION TO THE UN SDGS



GRI, SASB INDICATORS

GRI 2-15, 2-17, 2-23, 3-3, 201-1, 204-1, 205-3



NMMC AIMS TO IMPROVE THE PROCUREMENT SYSTEM TO ENSURE ECONOMIC AND OPERATIONAL EFFICIENCY, COMPETITIVENESS, AND TRANSPARENCY OF BUSINESS PROCESSES. PROCUREMENT OF ALL DIVISIONS OF THE COMPANY IS MANAGED BY THE PROCUREMENT SERVICE.

GRI 2-23

FUNDAMENTAL NORMATIVE ACTS,
INTERNATIONAL DOCUMENTS:

- Principles of responsible gold mining;
- UN Global Compact, ISO 14001.

CORPORATE DOCUMENTS:

- Rules of ethical conduct in the procurement process;
- Procurement Regulations;
- Regulation about Main Directorate of the Organization and Improving procurement methodology;
- Regulations on the Material and technical procurement department;
- Regulations on departments (procurement: works and services; transport; equipment; materials);
- Regulations on inventory management, demand planning, performance management, supplier activities, pre-qualification of potential suppliers;
- Regulations on Pre-qualification of Potential Suppliers of JSC NMCC.



ETHICS AND ANTI-CORRUPTION

MANAGEMENT APPROACH

GRI 3-3, 2-15

In order to comply with professional ethics and transparency of operations, as well as to avoid corruption risks, in the reporting year the Company updated and approved the ‘Rules of Ethical Conduct of Employees’ dated 22.03.2022. The Ethics Commission has been appointed as the supervisory body to monitor compliance with the requirements set out in the Rules, whose responsibilities include the following:

- Reviewing complaints and suggestions from the Company’s employees on ethics issues;
- Consideration of cases of non-fulfillment of official duties by employees;
- Preventing conflicts of interest;
- Settlement of corporate conflicts.

In addition, in 2022, to ensure compliance with the anti-corruption and professional ethics policy, the Company established the Anti-Corruption and Ethics Committee under the Supervisory Board of NMMC.

The Rules of Ethical Conduct define values, principles, standards, and norms of behavior in the Company and apply to all employees of the Company regardless of their positions. The Rules of Ethics of NMMC are aimed at preventing offenses and combating corruption and include requirements for all employees to comply with the principles of legality, fairness, and avoidance of conflicts of interest.

COMPLIANCE SERVICE ACTIVITIES

GRI 2-15, 205-3

For the purpose of regulation of corruption risk, the Compliance Service functions in the Company under the Supervisory Board.

The main tasks of the Compliance Service are:

- Ensuring compliance of the Company’s internal documents with regulatory legal documents;
- Improvement of the Company’s anti-corruption activities;
- Preventing and combating corruption offenses;
- Ensuring efficient operation of the anti-corruption system and control over it;
- Organization of the procurement sphere based on the principles of rationality, economy, and efficiency in the use of financial resources;
- Organizing an atmosphere of openness and transparency in the Company;
- Reduction of corruption risks in management and business processes, and organization of control procedures for these processes.

The Company’s key regulatory documents in the area of anti-corruption and ethics are the following:

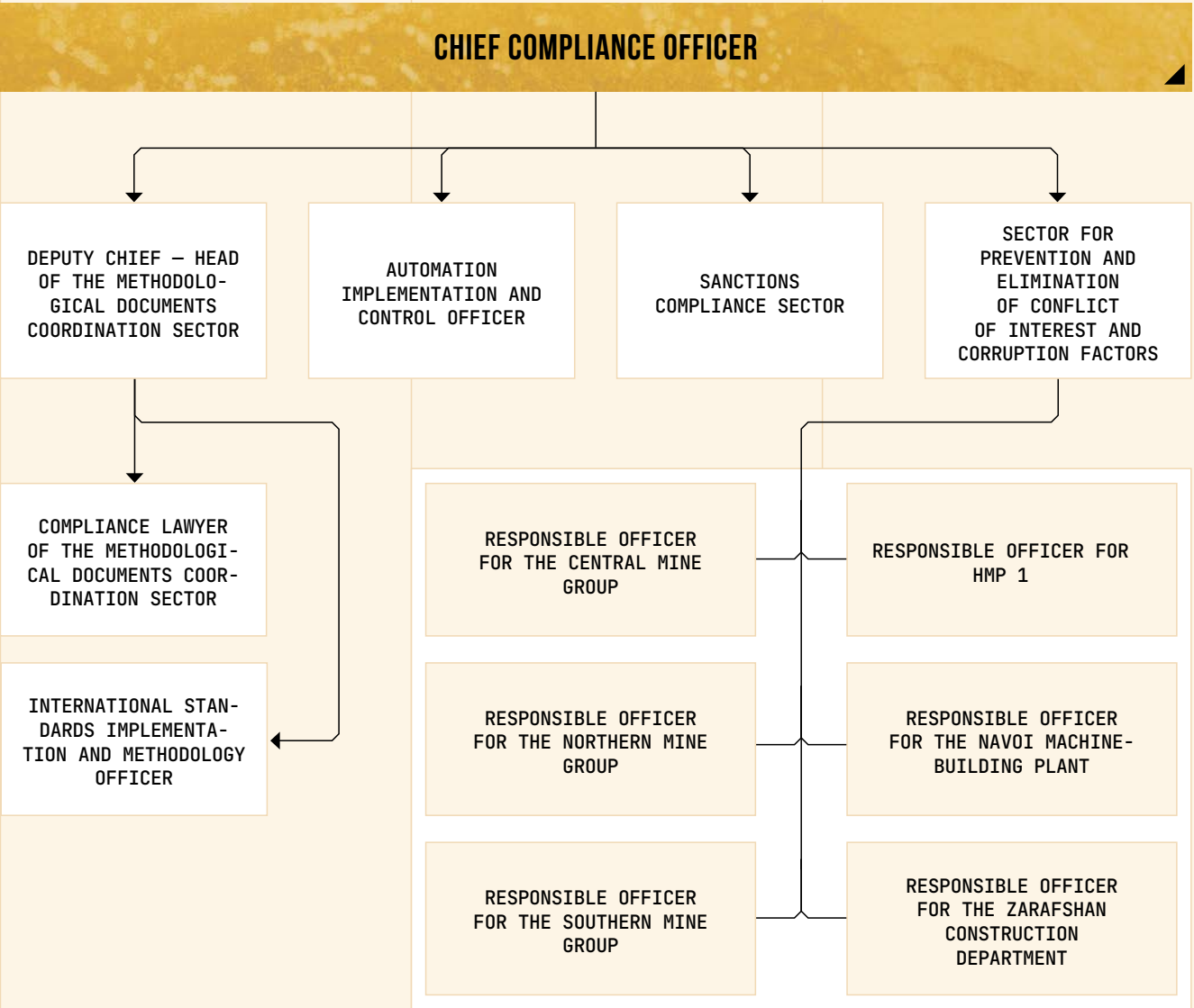
- Anti-corruption policy of JSC NMMC dated December 23, 2021;
- Code of Ethics of employees of JSC NMMC dated March 30, 2022;
- Regulations on Receipt and Consideration of Reports on Corruption Actions Received by JSC NMMC and its structural subdivisions via communication channels dated July 6, 2022;
- Regulations on conducting official investigations and inspections of cases of corrupt practices,

EM-MM-510a.1

- violations of ethical rules, and other violations by employees of JSC NMMC and its structural subdivisions dated July 6, 2022;
- Regulations on assessment of corruption risks at JSC NMMC and its subdivisions dated August 17, 2022;
 - Methodology for monitoring and control of the effectiveness of anti-corruption procedures at JSC NMMC and its subdivisions dated December 14, 2022;
 - Regulations on the formation and submission of a report on anti-corruption activities at JSC NMMC and its structural subdivisions dated August 17, 2022;
 - Instruction on organization of training of employees of JSC NMMC and its structural subdivisions in the field of ethical rules and anti-corruption dated August 17, 2022;
 - Regulations on the Compliance Service of JSC NMMC (new version) dated July 27, 2022;
 - Procedure for hiring employees to the Compliance Service of JSC NMMC dated May 31, 2022;
 - Model Procedure for Establishing a Transparent System of Recruitment, Candidate Collection, Testing, and Selection for Employment based on Open Competition at JSC NMMC dated March 11, 2022 dated March 11, 2022;
 - Instruction on testing candidates for employment at JSC NMMC and its structural subdivisions dated July 6, 2022.

In 2022, the Compliance Service reviewed 27 procurement documents and conducted a number of anti-corruption legal reviews of internal departmental documents.

ORGANIZATIONAL STRUCTURE OF THE COMPLIANCE SERVICE



During the reporting period, the Compliance Service employees took advanced training courses and received certificates of confirmation:

- 17 employees were trained in ‘Conflict of Interest Regulation in the Public Sector. Introduction to Conflict of Interest Regulation in the Private Sector’ and 8 certificates in ‘Asset Declaration as a Way to Identify Indicators of Corruption’ of the International Anti-Corruption Academy;
- 2 employees were trained in ‘Prevention of Corruption and Fraud in Public Procurement’ and 6 certificates of the Ministry of Finance in ‘Implementation of Public Procurement’;
- 3 employees were trained in Anti-Corruption Agency;

- In addition, 2 employees participated in the training held in Dubai on ‘The importance of management system and human resources in the fight against corruption’ and received certificates based on the requirements of the international standard ISO 37001:2016 ‘Anti-corruption management systems. Requirements and recommendations for application’.

A total of 24 control measures (survey and service inspection) were carried out on appeals and instructions of citizens, and the results of 14 of them were sent to law enforcement agencies. In particular, based on the results of inspections conducted in 2022, 1 managerial employee was brought to administrative and 9 employees to disciplinary responsibility (including 3 employees dismissed).

To report facts of corruption, conflicts of interest and other negative consequences committed or admitted by officials of JSC Navoi Mining and Metallurgical Company and its subsidiaries and organizations, there are available contact channels, a single mechanism of appeals and a special helpline accessible to all employees and external stakeholders.

COMPLAINTS AND SUGGESTIONS MECHANISM

GRI 2-16, 2-25, 2-26, 205-3

NMMC has a unified mechanism for submitting appeals, complaints and proposals, which is available to all groups of persons (individuals and legal entities, employees and representatives of local communities) regarding any subject matter. This mechanism is implemented by the Department for Control and Coordination of Work with Communications from Individuals and Legal Entities. This mechanism operates in all divisions of the Company, which provides applicants with the opportunity to receive personalized support.

All incoming requests, both from Company employees and external stakeholders, have equal priority and are registered in an electronic database. Various communication channels are available to applicants, as well as flexibility in reception hours, which facilitates the ability to apply and communicate:

- Appeals in writing (by mail or directly to NMMC);
- Applications in oral form (by phone, at a personal reception through a specialist of the department, or during an on-site reception of the Ethics Commission);
- Appeals in electronic form (via the NMMC virtual reception, on the NMMC website).

The Company also considers applications received through the virtual reception offices of the President and Prime Minister of the Republic of Uzbekistan.

The existing mechanism for filing and considering complaints and appeals meets the requirements of the Law of the Republic of Uzbekistan “On appeals from individuals and legal entities” dated September 11, 2017. According to Article 6 of the Law “On Applications from Individuals and Legal Entities”, when applying, applicants must leave contact information

for feedback. According to Articles 14 and 15 of the law, any information about the identity of the applicant is not subject to disclosure at the request of the applicant, it is not allowed to find out information about an individual or legal entity that is not related to the appeal, and the persecution of individuals and legal entities, their representatives and members of their families is prohibited. The company has implemented an internal regulation that complies with legal requirements, which operates at the level of all production units. NMMC guarantees freedom from prosecution or dismissal of employees in connection with their appeals regarding violations or in connection with appeals containing criticism of existing processes in the Company.

Within the framework of existing grievance mechanisms, relevant employee complaints are considered jointly by the trade union and the employer. With complaints/problems, employees can contact their immediate supervisor, a trade union representative or a specialist in the department for handling appeals from individuals and legal entities. At the corporate level, there are also commissions to resolve labor rights issues, including representatives of the trade union and the head of the human resources department.

The Company organizes periodic receptions for citizens and employees with the General Director, deputies, and department heads. Finally, the Company conducts targeted visits to places where complaints are filed in mining departments, where consideration takes place with the participation of the complainant. The director of each division of NMMC is also responsible for resolving employee complaints and labor conflicts that arise. Visiting days provide an opportunity for employees to contact the director, regardless of their work schedule.

Staff complaints are also received through the complaints box, usually located in the reception area. In addition, there is a hotline for employee complaints, access to which is unlimited, and employees can provide telephone numbers for feedback.

Statements, complaints, suggestions addressed to the Company are accepted by responsible specialists and registered in a physical journal and electronic system. Further, depending on the topic, questions are discussed with specialists in the areas. If necessary, a management order is issued for a commission consideration of the appeal. Employees of the department for control and coordination of work with requests from individuals and legal entities collect the necessary information to discuss received questions and applications. Next, based on the results of the commission’s decisions, a memo and a response to the applicant are prepared.

In 2022, NMMC managers received 3,335 requests on issues, which in most cases related to employment issues. Of these, written appeals – 680, electronic appeals – 2,444, oral appeals – 211. NMMC managers received 152 people on personal issues, of which 35 people were received at an on-site reception for NMMC managers and specialists.

The Company’s official website has introduced the Anti-Corruption and Open Data sections. These sections contain internal departmental documents, information planned for publication, current (hotline and e-mail) communication channels for sending appeals, as well as information on responsible employees of the Compliance Service.

PLANS FOR 2023 AND THE MEDIUM TERM

- Creation of a comprehensive system that meets the requirements of the international standard ISO 37001:2016 “Anti-Corruption Management Systems. Requirements and recommendations for application”;
- Implementation of measures in accordance with the Compliance Service Work Plan;
- Development of the Procedure for rewarding employees who reported corruption offenses at JSC NMMC and its subdivisions;
- Development of the Instruction on checking counterparties at JSC NMMC and its subdivisions;
- Development of the Regulations on the Conflict of Interest Management at JSC NMMC and its subdivisions.

RESPONSIBLE SUPPLY CHAIN

MANAGEMENT APPROACH

GRI 3-3

The Company’s procurement approach is supported by internal regulatory documents and external regulations required for the procurement process. Procurement is an important part of business management, as quality, timely, and transparent procurement procedures depend on the quality of operations.

The procedure for registration and preliminary qualification of a potential supplier of goods, works and services, as well as for keeping the register of potential suppliers and keeping up to date at JSC NMMC is established in accordance with the Regulations on Preliminary Qualification of Potential Suppliers of JSC NMMC.

Pre-qualification of potential suppliers is carried out within the framework of procurement procedures in two ways: by selection of best offers and by Tender. The process of “Pre-qualification of potential suppliers” is a part of the general procurement process, and the result of qualification is not the final basis for concluding an agreement/contract.

NMMC strives to improve and modernize supplier selection processes in accordance with current global practices:

1. E-procurement

In accordance with the requirements of the Law on State Procurement, based on the principle of transparency and contracting, NMMC carries out procurement procedures on the resources and platforms of e-xarid, e-shop, and cooperation.uz, xt-xarid, as well as through the UzRCRME (Uzbek Republican Commodity and Raw Materials Exchange).

2. Establishment of the Compliance Service

The Compliance Service was formed at NMMC based on the requirements of the Anti-Corruption Agency of the Republic of Uzbekistan, with the objective of improving compliance with international and internal business rules, as well as control of raw materials procurement processes.

Centralization of service

In 2022, the implementation of the 1C ERP system continued and a plan for staff training on the new system was formed.

Procurement strategies are developed with the objective of determining the optimal approach to the procurement of goods, works, and services, based on the maximization of benefits in the long or short term. The main principles of procurement strategies are:

- Acquisition of quality goods works and services;
- Maximization of economic effect;
- Transparency of criteria for selecting a potential supplier;
- Supplier performance management;
- Risk management.

TYPES OF APPEALS BY SOURCES FOR 2021-2022 RECEIVED BY THE NMMC DIRECTORATE, EXCLUDING APPEALS RECEIVED BY NMMC DIVISIONS, UNITS*

Types of requests	2021	2022
Written	784	680
Electronic, incl.	1,860	2,444
- appeals received by the official email info@NMMC.uz	112	90
- appeals received through the virtual reception of the President ¹⁸	1,748	2,352
- appeals received through the virtual reception of the Prime Minister ¹⁸	0	2
Oral	167	211 ¹⁹
Total	2,811	3,335

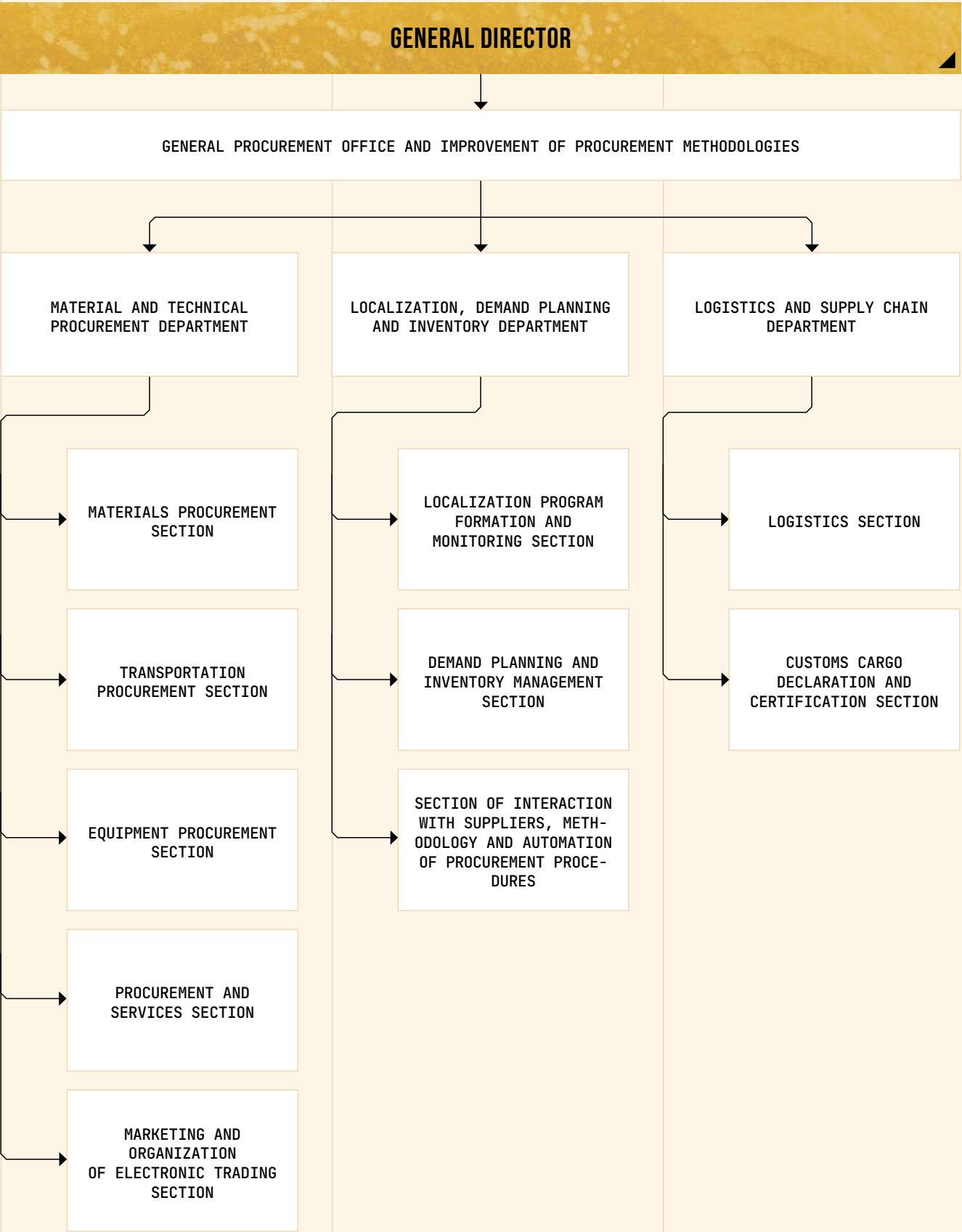
* In 2020, 2,107 appeals were received, but there was no record by type of appeal.

¹⁸ Appeals through the virtual reception room of the President and Prime Minister are monitored by the NMMC Department and then transferred to the responsible divisions.

¹⁹ They include 77 addressed to the General Director, 75 addressed to the Deputy General Director for General Issues, 35 to the visiting committee, 24 on the helpline.



ORGANIZATIONAL STRUCTURE OF THE GENERAL PROCUREMENT OFFICE AND IMPROVEMENT OF PROCUREMENT METHODOLOGIES



PROCUREMENT FROM LOCAL SUPPLIERS

GRI 204-1

Support and loyalty to local products, on the social and economic side, brings a significant contribution to the development of the regions where NMMC’s structural subdivisions operate. It is also expected that this approach will lead to lower logistics costs and have a positive impact on the reduction of greenhouse gas emissions.

NMMC is one of the largest consumers of local production, which is reflected in the results of inter-industry cooperation programs. As part of fairs held in the regions where the Company operates, the Company holds meetings with local producers²⁰ to discuss issues of cooperation, production development and elimination of barriers.

THE TOTAL NUMBER OF JSC NMMC SUPPLIERS FROM 2020 TO 2022, UNITS

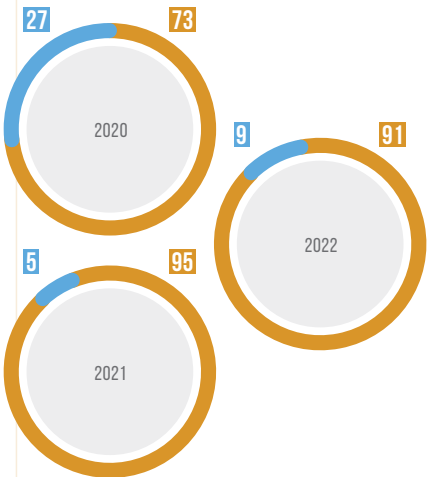
Types of suppliers	2020	2021	2022
Local suppliers	984	919	997
Foreign suppliers	65	50	43
Total	969	969	1,040

TOTAL COSTS OF NMMC FOR THE SUPPLY OF RAW MATERIALS AND MATERIALS FROM 2020 TO 2022, \$ THOUSAND USD²¹

Types of suppliers	2020	2021	2022
Local suppliers	1,026,000	1,654,738	1,544,325
Foreign suppliers	140,345	88,648	156,471
Total	1,166,345	1,743,386	1,700,796

TOTAL EXPENDITURE OF NMMC ON PURCHASES, SHARE OF LOCAL AND FOREIGN SUPPLIERS AS A PERCENTAGE FROM 2020 TO 2022, %

Local suppliers
Foreign suppliers



CONTROL AND VERIFICATION OF SUPPLIERS

The Company has a transparent system for selecting suppliers; more processes are carried out on electronic platforms, which speed up the process of selecting and screening suppliers. The selection of a supplier is based on standard questionnaires, which ensures equal opportunities for everyone.

The basic stage of supplier verification begins with a review of the supplier’s activities through the use of open information sources, which are carried out by the Procurement Commission for the pre-qualification of potential suppliers. This stage of verification includes the identification of facts of violation of the supplier’s obligations in relation to former contractors, violations of legislation in the countries of business, the absence or presence of violations in the field of human rights, the supplier’s policy towards its employees and the environment in which it operates. your activities. In 2022, the Procurement Commission reviewed 27 tenders. The General Procurement Office and improvement of procurement methodologies has formed the “Regulations on Pre-Qualification of Potential Suppliers”, according to which:

- Visits to the supplier’s work sites to audit production processes are allowed;
- The qualifications of the personnel involved in the entire procurement process are also taken into account before being allowed to participate in the tender.

According to the Law of the Republic of Uzbekistan “On Public Procurement” dated April 22, 2021, tenders are published on the official corporate website of NMMC and the procurement information portal. On the corporate website of NMMC there is a section “Tenders and Competitions”, which contains information about current tenders on the part of NMMC, as well as the necessary information for participation.

PLANS FOR 2023 AND THE MEDIUM TERM

- Finalization of 1C system deployment in terms of procurement;
- Improvement of requirements planning processes, development and implementation of analytical tools for procurement support on the main electronic platforms;
- Continued work on the development and management of relationships with key suppliers.

²⁰ By local suppliers the Company means business entities registered in Uzbekistan.

²¹ The table presents data for all Company’s subdivisions. 100% of Company’s subdivisions are located in the territory of the Republic of Uzbekistan.

ECONOMIC PERFORMANCE

MANAGEMENT APPROACH

GRI 3-3

The Company recognizes that the long-term success of any business depends on maintaining social and economic stability in the regions where it operates and in the country as a whole. Maintaining mutually beneficial relationships with stakeholders, as well as creating quality working conditions and ensuring employee safety are of great importance. We strive to openly inform our founders, partners, employees, and other stakeholders about the results of economic value creation. Disclosure of this indicator allows stakeholders to see how NMMC creates and distributes economic value over the reporting period.



GENERATED AND DISTRIBUTED DIRECT ECONOMIC VALUE, \$ MILLION			
GRI 201-1			
Indicators	2020	2021	2022
Generated direct economic value	4,546.0	4,775.0	5,095.0
Revenue	4,558.0	4,795.0	5,095.0
Financial income	1.0	1.0	2.0
(Expense)/income from sales of tangible assets	(13.0)	(21.0)	(2.0)
Distributed economic value	4,482.0	4,492.0	4,853.0
Operating expenses	1,178.8	1,299.7	1,722.0
Salaries	260.0	286.0	332
Maintenance of social facilities	41.0	21.0	1 ²²
Charitable donations and sponsorship	33.0	71.0	232.0 ²³
Payments to capital providers	908.0	1,103.0	1,591.0
Dividends paid	755.0	982.0	1,389.0
Financial costs	153.0	121.0	202.0
Payments to the state	2,395.2	2,089.3	1,540.0
MET	921.0	723.0	517.0
Income tax	1,430.0	1,308.0	958.0 ²⁴
Taxes, except for subsoil use tax and income tax	13.0	24.0	23.0
Single social payment from salaries	31.2	34.3	42.0
Retained Economic Value = Direct Economic Value Generated- Distributed Economic Value	64.0	283.0	242.0

²² Expenses for the maintenance of social facilities in 2022 decreased significantly compared to 2021 due to a change in the form of payment for the maintenance of facilities: until June 2021, funding was allocated directly, but from June 2021 all maintenance costs are transferred to the State Institution “NMMC Fund” in accordance with the charity agreement.

²³ The increase in this type of costs in 2022 is due to the fact that after the separation of the State Institution “NMMC Fund”, the costs that were previously related to the maintenance of social facilities of the NMMC in 2022 began to relate to charitable expenses for the needs of the State Institution “NMMC Fund”, because on the basis of the decree of the President of the Republic of Uzbekistan “On measures to reform the state enterprise “Navoi Mining and Metallurgical Company” (https://lex.uz/ru/docs/4755127), JSC NMMC began to directly enter into a charity agreement with the State Institution “NMMC Fund”

²⁴ In 2022, the approach to income tax presentation was changed to comply with the recommendations of the GRI 201 Economic performance standard, eliminating deferred tax. Deferred tax was \$150 million in 2021 and \$83 million in 2020.

INFORMATION TECHNOLOGY AND DIGITALIZATION

MANAGEMENT APPROACH

GRI 3-3

To date, NMMC has been carrying out large-scale works on the launching of new production facilities, and expansion and modernization of existing enterprises. The introduction of modern information and communication technologies and production automation are an integral part of this process.

It should be noted, that ensuring the continuity and stability of production and management processes requires the organization of wired and mobile communications, the construction of data networks, computer and network infrastructure, Implementation of software systems and automation process control systems (APCS). The specialists of NMMC developed and implemented systems for the management of production, transport, financial and accounting records, personnel, logistics, energy resources, and preventive maintenance.

Information technology and digitalization issues are supervised by NMMC’s Director for Information Technology and Digitalization (CDO), as well as the Information and Communications Technology Department and the Production Automation Department.

BASED ON THE RESULTS OF 2022, NMMC WITH THE RESULT OF 94.35% BECAME THE LEADER IN THE RATING OF ASSESSMENT OF THE EFFICIENCY OF INFORMATION AND COMMUNICATION TECHNOLOGIES IMPLEMENTATION AMONG THE ECONOMIC MANAGEMENT BODIES OF THE REPUBLIC OF UZBEKISTAN.

INFORMATION TECHNOLOGIES IN THE COMPANY

Over the last 3 years, as part of the development of information and communication technologies and digitalization, IT specialists have developed more than 20 information systems that perform about 200 production and management tasks. These are mainly such areas as transportation management, production management, finance management, personnel management, logistics management, enterprise energy management, scheduled maintenance management, and accounting management. Implemented information systems in all areas of production and financial and economic activities of the Company comply with international standards and modern requirements.

The number of users in the ICT infrastructure increased by 30% due to the increase and renewal of the computer fleet.

Projects to improve telecommunications networks are being implemented. With the objective of improving the quality of data transmission and communication lines, more than 300 modern network switches were installed in the subdivisions. As a result, the number of network switches at the NMMC increased from 150 to 450 units.

For efficient and fast performance of production tasks, the speed of the Internet network was increased from 100 Mbit/s to 512 Mbit/s, data transmission network from 400 Mbit/s to 600 Mbit/s, as well as the speed of data transmission between data processing centers was increased from 16bit/s to 106bit/s, 6 new automatic telephone exchanges were put into operation, about 1,000 users were connected to the corporate telephone network.

>20
information systems

developed as part of the development of information and communication technologies and digitalization

30%

increase of the number of users in the ICT infrastructure due to the increase and renewal of the computer fleet

1,000
users

were connected to the corporate telephone network

Dispatch systems have been introduced in NMMC both at open quarries and in underground mines. Online monitoring systems of quarry machinery work allow operational management of dump trucks, excavators, and drilling rigs. The Underground Mining Management Information System performs continuous shift monitoring at the 3 underground mines Zarmitan, Gusumsai, and Karakutan. Underground gold mines are equipped with a video surveillance system. To coordinate the actions of the engineer during the operations of descent/lifting of people, delivery of goods and equipment, carrying out audits and inspections at the mine hoisting facilities, modern equipment of ‘MSC-Dnipro’ is introduced.

For exploration, planning, and development of new mineral deposits, as well as further development of existing deposits, Micromine software with 3D modelling functions has been introduced in the plant.

The effectiveness of use lies in the preventive assessment of risks associated with non-confirmation of geological information. This is important to ensure the complete use of data on objects and correction of reserve calculations performed by traditional methods. To assess, design, optimize and plan mining operations, create an electronic database of geological exploration data, map the geological structure of quarries, predict deformation of quarry walls, as well as calculate reserves, mining and geological information systems GEOVIA MineSched and Studio OP have been introduced. The introduction of these products allowed specialists to quickly calculate reserves according to the JORC code for 12 fields.

THE FOLLOWING DIGITALIZATION PROJECTS WERE IMPLEMENTED IN 2022:

1 As part of the project for the construction of a mine for the extraction and processing of gold ore at the Auminzo-Amantoy ore field, an automated process control system was introduced in the 1st mill block, which was initially part of the HMP-5 construction project. Due to the timely detection of deviations from the norms of technological regulations, production capacity was increased and a decrease in production capacity levels was prevented;

2 Digitalization of gas stations and fuel tankers was carried out using fuel dispensing technology using RFID cards in Northern Mine Group (Uchkuduk site) and gas stations (Navoi site);

3 Automation of warehouses using barcoding technology is continued.

STEPS TO INNOVATION

In August 2022, with the aim of fulfilling the measures on the digital transformation of the enterprise, the Company signed a contract with the international consulting company Boston Consulting Group for the development of the Digital Transformation Strategy of JSC NMMC.

As part of joint work with BCG, it is planned to implement the following activities:

- Analysis of the current level of development of NMMC’s digitalization;
- Formation of a target vision of NMMC’s digital landscape, development of a target IT architecture;
- Roadmap for implementation of the Digital Transformation Strategy;
- Preparation of the final version of the Digital Transformation Strategy of JSC NMMC.

PLANS FOR 2023 AND THE MEDIUM TERM

- Introduction of prompting systems based on artificial intelligence technologies to optimize hydrometallurgical plant operations;
- Implementation of digitalization programs in 12 areas (mining management, digital hydrometallurgy, unified mining, and geological system, unified maintenance and repair management system), including the introduction of modern digital solutions into the Company’s operations;
- Introduction of a budgeting information system;
- Automation of tax accounting based on international financial reporting standards in the 1C:ERP information system;
- Introduction of an automated vehicle management system;
- Finalization of automation of procurement management processes on the basis of the 1C:ERP information system
- Implementation of a data transmission prevention system (DLP) to ensure information security;
- Completion of implementation of an automated process control system (SCADA) in the 3rd mill unit of hydrometallurgical plant No. 5;
- Implementation of an automated process control system (SCADA) in mill unit 1 of hydrometallurgical plant No. 6.

INNOVATION DEVELOPMENT

MANAGEMENT APPROACH
GRI 2-17, 3-3

Innovations play a key role in the development of NMMC and determine the Company’s competitiveness and sustainability. As one of the leading representatives of the industry, NMMC pays special attention to innovative processes and technologies. The introduction of new and improvement of existing approaches in various aspects of production and management not only helps to increase productivity and product quality but is also important for minimizing environmental impact and ensuring sustainable development.

Innovation issues are supervised by the Director for Innovative Development and are also submitted for discussion to the Scientific and Technical Council of NMMC. Also, the following structures are currently functioning effectively within the Company’s system:

- Innovation Center;
- Central Research Laboratory;
- Central Design Bureau;
- Central Design Office;
- Central Physical and Chemical Laboratory at the Northern Mine Group;
- Central plant laboratories at Hydrometallurgical Plants No. 2, 3.

One of the fundamental documents of NMMC in the field of innovation is the developed NMMC Innovative Development Program, which undergoes annual revision and updating. The implementation of 105 innovative projects included in the Program will significantly increase opportunities for increasing the efficiency of mining and processing of gold ores and uranium. It will also help to reduce production costs and expand exports of products.

The main directions of NMMC’s innovation development are as follows:

- Geological exploration;
- Mining operations;
- Processing and enrichment;
- Transportation;
- Mechanical Engineering and metallurgy;
- Energy;
- Automation and ICT;
- Occupational Health and Safety;
- Ecology and environmental protection;
- Medicine;
- Agriculture.

In the reporting year, as part of inventive activities, 4 patents were implemented in the mining metallurgical and machine-building directions.

Also, according to the decree of the President of the Republic of Uzbekistan “On awarding State Prizes of the Republic of Uzbekistan in the field of science and technology, literature, art and architecture” dated December 12, 2022, specialists from NMMC – Kuvandik Sanakulov, Nikolay Snitka, Rustamjon Usmanov, Ulugbek Ergashev and Otabek Mustakimov were awarded the State Prize of the first degree in the field of science and technology for joint scientific and practical work on the topic “Development and implementation of a comprehensive technology for the development and processing of technological and refractory gold ores.”

PLANS FOR 2023 AND THE MEDIUM TERM

- Development of the Innovative Development Program until 2024, monitoring the implementation and execution of the Program, as well as developing projects and programs, rationalization and patent activities of the Company;
- Study of the material composition and form of gold and other related elements, development of waste processing technology for HMP-2, study of technological and environmental problems;
- Detailed study of the material composition and form of gold and other related elements, waste and waste processing technology of HMP-1;
- Production of a radometer based on semiconductor charged particle detectors to measure the volumetric activity of radon in air, water and soil, as well as toxic elements that must be taken into account depending on the conditions of the enterprise;
- Project for the recycling of water in the technological cycle with the recycling of water from the ponds of the waste storage areas of HMP-2 and the extraction of dissolved gold from the ponds of local sorption zones and secondary water from the ponds of the waste storage areas of HMP-1;
- Organization of a laboratory to solve problems of water supply of NMMC divisions;
- Research into the possibility of cleaning biotechnological waste storage sites through landscaping and the use of aquatic plants;

- Development and implementation of a technological scheme for purifying mine waters of the Zarmitan deposit, bringing their quality into compliance with the standards for irrigating industrial crops;
- Improving the gravity process of HMP-2, improving the technology of gravity processing of HMP-2 waste;
- Development of technology for extracting valuable components from concentrate waste residues or base ore;
- Introduction of a device for processing waste tires and conveyor belts;
- Development of effective and economical methods for treating waste pools and recycled water from HMP-3;
- Cleaning the filters of the HMP TsF-SiO from cyanides and dissolved salts by bringing the chemical composition of the filter to the chemical composition of process water;
- Manufacturing of a radon meter based on semiconductor charged particle detectors to measure the volumetric activity of radon in air, water and soil;
- Ecological and geochemical assessment of the impact of mining enterprises on the environment, development of indicators for assessing soil, plants, water;
- Development and implementation of a scrubber-purifier for purifying waste gases from a wood waste incineration furnace in the conditions of a mining and metallurgical plant;
- Monitoring the condition of the HMP waste warehouse, developing recommendations for waste storage for 2022-2024;
- Carrying out anti-radiation shielded washing of HMP-1 waste storage cards with the development of recommendations for the rational use of waste storage areas for 2020-2022;
- Monitoring the condition of the HMP-2 and HMP-7 waste warehouse, developing recommendations for the storage of crushed stone in 2020-2022;
- Monitoring the condition of HMP landfills, issuing recommendations for rational transportation and storage of butane;
- Ensuring the normal operation of the hydraulic transport system, ensuring the environmental safety of waste storage facilities. Issuing recommendations and monitoring the hydrotransport system of HMP-4 landfills and rational waste storage in 2020-2022;
- Monitoring the condition of the MOAQS waste incineration plant, developing recommendations for the storage of crushed stone for 2020-2022.



6. APPENDIX

APPENDIX 1

ABOUT THE REPORT

GRI 2-3, 2-5

The Sustainability Report of JSC NMMC (hereinafter the ‘Report’ or ‘The Sustainable Development Report’), discloses information on the performance of key sustainability and social responsibility management practices for 2022. The Sustainability Report is published in Russian and English. The Report has been prepared in accordance with GRI Standards 2021 and SASB standards for the metals and mining industry.

The period covered in this sustainability report is January 1 to December 31, 2022, on the environmental, social, and economic impact in the regions of presence where NMMC operates, as well as interaction with all parties. Since 2019, the Company has issued annual sustainability reports that disclose non-financial information and include an expanded chapter on corporate social responsibility. The Company’s latest reports, as well as additional information on sustainability indicators, are available on NMMC’s official website.

The report is approved by the Financial Director (CFO) and made available to stakeholders through publication on the corporate website. The process of preparation of the Report is coordinated by the Head of IFRS and GRI Department.

In 2024, the Company engaged independent consultants to confirm the accuracy of information provided as part of non-financial reporting and to perform external assurance of the 2022²⁵ Sustainability Report.

REPORTING BOUNDARIES

GRI 2-2

The Sustainability Report of JSC NMMC discloses information on the performance of the key practices of the Company and its structural subdivisions of the gold mining segment, presented in the table below. The boundaries of the Sustainability Report correspond to the boundaries of the financial statements for 2022.

Where the boundaries of information disclosure differ from those given, the boundaries are specified separately.

ASSETS INCLUDED IN THE REPORT

Structural division	Legal name	Region
NMMC Head office	JSC Navoi Mining and Metallurgical Company (hereinafter JSC NMMC)	Navoi region, Navoi city
Central Mine Group	Central Mine Group of JSC NMMC	Navoi region, Zarafshan city
Northern Mine Group	Northern Mine Group of JSC NMMC	Navoi region, Uchkuduk district
Southern Mine Group	Southern Mine Group of JSC NMMC	Samarkand region, Nurabad city
HMP-1 Mine Group	HMP-1 Mine Group of JSC NMMC	Navoi region, Navoi city
Zarafshan Construction Department	Zarafshan Construction Department of JSC NMMC	Navoi region, Zarafshan city
Production Association ‘Navoi Machine-Building Plant’	Production Association ‘Navoi Machine-Building Plant’ of JSC NMMC	Navoi region, Navoi city

MATERIAL TOPICS

GRI 3-1, 3-2

When disclosing information, NMMC adheres to the principle of materiality, striving to cover the most important issues and present the key data that are in demand.

In preparing this Report, we selected topics that are important to internal and external stakeholders. The evaluation of topics takes place in three stages: analysis of open sources, collection of stakeholder opinions, and compilation of a list of material topics according to the level of materiality.

First of all, the Company conducted a comparative analysis of material topics disclosed by benchmark companies and an analysis of industry best practices, which resulted in a preliminary list of topics significant to the Company. The second stage involved using the results of last year’s survey, in which participants evaluated the importance of each topic to stakeholders and the level of the Company’s impact on the topic. This survey resulted in a list of the most significant topics, which at the final stage were agreed upon for disclosure in this Report.

Two main criteria were considered during the collection of stakeholder surveys: the significance of the Company’s economic, environmental, or social impact and the impact on stakeholders’ judgments and decisions.

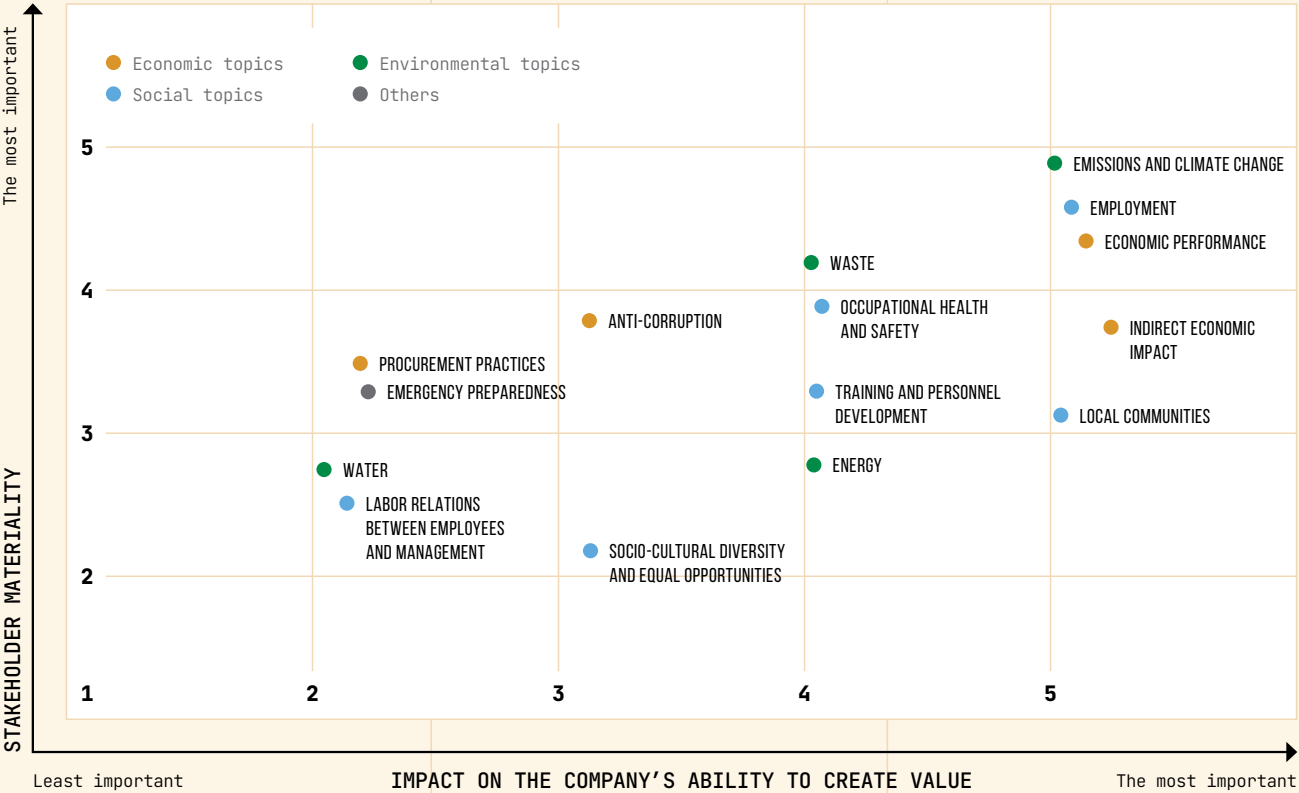
APPROACH TO DETERMINING MATERIAL TOPICS

1	ANALYSIS OF OPEN SOURCES	2	COLLECTION OF STAKEHOLDER OPINIONS	3	FINALIZATION OF THE LIST OF MATERIAL TOPICS
	<ul style="list-style-type: none">Analysis of the requirements of rating agencies in ESG area.Benchmark analysis of material topics disclosed by peer companies.	<ul style="list-style-type: none">Analysis of requests from creditors in ESG area.Interviews with the representatives of the Company’s business units.Analysis of responses from internal and external stakeholders.		<ul style="list-style-type: none">Ranging topics by materiality level.Determining the materiality threshold.Approving the list of material topics by the responsible party for sustainable development.	
	➔ PRELIMINARY LIST OF MATERIAL TOPICS	➔ SPECIFIED LIST OF MATERIAL TOPICS		➔ APPROVED LIST OF MATERIAL TOPICS	

²⁵ The delay in publication of the 2022 Report was caused by serious organizational and personnel changes at NMMC in 2023, as well as the duration of procurement procedures for engaging independent assurance providers. In order to publish the most reliable information in the Report, NMMC management decided to publish the Report in 2024 after receiving the external assurance report, despite the fact that the text of the Report was prepared in September 2023.

Based on the results of research, the following material topics were selected for disclosure in this Report, as presented in the matrix below.

MATERIALITY MATRIX



Data on sustainability performance for this Report was collected at the level of NMMC Administration. The indicators have been disclosed and calculated in accordance with the requirements of GRI standards and selected SASB indicators. This Report contains references (indices) to the relevant standards that were used to disclose this or that indicator.

Many of the selected topics are highly interrelated and significant throughout the Company's value chain. For this report, we have categorized the topics as follows:

MATERIAL TOPICS

Economic topics

- Economic performance
- Indirect economic impacts
- Procurement practices
- Anti-corruption

Environmental topics

- Energy
- Water
- Biodiversity
- Emissions and climate change
- Waste

Social topics

- Employment
- Labor relations between employees and management
- Occupational health and safety
- Training and development of personnel
- Social and cultural diversity and equal opportunities
- Local communities

Other material topics

- Information technologies and digitalization
- Innovation development

Compared to the material topics disclosed in 2021, the following material topics were not disclosed in the reporting year 2022: Public Policy, Social and Economic Compliance, Environmental Compliance, Emergency Preparedness and Response to the ongoing COVID-19 pandemic. Whereas the following new topics have been added: Information Technology and Digitalization, Innovative Development.

APPENDIX 2

CONTACT INFORMATION

GRI 2-1, 2-3



Republic of Uzbekistan, Navoi Region,
Navoi city, Navoi 27 street

Office: +998,79,227-71-64

info@NMMC.uz

www.NMMC.uz

CONTACTS FOR NON-FINANCIAL REPORTING AND SUSTAINABILITY

Alexander Fadeev,
Head of IFRS and GRI Department

+998,79,227,7541

Aa.fadeev@NMMC.uz



APPENDIX 3

GRI CONTENT INDEX

GRI indicator index	Indicator name	Section in the Report	Comment
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
2-1	Organizational details	NMMC’s history Company’s Business model	
2-2	Entities included in the organization’s sustainability reporting	Appendix 1. About the Report	
2-3	Reporting period, frequency, and contact point	Appendix 1. About the Report Appendix 2. Contact Information	
2-4	Restatements of information		There have been no changes to the information published in previous reports.
2-5	External assurance	Appendix 1. About the Report	
2-6	Activities, value chain and other business relationships	Company’s Business model Geography and markets of presence	
2-7	Employees	Employment	
2-8	Workers who are not employees		The Company does not employ many out-sourced persons since the majority of employees are employed on the basis of open-ended contracts
2-9	Governance structure and composition	Corporate governance system	
2-10	Nomination and selection of the highest governance body	Corporate governance system	
2-11	Chair of the highest governance body	Corporate governance system	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance system	
2-13	Delegation of responsibility for managing impacts	Corporate governance system	
2-14	Role of the highest governance body in sustainability reporting	Corporate governance system	
2-15	Conflicts of interest	Compliance service activities	
2-16	Communication of critical concerns	Complaints and suggestions mechanism	
2-17	Collective knowledge of the highest governance body	Sustainability management approach; Innovation development	In 2022, no training was conducted for the Supervisory Board or the Management Board on ESG and Sustainable development issues.
2-18	Evaluation of the performance of the highest governance body		In 2022, no assessment of the performance of the management bodies was carried out
2-19	Remuneration policies	Management Board	There was no practice of target indicators (KPIs) in the Remuneration Policy of the Supervisory Board and the Management Board related to sustainable development indicators in 2022
2-20	Process to determine remuneration	Management Board	
2-21	Annual total compensation ratio		The Company does not disclose the amount of annual total remuneration due to the confidentiality of this information
2-22	Statement on sustainable development strategy	Management message	
2-23	Policy commitments	Supervisory Board; Corporate Governance	
2-24	Embedding policy commitments	Sustainability management approach; Environmental management system	

GRI indicator index	Indicator name	Section in the Report	Comment
2-25	Processes to remediate negative impacts	Complaints and suggestions mechanism	
2-26	Mechanisms for seeking advice and raising concerns	Complaints and suggestions mechanism	
2-27	Compliance with laws and regulations	Compliance with environmental requirements; Monitoring of water pollution sources.	
2-28	Membership associations	Participation in associations and adherence to international principles	NMMC has been a member of the London Bullion Market Association (LBMA) since 1994, conducts testing and verifies the correctness of laboratory analysis of gold quality in accordance with the requirements of the exchange. NMMC also prepares an annual report on compliance with the principles of the Code of Responsible Gold and receives assurance from an independent company. The LBMA is the world’s only independent precious metals body.
2-29	Approach to stakeholder engagement	Stakeholder Engagement	
2-30	Collective bargaining agreements	Inclusion and social support for staff	
GRI 3: Material Topics 2021			
GRI 3-1	Process to determine material topics	Appendix 1. About the Report	
GRI 3-2	List of material topics	Appendix 1. About the Report	
GRI 3-3	Management of material topics		The indicator is disclosed under each material topic
Corporate governance (G)			
Ethics and anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	Activities of the Compliance Service	The Company had no corruption cases among employees and business partners, and there were also no public corruption cases for 2022.
Economic performance			
201-1	Direct economic value generated and distributed	Economic performance	
Responsible supply chain			
204-1	Proportion of spending on local suppliers	Responsible supply chain	Local suppliers are suppliers from the regions of the Republic of Uzbekistan that coincide with the regions of the Company’s presence
Environmental management (E)			
Energy			
302-1	Energy consumption within the organization	Energy consumption; Alternative energy	The company does not sell energy to third parties and does not consume energy for cooling
302-3	Energy intensity	Energy intensity	Formula for calculating energy intensity: total fuel consumed / total revenue
302-4	Reduction of energy consumption	Reduction of energy consumption	
Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity protection	
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity protection	
304-3	Habitats protected or restored	Biodiversity protection	In the reporting year, the Company did not carry out land reclamation activities

		Appendix	1	2	3	4	5	6
GRI indicator index	Indicator name	Section in the Report	Comment					
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity protection	In the area where the NMCC deposits are located, no habitats or animals included in the IUCN Red List or the national list of protected species of Uzbekistan were found					
Water								
303-1	Interactions with water as a shared resource	Water resources protection	The processes of interaction with local communities and business partners are not disclosed due to the lack of a systematic approach to such interaction					
303-2	Management of water discharge-related impacts	Water resources protection	The Company adheres to national standards set for the quality of wastewater discharges					
303-3	Water withdrawal	Water supply	Data on the separation of the mineralization of the collected water are not disclosed due to the lack of data.					
303-4	Water discharge	Water discharge	The company does not drain water into water bodies. In 2022, a partial discharge of treated wastewater was carried out onto the terrain. Data on the the number of dissolved solids in of salinity the discharged water are not disclosed due to lack of data. The Company does not disclose the volume of water discharged into municipal sewer networks, since such discharge does not have a negative impact on the environment.					
Emissions and climate change								
305-1	Direct (Scope 1) GHG emissions	Monitoring of greenhouse gas emissions	The Company has no biogenic CO ₂ emissions in metric tons of CO ₂ equivalent. Base year: 2021. Consolidation method: statistics are provided for facilities directly controlled by the Company by right of ownership and on the balance sheet. Calculated using the IPCC methodology (2006).					
305-5	Reduction of GHG emissions	Monitoring of greenhouse gas emissions	Base year: 2021. Consolidation method: statistics are provided for properties directly controlled by the Company by right of ownership and on the balance sheet. Calculated using the IPCC methodology (2006).					
305-6	Emissions of ozone-depleting substances (ODS)	Air quality	No ozone-depleting substances emitted from Company activities					
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air quality						
Waste								
306-1	Waste generation and significant waste related impacts	Waste management						
306-2	Management of significant waste-related impacts	Waste management	The Company does not have any procedures in place to verify compliance with contractual and statutory obligations of third-party organizations with respect to waste utilization					
306-3	Waste generated	Waste management						
306-4	Waste diverted from disposal	Waste utilization						
306-5	Waste directed to disposal	Waste utilization	The Company has not set up a process for collecting data on waste incineration (with or without energy recovery)					
Management of social aspects (S)								
Indirect economic impacts								
203-1	Infrastructure investments and services supported	Local community support projects	Investments and services are provided on a gratuitous basis.					
203-2	Significant indirect economic impacts	Creation of jobs in remote regions; NMCC – children and retirees; NMCC – culture and sports; NMCC – medicine						
Employment								
202-1	Ratio of standard entry level wage by gender compared to local minimum wage	Remuneration and motivation						
202-2	Proportion of senior management hired from the local community	Supervisory Board						
401-1	New employee hires and employee turnover	Personnel recruitment; Employee turnover						

JSC NMCC	Sustainability Report / 2022		
GRI indicator index	Indicator name	Section in the Report	Comment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Inclusion and social support of staff	
401-3	Parental leave	Inclusion and social support of staff	The Company complies with all requirements of the legislation of the Republic of Uzbekistan. Employees retain their position and salary in accordance with the Labor Code of the Republic of Uzbekistan. Data on employees returning from parental leave, as well as those returning from parental leave and continuing to work for 12 months, return and retention rates of employees are not disclosed in this reporting period due to the lack of statistical data collection.
402-1	Minimum notice periods regarding operational changes	Employee turnover	
Occupational health and safety and emergency preparedness			
403-1	Occupational health and safety management system	Approach to the management of occupational health and safety issues	
403-2	Hazard identification, risk assessment, and incident investigation	Approach to the management of occupational health and safety issues; OHS risk management	
403-3	Occupational health services	Approach to the management of occupational health and safety issues; OHS organization	
403-4	Worker participation, consultation, and communication on occupational health and safety	OHS organization	The Company has a trade union organization representing the rights of all employees
403-5	Worker training on occupational health and safety	Training and instruction	
403-6	Promotion of worker health	OHS organization	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	OHS organization; OHS risk management; Incident prevention and improvement of safety culture	
403-8	Workers covered by an occupational health and safety management system	Approach to the management of occupational health and safety issues	
403-9	Work-related injuries	Incident prevention and improvement of safety culture	No records of accidents among contractors are available
403-10	Work-related ill health		
Personnel management			
404-1	Average hours of training per year per employee	Staff training and development	The average annual number of hours of training by gender is not disclosed due to the imperfection of the accounting system. In future reporting periods, measures are planned to improve the accounting system
404-2	Programs for upgrading employee skills and transition assistance programs	Staff training and development	The total number of professional development courses was not disclosed.
Socio-cultural diversity and equal opportunities			
405-1	Diversity of governance bodies and employees	Diversity of management bodies and employees	
405-2	Ratio of base salary and remuneration of women to men	Diversity of management bodies and employees	
Child labour			
408-1	Operations and suppliers at significant risk for incidents of child labor		The Company does not use child labor.
Forced or compulsory labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		The Company does not use forced or compulsory labor
Security Practices			
410-1	Security personnel trained in human rights policies or procedures		Security personnel did not receive training on human rights policies and procedures during the reporting year.
Local communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Projects of community support; Creation of jobs in remote regions	Local community development programs based on the needs of local communities are implemented as part of the Company's work as a whole.
413-2	Operations with significant actual and potential negative impacts on local communities	Creation of jobs in remote regions	

APPENDIX 4

SASB CONTENT INDEX

SASB Indicator	Indicator name	Report section and p. number/Comments	Comments
Occupational health protection and industrial safety			
EM-MM-320a.1	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	Training and instruction	The Company does not conduct statistics on (MSHA), (NMFR) for full-time and contract employees
Labor Relations			
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements	Inclusion and social support of staff	
EM-MM-310a.2	Number and duration of strikes and layoffs	Employee turnover	The Company did not observe any protests, strikes or mass dismissals during the reporting period
Greenhouse gas emissions			
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Monitoring of greenhouse gas emissions	There are no maximum standards for greenhouse gas emissions in Uzbekistan
EM-MM-110a.2	Discussion of the long-term and short-term Scope 1 emissions management strategy or plan, emission reduction targets, and analysis of progress against these targets.	Monitoring of greenhouse gas emissions	
Air quality			
EM-MM-120a.1	Air emissions of the following pollutants: <ul style="list-style-type: none">• CO (carbon monoxide)• NOx (excluding N2O)• SOx (sulphur oxide)• PM10 (particulate matter)• Pb (lead)• VOC (volatile organic compounds)	Air quality	Air pollutants do not contain mercury and mercury compounds (Hg)
Energy management			
EM-MM-130a.1	<ul style="list-style-type: none">• Total energy consumed• Percent of the grid• Percentage of renewable	Energy consumption	Due to the fact that the share of energy consumption from RES in 2022 amounted to an insignificant percentage of total energy consumption, the Company plans to disclose the data in a future reporting period.
Water management			
EM-MM-140a.1	The section on water management reveals: <ul style="list-style-type: none">• Total fresh water withdrawn• Total freshwater consumed• Percentage of each in regions with High or Extremely High Baseline Water Stress	Water supply	The Company doesn't collect the information according the World Resources Institute Acqueduct Water Atlas. Information on the fresh water volume is not disclosed due to lack of collection of necessary data.
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Monitoring of sources of water pollution	Total number of non-compliances, including breaches of technological standard (including exceedance of toxic and solid substances) and exceedance of quality standards not disclosed due to lack of collection of necessary data
Handling waste and hazardous substances			
EM-MM-150a.4	Total weight of non-mineral waste generated	Waste management	The total mass of non-mineral waste generated is part of the total mass of non-hazardous waste generated
EM-MM-150a.5	Total weight of tailings produced (tons)	Tailings management	
EM-MM-150a.6	Total weight of waste rock generated	Waste management	
EM-MM-150a.7	Total weight of hazardous waste generated (tons)	Waste management	
EM-MM-150a.8	Total weight of hazardous waste recycled	Waste management	

SASB Indicator	Indicator name	Report section and p. number/Comments	Comments
EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	Waste utilization	No incidents involving hazardous materials or waste management occurred in 2022.
EM-MM-150a.10	Description of waste and hazardous material management policies and procedures for active and inactive operations	Waste management	There is no description of coordination between contractors in terms of waste management. Due to the lack of a data collection process, there is no disclosure of the recycling waste management approach
Impacts on biodiversity			
EM-MM-160a.1	Description of environmental management policies and practices for active sites	Compliance with environmental requirements; Monitoring of sources of soil contamination; Biodiversity protection	The Company does not disclose the extent to which its policies and practices comply with the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability dated 1 January 2012
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is: <ul style="list-style-type: none">(1) predicted to occur(2) actively mitigated(3) under treatment or remediation		Information related to acidic wastewater is not disclosed due to the lack of a data collection process.
EM-MM-160a.3	Percentage of (1) proved (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Biodiversity protection	The Company does not operate on the protected areas or near endangered species.
Security, human rights, indigenous rights			
EM-MM-210a.1	Percentage of (1) proven and (2) probable reserves in or near conflict areas		The Company does not operate in or near conflict areas
EM-MM-210a.2	Percentage of (1) proven and (2) probable reserves on or near Indigenous lands		The Company does not operate within or near the territory of indigenous peoples
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict		The Company does not operate within or near the territory of indigenous peoples
Engagement with local communities			
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Engagement with local communities	
EM-MM-210b.2	Number and duration of non-technical delays	Staff turnover	During the reporting period, the Company did not observe any protests or strikes
Business ethics and transparency			
EM-MM-510a.1	Description of the management system to prevent corruption and bribery throughout the value chain	Ethics and anti-corruption	
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index		There is no production in such countries
Tailings management			
EM-MM-540a.1	Tailings storage facility inventory table: <ul style="list-style-type: none">(1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP	Tailings management	
EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	Tailings management	
EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	Tailings management	
Performance indicator			
EM-MM-000.A	Production of (1) metal ores containing valuable metal and (2) marketable products	The company in numbers – key indicators for 2022	
EM-MM-000.B	Total number of employees, percentage contractors	Employment	The Company employs a small number of people on outsourcing terms, due to the fact that most of the employees are employed on the basis of open-ended contracts



APPENDIX 5

GLOSSARY

Abbreviations	Transcript
AISMIS	Automated industrial safety management information system
BCG	Boston Consulting Group
BV	Business venture
BWTP	Biological wastewater treatment plant
CAPEX	Capital expenditure
CDO	Chief Data Officer
CDB	Central design bureau
CGU	Crushing and Grinding Units
CH ₄	Methane
CMG	Central Mine Group
CO ₂	Carbon dioxide
COx	Carbon monoxide
CP	Civil Protection
CPCL	Central physico-chemical laboratory
CPL	Central Plant Laboratories
CPD	Central project office
CSRL	Central Scientific Research Laboratory
DDP	Delivered, Duty paid
DLP	Data Loss Prevention
EBITDA	Earnings before interest, taxes, depreciation and amortization
EDS	Electronic digital signature
EMS	Environmental management system
ENRC	Eurasian Natural Resources Corporation
ERG	Eurasian Resources Group
ERP	Enterprise Resource Planning
ESG	Environmental, Social, Governance
FAR	Fatal Accident Rate
FER	Fuel and energy resources
GJ	Gigajoule
GPP	Hydrometallurgical Ore Enrichment Units
GRI	Global Reporting Initiative
ICMC	International Cyanide Management Code
HEI	Higher Education Institution
HMP	Hydrometallurgical plant
IACA	International Anti-Corruption Academy
IFRS	International Financial Reporting Standards
IOSH	Institution of Occupational Safety and Health
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial Public Offering
ISO	International Organization for Standardization
IUCN	The International Union for Conservation of Nature
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JSC	Joint-stock company
LBMA	London Bullion Market Association
LLC	Limited liability company
LTIFR	Lost Time Injury Frequency Rate
LTIR	Lost Time Injury Rate
MBA	Master's Degree in Business Administration
MCTSB	Mobile complete transformer substations block

Abbreviations	Transcript
MET	Mineral extraction tax
MEU	Ministry of Emergencies of Uzbekistan
MM	Mass media
MMCT	Multispiral or multi-cut computer tomography
MMP	Mining and Metallurgical Plan
MRI	Magnetic Resonance Imaging
MSHA	Mine Safety and Health Administration
MSS	Main step-down substation
N ₂ O	Nitric oxide
NEBOSH	National Examination Board in Occupational Safety and Health
Nox	Nitrogen oxides
NMBP	Navoi Machine Building Plant
NMG	Northern Mine Group
NMMC	Navoi Mining and Metallurgical Company
NOx	Nitrogen oxides
ODS	Ozone-depleting substances
OHS	Occupational health and safety
OHSMS	Occupational Health and Safety Management System
PDL	Permissible discharge limit
PE	Private entrepreneur
PF	Payroll Fund
PPE	Personal Protective Equipment
PRP	Plant Relocation Project
PVP	Photovoltaic Plant
QTP	Quarry transfer points
R&D	Research and development activities
RD	Research and development
RES	Renewable energy sources
RI	Research Institution
RPC	Research and Production Center
RTA	Road Traffic Accident
RUZ	Republic of Uzbekistan
RFID	Radio Frequency Identification
RGMPs	Responsible Gold Mining Principles
SanRN	Sanitary rules and norms
SAP	Systems, Applications and Products in Data Processing
SASB	Sustainability Accounting Standard Board
SE	State enterprise
SMG	Southern Mine Group
SMS	Safety Management System
SOI Fund of NMMC	State institution Organization Navoi Mining and Metallurgical Company Fund
SOx	Sulphur Oxide
SPD	Secondary public offering
SPZ	Sanitary protection zone
SS	Sole Shareholder
SUB	Substation
UN SDGs	United Nations Sustainable Development Goals
VOC	Volatile organic compounds
ZCD	Zarafshan Construction Department
Zero Harm	Zero Harm Program

INDEPENDENT ASSURANCE



«Ernst and Young Advisory» MChJ QK
O'zbekiston Respublikasi,
100000, Toshkent shahar,
Mustaqillik shox ko'chasi, 75
Inkonel Biznes Markazi, 3-qavat
Tel: +998 (78) 140 8383
Fax: +998 (78) 140 8338

СП ООО «Ernst and Young Advisory»
Республика Узбекистан
100000, Ташкент
Пр-т Мустақиллик, 75
Бизнес-центр «Инконель», 3 этаж
Тел.: +998 (78) 140 8383
Факс: +998 (78) 140 8338

JV «Ernst and Young Advisory» LLC
Inconel Business Center, 3rd floor
Mustaqillik Prospect, 75
Tashkent, 100000
Republic of Uzbekistan
Tel: +998 (78) 140 8383
Fax: +998 (78) 140 8338
www.ey.com/uz

Independent practitioner's assurance report

To the Shareholder and Management of Joint Stock Company “Navoi Mining Metallurgical Company (JSC Navoi MMC)”

Scope

We have been engaged by Joint Stock Company “Navoi Mining Metallurgical Company (JSC Navoi MMC)” (hereinafter “the Company”) to perform a ‘limited assurance engagement,’ as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the Company’s Sustainability Report (hereinafter “the Report” or the “Subject Matter”) for the period from January 1 to December 31, 2022 (hereinafter “the Reporting Period”).

Criteria applied by the Company (hereinafter “the Criteria”)

In preparing the Report the Company applied the

- Global Reporting Initiative Sustainability Reporting Standards (hereinafter “the GRI Standards”),
- Metals & Mining Sustainability Accounting Standard published by the Sustainability Accounting Standards Board (hereinafter “the SASB Standards”), as set forth in Appendix 1 “About this Report”.

The Company’s responsibilities

The Company’s management is responsible for selecting the Criteria, and for presenting the Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY’s responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (‘ISAE 3000 (Revised)’), and the terms of reference for this engagement as agreed with the Company on March 14, 2024. That standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.



Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included the following:

- We verified the list of material topics required to be disclosed in the Subject Matter;
- We interviewed representatives of the Company's divisions involved in the preparation of the Subject Matter;
- We conducted analytical procedures over the quantitative information related to the Subject Matter;
- We examined sustainability-related internal corporate documents of the Company;
- On a sample basis we compared the items included in the Subject Matter with source information;
- We evaluated the presentation of the Subject Matter in the layout of the Report.

We also performed such other procedures as we considered necessary in the circumstances.

**Conclusion**

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Report for the period from January 1 to December 31, 2022, in order for it to be in accordance with the Criteria.

JV 'Ernst and Young Advisory' LLP.

May 31, 2024
Tashkent, Uzbekistan