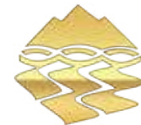


SUSTAINABLE DEVELOPMENT



NAVOI MINING AND METALLURGY COMBINAT

2020 | SUSTAINABILITY REPORT



CONTENTS

The 2020 Sustainability Report (the 'Report') presents the key results of sustainability activities of NMMC Gold segment ('NMMC', the 'Company') and its business units in the period from January 1st to December 31st 2020, as well as the Company's plans for the medium term.

NMMC JSC has been preparing sustainability reports on an annual basis since 2019 and publishes reports in accordance with the Global Reporting Initiative (GRI).

This Report has been prepared in accordance with the GRI Standards: Core option and SASB for metallurgical and mining sectors (version 2021-12). The Report also discloses information about how the Company is working towards achieving the UN's Sustainable Development Goals (UN SDGs).

The Report of NMMC is approved by the CFO and communicated to stakeholders through its publication on the corporate website. The Report preparation process is coordinated by the Head of IFRS and the GRI Department.

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NMMC JSC's reports are available on the Company's website in Russian and English.





Kuvandik SANAKULOV

*Chairman of the Board,
General Director*

Hero of Uzbekistan

STATEMENT OF THE CHAIRMAN OF THE BOARD, GENERAL DIRECTOR

GRI 102-14

Dear shareholders, colleagues and partners!

Being the country's largest industrial enterprise, NMMC makes a significant contribution to the socio-economic development of Uzbekistan. We realise our role and responsibility to all stakeholders, in particular, our employees, society, the government, shareholders, customers and partners. We strive to take into account their interest in making strategic decisions and developing plans for further development.

The Company also continues to work to ensure high-quality disclosure of information in the area of sustainable development for all stakeholders. I am pleased to present to you this report, which includes a description of the work performed by NMMC in 2020 in economic, social, and environmental areas.

Transformation

NMMC is currently implementing an extensive transformation of the business. This set of measures includes the introduction of a modern system of corporate governance and increase of transparency, integration into international financial markets, as well as the development of production and the introduction of advanced technologies. The NMMC transformation project will create value for all stakeholders in the long term. The program of activities within the project will contribute to improving the efficiency of operations and levelling long-term risks, strengthening

the Company's position in international markets and in attracting investors, including through an IPO.

An important part of this transformation is the creation of a joint-stock company for the production of precious metals. The transformation, which also includes internal changes in the areas of reporting and transparency, procurement systems, management practices and optimisation of business processes, has become an important step towards increasing the Company's attractiveness for investors.

Performance Results

In 2020, the Company continued to demonstrate strong operational and financial results. NMMC managed to maintain operations even in the face of restrictions associated with the global coronavirus pandemic. In 2020, 2,810 thousand ounces of gold were produced. Ore extraction amounted to 69 million tonnes. Significant growth was demonstrated by financial indicators. NMMC's revenue grew by 34% in 2020, totalling \$4,558 million. Net income more than doubled to \$815 million¹. The Founder was paid \$755 million of dividends, which is over 200% higher than in 2019. More than \$2.3 billion was transferred to the state budget.

Management of Sustainable Development

Today, the principles of sustainable development are an integral part of NMMC's business processes. The Company strives to increase its production and financial performance, taking into account its impact on the economy, society, and the environment.

In 2021, NMMC has created a Sustainable Development Committee under the Supervisory Board, the purpose of which is to oversee the implementation of the sustainable development process and system. Non-financial risks are to be assessed. In particular, as a result of risks identified in the area of environmental protection, labour protection and production activities, the programs of strategic initiatives were revised.

NMMC supports the UN Sustainable Development Goals ('UN SDGs') and seeks to contribute to their implementation within the framework of its activities. Eight UN SDGs have been selected within which the Company can make the most significant contribution. The culture of sustainable development within NMMC is based on these eight goals.

Taking into account the feedback received from them, the sustainable development program is regularly adjusted based on the results of interaction with stakeholders.

Workplace Safety

Ensuring the safety of our employees is our top priority. In 2020, we continued to work on building an effective health and safety management system. We have implemented an automated industrial safety management information system for operational control and ensuring the safe operation of hazardous production facilities, and have also created programs for the predictive modelling of emergency situations. Implementation of international standard ISO 45001:2018 was launched at the Central Mine Group, which covered 14,000 employees and will further mitigate risks for employees and reduce accidents at the enterprise.

Environmental Protection

When developing production within the NMMC strategy and conducting operations, we are paying increased attention to our environmental impact, and strive to reduce any negative impact on ecosystems in the regions where we operate. NMMC investments in environmental protection programs in 2020 amounted to \$9.1 million.

In 2020, a project was implemented to introduce environmental technologies at hydrometallurgical plant No.3. Work was underway on several projects related to waste management.

¹ All financial indicators are presented in accordance with the financial statement prepared in accordance with IFRS principles for the results of the 12 months of 2020, as posted on the Company's website.



Significant investment is being directed at measures for the protection of atmospheric air. As part of the fight against climate change and the effective management of climate risks, we are working to reduce greenhouse gas emissions, in particular, to reduce energy consumption from non-renewable sources. As part of the ongoing program of activities, work is underway to modernise energy-intensive industries and increase energy efficiency. We are also introducing the use of alternative and renewable energy sources. In 2020, we achieved an 11% reduction in the energy intensity of commercial products.

Since NMMC operates in regions with a shortage of water resources, great importance is attached to the issue of efficient water use. In addition to controlling the amount of water used, we are also increasing the proportion of water we reuse.

HR Management

The qualified specialists of the Company are its main asset. The Company currently employs more than 50,000 people, including over 5,000 who were hired in 2020. NMMC's HR Management policy is aimed at creating a comfortable working environment, respecting the rights of employees, preventing discrimination in any form, and the professional development of employees.

100% of the Company's employees are covered by the Collective Agreement. NMMC's Trade Union Board of employees represents the interests of the Company's employees and makes a significant contribution

to improving working conditions. The Collective Agreement provides an extensive package of benefits and outlines the obligations of the employer for labour protection and the improvement of workers' health and social security.

The decrease in the level of staff turnover is indicative of this. In 2020, the indicator decreased to 2.6%, which is a low value and reflects on the effective HR policy, in particular in terms of providing opportunities for young professionals.

NMMC's employee training system is based on the principle of continuous development of employees' skills. Retraining and professional development takes place throughout the entire working life of employees. This covers the Company's needs for professional specialists, and also contributes to the growth of the HR potential of Uzbekistan's mining industry. Employees receive skills and specialties that will help them in the successful continuation of their careers. In 2020, 13,336 employees were trained at NMMC training centres.

Support of the regions of presence

NMMC seeks to support the population in the regions where it operates and increase its contribution to the socio-economic development of the country. The regions of presence are the regions of the country where the Company's structural subdivisions operate. The Company provides jobs, is one of the largest taxpayers, and in addition to this, a number

of infrastructure and social projects are being implemented to support the population.

Social payments in 2020 amounted to \$73 million, of which about two-thirds were directed at supporting social facilities, and around 40% were sent to charitable contributions and healthcare activities. The work of more than 20 sports and cultural institutions is supported.

A program for the improvement of cities and towns is being implemented. For example, in the Navoi Region, drainage facilities were installed in the homes of low-income families to solve the problem of water supply. In the spring of 2020, assistance was provided for the restoration of social facilities and residential buildings affected by the natural disaster in Alat and Karakul Districts of the Bukhara Region.

Further Plans

In 2022, the transformation of NMMC will enter its final stage. It is expected that the necessary decisions will be made to restructure the enterprise into a joint-stock company, which will become the basis for entering local and international capital markets.

The implementation of projects in the area of increasing production efficiency and optimising business processes will continue to maximise revenues, while ensuring a balanced financial performance. In the medium term, we will work on the development of HR policy, ensuring performance accounting and creating fair financial and non-financial incentives, recruiting

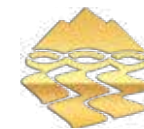
personnel, and developing professional skills. A program of measures has been planned in the area of environmental protection, including improving the efficiency of energy use.

Work in all areas of sustainable development will remain fundamental for the Company's development in the future.

Kuvandik SANAKULOV

**Chairman of the Board,
General Director**

Hero of Uzbekistan



ABOUT NMMC

OVERVIEW

GRI 102-1, 102-2, 102-4, 102-5, 102-6, 102-9

Navoi Mining and Metallurgical Company State Enterprise

(NMMC or the Company) is the largest mining enterprise in Uzbekistan and is one of the world's top ten gold producing companies. NMMC performs a full production cycle, ranging from geological exploration of reserves in the subsoil, ore mining and processing, to obtaining finished products.

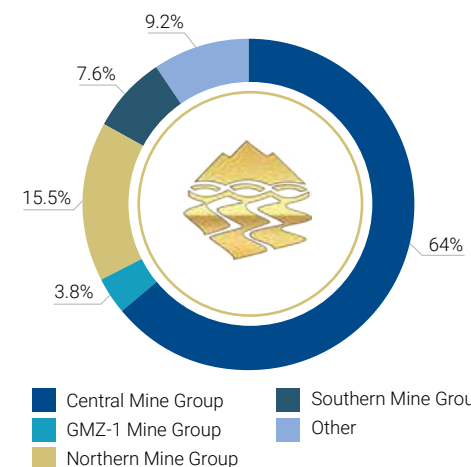
This report has been prepared for the operating segment of NMMC State Enterprise performing the extraction and production of precious metals, based on which the NMMC JSC was created in 2021.²

The 999.9 hallmark on the Company's gold bars has become inexorably associated with Uzbekistan on the world's precious metal stock exchanges.

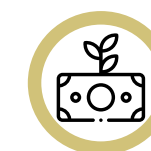
2020	2,809.8 thousand oz of gold production	\$4,558 million REVENUE	58,019 EMPLOYEES	\$5,301 million TOTAL CAPITAL
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Gold production by main units

NMMC's contribution to the country's sustainable development in 2020



\$73 million of social payments



\$9.1 million of investment towards the protection of nature



\$2,395 million transferred to the state budget

NMMC TODAY

The Company operates in four regions of the republic

The Company's production volume equals 7.7% of the country's GDP

Production

Gold production for 2020 was 2,809.8 thousand oz.

Ore mining was 69 million tonnes

Reserves

Summary reserves of high-quality gold ore amount to 2,689 million tonnes

Total reserves (GE Moz) amount to 112.8 million oz.³

Total resources (GE Moz) amount to 5.2 million oz.

² More detailed information about the boundaries and the period of preparation of the report is presented in the "About the Report" section.

³ GMZ-6 does not provide for the probable reserves of the gold segment; The data reported in the JORC report for GMZ-5 assumes a breakdown of Mineral Resources into the gold segment, in particular into sulfide and oxide ores in g/t; GMZ-2 reserves data were used for 2019.



CORPORATE PROFILE

The sole shareholder of the Company is the Ministry of Finance of the Republic of Uzbekistan since 2021.

Navoi Mining and Metallurgical Company is a reliable partner, a guarantor of high quality, efficiency, and stability.

The Company's development milestones

1973	NMMC gold was awarded the state 'Quality Mark.'
1993	NMMC was awarded the 'Diamond Star for Quality' (Brazil) and the 'Quality Prize' (Spain) for high product quality.
1994	NMMC gold was awarded the status of 'Optimal Delivery' by the London Bullion Market Association (LBMA).
1995	The Navoi State Mining Institute was established.
1998	NMMC gold successfully passed certification on the Tokyo Industrial Commodities Exchange.
1999	The Zarafshan Construction Department built a railway station in the city of Uchkuduk.
2005	An integrated management system for the production of precious metals and phosphorite products was introduced at the Central Mine Group.
2017	The UN's World Intellectual Property Organisation awarded 12 NMMC employees with a gold medal for the development and implementation of the 'Method for extracting gold from persistent sulphide gold-arsenic ores.'
2019	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 17 th 2019 'On measures to further improve the activities of enterprises in the metals and mining sector' was adopted.
2020	Presidential Decree of the Republic of Uzbekistan No.PP-4629 dated March 6 th 2020 'On measures to reform the Navoi Mining and Metallurgical Company SE' was adopted.
2021	NMMC State Enterprise underwent a transformation process through the establishment of several legal entities: <ul style="list-style-type: none"> • NMMC JSC is the enterprise extracting and producing precious metals; • 'NMMC Fund' State Organization.

The core business activity of NMMC is the development of mineral resources and the mining and processing of minerals, with a focus on precious metals.

The Company's main product is gold.

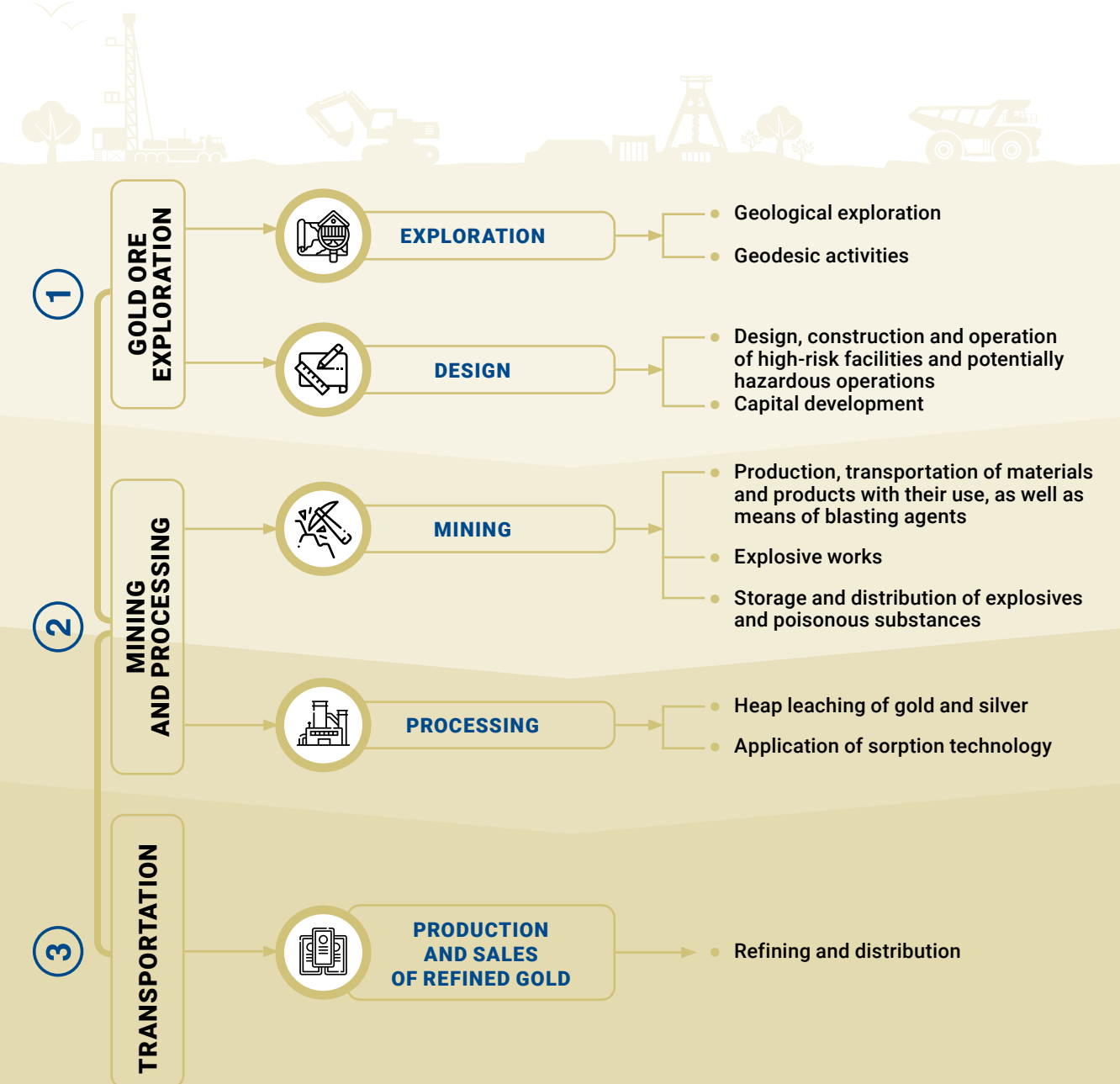
Gold produced by the Company is sold to the Central Bank of the Republic of Uzbekistan.

BUSINESS MODEL

NMMC's business model takes into account the interests of all stakeholders at each stage of the value chain.

The Company strives to contribute to the achievement of the UN SDGs and the development of the regions in which it operates by adhering to the principles of responsible business conduct, ensuring environmental protection, and providing decent working conditions.

Production Value Chain – Vertically Integrated Process:





NMMC'S MISSION

Our mission 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 and nature in Uzbekistan, and the work of our employees. To achieve our goals, we adhere to the best industry practices and standards. We are committed to fulfilling our mission in the most efficient and responsible manner and to creating added value for all of our stakeholders.

KEY PRIORITIES:



Well-being in the regions of presence



Production performance



The country's economic development



Innovations development



Environmental protection

VALUE CREATION

HEADCOUNT – 58,019 employees⁴



The Company's success and opportunities for further development depend on our employees. NMMC actively invests in the development of its employees at all stages of their careers.

REGIONS – \$73 million provided for social initiatives.



NMMC actively cooperates with local suppliers and creates jobs in the regions of presence. As part of its social initiatives, the Company invests in the construction, support and development of local infrastructure, and also makes significant charitable donations.

STATE – \$2,395 million of payments to the state budget.



As a major taxpayer in the country, NMMC contributes to socio-economic development and actively cooperates with government agencies.

INVESTORS – \$755 million dividends paid.



The main priority is to increase profitability for the sole shareholder. NMMC provides information on performance results to the sole founder on an ongoing basis.

⁴ Number of employees at SE NMMC as of December 31, 2020



GEOGRAPHY OF ACTIVITIES

GRI 102-6

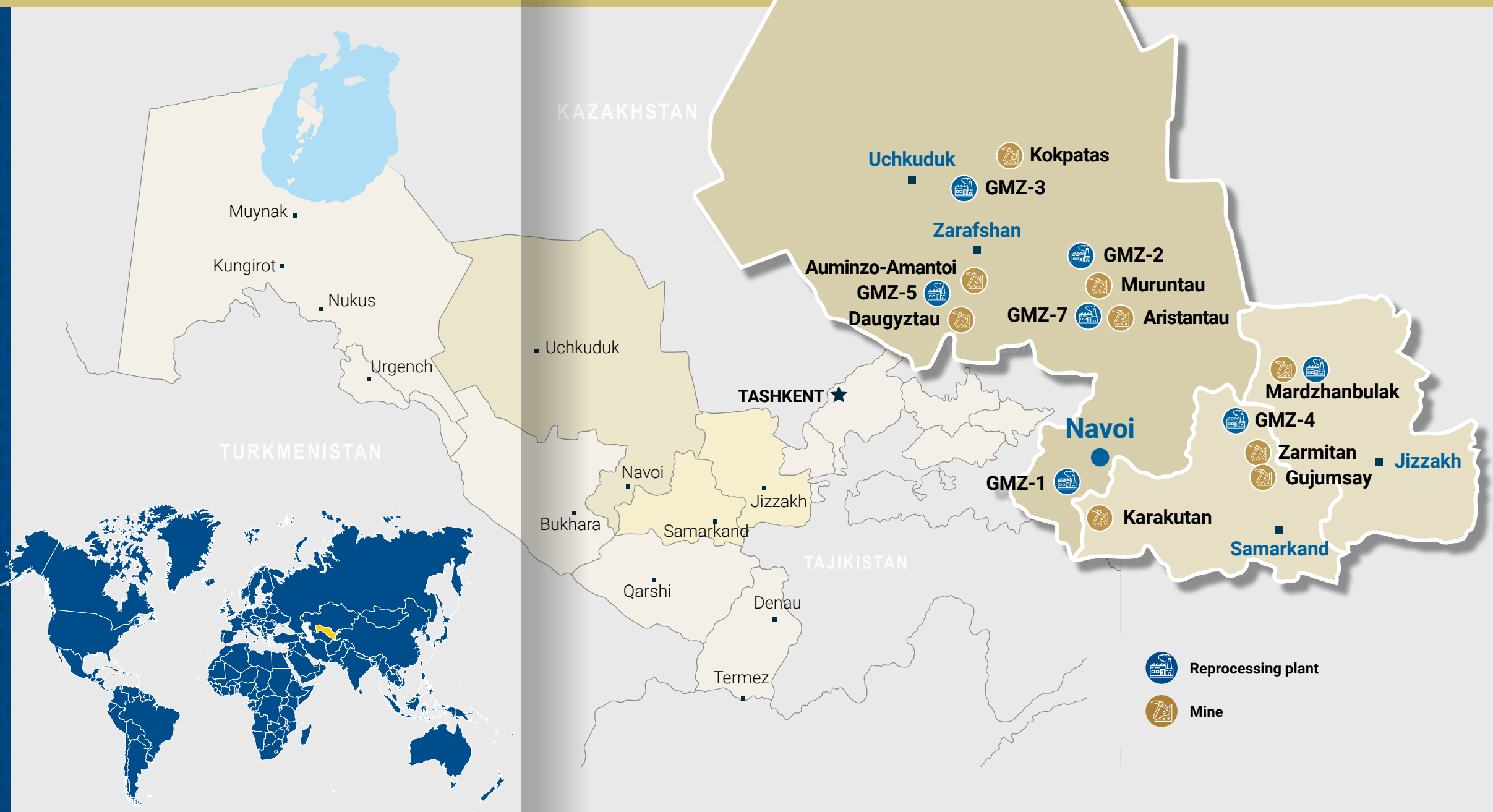
23.2% Of the total share of state budget revenue including dividends paid to the single shareholder

12.6% Company's share in the volume of industrial products produced in the country

The main production facilities of NMMC for the production of gold are distributed among the following mine groups:

- Central Mine Group;
- Northern Mine Group;
- Southern Mine Group;
- GMZ-1 Mine Group.

The production facilities of these mine groups are located within the Navoi, Samarkand, Jizzakh and Tashkent Regions.





MAIN BUSINESS UNITS

NMMC's business structure comprises five major mining and metallurgical enterprises, as well as the Navoi Machine Building Plant Production Association and Zarafshan Construction Department. The cities of Navoi, Uchkuduk, Zarafshan, Nurabad were built on the basis of production enterprises. The Company's gold production is concentrated in the central part

of the Republic of Uzbekistan and covers four regions of the Republic. All of these cities are interconnected by railways and roads, power transmission lines included in the unified energy system of the republic, and have autonomous life support systems, including a centralised heat and water supply, modern housing stock, and social facilities.

CENTRAL MINE GROUP



Location: Zarafshan city

Functions: Gold mining and explosives production

Opening date: 1964

Main assets: Muruntau, Auminzo Amantoy, Gold Heap Leaching Plant, GMZ-2, GMZ-5.

The total reserves of the raw material base of GMZ-2 (operating, projected and prospective) within category C1 (proved reserves)+C2 (indicative reserves) are 2,189 million tonnes.⁵

Average headcount: 18,212

NORTHERN MINE GROUP



Location: Uchkuduk city

Functions: Mining and processing complexes of gold

Opening date: 1958

Main assets: Vostochniy mine, Dauguztau, Geotechnical mine, GMZ-3, sulphuric acid production shop

The total reserves of the mineral resource base of GMZ-3 are 113 million tonnes.⁴

Average headcount: 10,062

SOUTHERN MINE GROUP



Location: Nurabad city

Functions: Gold mines, production of polyvinyl chloride and polyethylene pipes

Opening date: 1964

Main assets: Zarmitan, Guzhumsay, Marjanbulak, GMZ-4

The gold ore reserves at Charmitan, Guzhumsay and Urtalik deposits are 63.4 million tonnes.⁴

Average headcount: 8,043

GMZ-1 MINE GROUP



Location: Navoi city

Functions: Release of rhenium and gold oxide

Opening date: 1964

Main assets: Karakutan, Aristantau, GMZ-1

The gold ore reserves processed at GMZ-1 are 37.4 million tonnes.⁴

Average headcount: 2,346

ZARAFSHAN CONSTRUCTION DEPARTMENT



Location: Zarafshan city

n/a

Functions: Construction of facilities and manufacturing of required construction materials

Opening date: 1967

Average headcount: 3,372

NAVOI MACHINE BUILDING PLANT PRODUCTION ASSOCIATION



Location: Navoi city

n/a

Functions: Manufacturing of machine tools, production of steel construction structures and repair of industrial equipment

Opening date: 1963

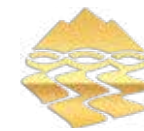
Average headcount: 3,797

The main production facilities of NMMC for the production of gold are distributed among the following mine groups:

- Central Mine Group;
- Northern Mine Group;
- Southern Mine Group;
- GMZ-1 Mine Group.

The production facilities of these mine groups are located within the Navoi, Samarkand, Jizzakh and Tashkent Regions.

⁵ As of January 1st 2020.



SUCCESS BASED ON SUSTAINABILITY AND INNOVATIONS

NMMC plays a leading role in the economy of the Republic of Uzbekistan. In 2020, NMMC produced about 2.8 million oz. of gold, making NMMC the fifth largest gold producing company in the world. Over the course of its operations, NMMC has achieved recognition from foreign partners in developed countries and has a successful track record of cooperation with well-known foreign companies in the introduction of modern mining, transportation and processing equipment, the development and implementation of advanced technologies, and the creation of new production sites.

governance practices, transformation of financial reporting, and optimisation of business processes.

Key Transformation Goals of NMMC:

- Restructuring the Company and creating a joint-stock company based on part of the NMMC SE's property in 2021;
- Approving a target corporate governance structure and a range of regulatory documents such as Corporate Governance Code, Code of Ethics, etc.;
- Creating the 'NMMC Fund' State Organisation in 2021;
- Obtaining the results of reserve reclassifications in accordance with the standards of the Australasian Joint Ore Reserves Committee (the JORC Code) in 2020;
- Preparing and publishing the Company's Sustainability Report from 2020;
- Conducting assessments and obtaining at least two international credit ratings in 2022–2023;
- Issuing Eurobonds debut in the medium term;
- A public offering of equity securities in the medium term.

Transformation

In 2019, the Republic of Uzbekistan launched the process of reforming the country's mining and metallurgical industry in order to give impetus to production development, create favourable conditions for attracting investment capital, implement major investment projects and improve corporate practices. In this regard, a large-scale process of transformation and the creation of a joint-stock company was launched involving the partial property of NMMC state enterprise, and was accompanied by the introduction of best corporate

FINANCIAL PERFORMANCE

GRI 103-1, 103-2, 103-3, 102-7, 102-45, 201-1, 201-3

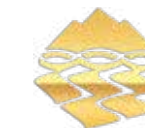
The Company's value creation strategy is based on the principles of operational excellence, financial transparency and responsible mining to make a positive contribution to the socio-economic development of the regions of presence and create long-term value for stakeholders. The Company makes a positive contribution to the socio-economic development of the regions of presence by creating jobs, paying taxes, and providing business and economic opportunities for residents.

NMMC plays a leading role in the economy of the Republic of Uzbekistan. The Company's revenue in 2020 was \$4,558 million, which is 7.7% of the country's GDP.

The Company makes a significant contribution to the revenue of the state budget. For the year ended 31 December 2020, NMMC contributed \$2,395.2 million to the state budget, which accounted for 23.2% of all budget revenues including dividends paid to the single shareholder.



OUR RESULTS FOR 2020



Economic Contribution for 2020



\$260 MILLION

of payroll payments



\$73 MILLION

of social support expenses



23.2%

Of the total share of state budget revenue, including payments to the sole shareholder



12.6%

Company's share in the volume of industrial products produced in the country

FINANCIAL OVERVIEW FOR 2020⁶

Key figures, \$ million

Indicator	2020	2019	2018	2020 / 2019 change, %
Revenue	4,558.0	3,405.6	3,020.9	+33.8%
Cash expenses, \$ per oz. of gold equivalent	671.0	723.0	692.3	(7.2%)
Cost of sales	2,032.0	1,008.1	758.3	+101.6%
EBITDA	2,705.0	1,506.2	1,248.4	+79.6%
Average gold selling price, \$ per oz.	1,779	1,540	720	+15.5%
Net profit	819.0	231.7	200.0	+253.5%
Capital expenditure	169.0	71.0	60.9	+138%
Net debt	887.0	739.0	310	+20.0%
Dividends paid	755.0	214.7	–	+251.7%
Cash flow from operating activities	2,641.0	1,398.6	803 ⁷	+88.8%

Revenue for 2020 increased by 33.8% to \$4,558.0 million (2019: \$3,405.6 million) due to an increase in the price of gold to an average of \$1,779 per ounce in 2020 (2019: \$1,540 per ounce) and an increase in gold sales volume by 7% in 2020.

Cost of sales of gold increased significantly by 100.6% compared to the same period in 2019 and amounted to \$2,032.0 million, due to increase in material and payroll costs.

EBITDA increased by 79.6% compared to 2019, mainly due to an increase in the price of gold and an increase in gold sales in 2020.

Net profit amounted to \$819.0 million (2019: \$231.7 million).

Capital expenditure increased to \$169.0 million (2019: \$71 million). Significant growth is associated with the implementation of investment projects by the Company's business units aimed at increasing

the volume of gold production as part of the investment program.

The Company paid dividends in the reporting period amounting to \$755 using 2020 profit and retained earnings from previous years.

The gold ore resource base of NMMC includes reserves in over 80 deposits in the Republic of Uzbekistan.

Gold Production, thousand ounces

Region	Business unit	2020	2019	Change
Zarafshan	Central Mine Group	1,796	1,640	10%
Navoi	GMZ-1 Mine Group	104	94	10%
Uchkuduk	Northern Mine Group	437	404	8%
Nurabad	Southern Mine Group	213	219	(3%)
Others		260	272	(4%)

Gold production in 2020 was 2,809.8 thousand ounces, up by 6.9% compared to 2019 (2019: 2,629 thousand ounces). This growth was due to an increase in processing at GMZ-2 in the Central Mine Group and GMZ-3 in the Northern Mine Group, as well as an increase in the excavation of rock mass in the regions of Zarafshan and Uchkuduk. The largest share of gold production was in the Central Mine Group (64%).

Gold Market Analysis

Due to the investment attractiveness of gold as a safe asset amid the spread of COVID-19 in 2020 and its impact on the global economy, the price of gold was \$1,891 per troy ounce by the end of 2020. In 2020, the price reached a high of \$2,075 per troy ounce. Another factor in the rise of gold prices against other precious metals was the high rate of inflation and the possible consequences of the use of government mechanisms to curb this.

According to analysts, the price of gold fluctuated due to high risk and was driven by high yields and investment demand for gold bars as a strategic asset.

According to the World Gold Council, investment demand for gold is expected to remain robust in 2021, while physical demand for gold bars and coins will increase significantly amid rising inflation and ongoing economic uncertainty caused by the COVID-19 pandemic. In 2020, there was also a drop in demand from countries' central banks under the program to replenish their gold

and foreign exchange reserves compared to previous years (2018–2019).

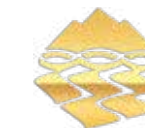
Supply and demand for gold is expected to be stable given its current liquidity and low interest rate hedging operations. In general, there are a number of factors affecting the price of gold, such as the recovery of the global economy from COVID-19 pandemic, stock market trends, the correlation of foreign exchange rates as alternative assets, price volatility in financial markets, and ESG agendas.

Generated and Distributed Direct Economic Value

The Company recognises that the long-term success of any business depends on maintaining socio-economic stability in the regions of presence and in the country as a whole, maintaining mutually beneficial relationships with stakeholders, as well as on the quality of working conditions and safety of employees. We are committed to openly informing our founders, partners, employees and other stakeholders about the results of creating economic value. Disclosure of this indicator allows the Company's stakeholders to see how NMMC generates and distributes economic value over the reporting period.

⁶ All financial indicators are presented in accordance with the financial statements prepared in accordance with IFRS principles for the results of the 12 months of 2020, as posted on the Company's website. The financial results for 2018 and 2019 are presented on the basis of IFRS financial statements.

⁷ Operating cash flow without VAT.



Indicators ⁸ , in \$ mln	2020	2019	2018
Generated direct economic value	4,546.0	3,435.7	3,053.5
Revenue	4,558.0	3,405.6	3,020.9
Finance income	1.0	22.2	32.6
(Expense)/income from sales of tangible assets ⁹	(13.0)	7.9	–
Distributed economic value	4,482.0	3,419.5	2,854.5
Operating expenses	1,178.8	1,142.9	855.3
including salaries	260.0	252.8	182.4
including maintenance of social facilities	41.0	60.8	35.2
Charitable donations and sponsorship	33.0	7.9	5.3
Payments to capital providers	908.0	301.0	7.9
including dividends paid	755.0	215.4	–
including finance costs ¹⁰	153.0	85.6	7.9
Payments to the state¹¹	2,395.2	1,975.6	1,991.3
Mining tax	921.0	851.7	928.6
including profit tax ¹²	1,430.0	1,109.1	146.7
including taxes, except for subsoil use tax and profit tax ¹³	13.0	10.5	63.9
including single social tax on salaries	31.2	4.3	2.6
Retained Economic Value = Direct Economic Value Generated – Economic Value Distributed	64.0	16.2	199.0

In 2020, the retained economic value created by the Company increased by 4 times, from \$16.2 million in 2019 to \$64.0 million in 2020.

⁸ All financial indicators are presented in accordance with the financial statements prepared in accordance with IFRS principles for the results of the 12 months of 2020, as posted on the Company's website. The financial results for 2018 and 2019 are presented on the basis of IFRS financial statements.

⁹ In 2018 and 2020, there was a loss from the sale of tangible assets.

¹⁰ This line includes foreign exchange losses. In 2019, NMMC raised loans for a total amount of about \$622.2 million. During the reporting period, the national currency slowly depreciated against the U.S. dollar with a sharp drop of 8% in August 2019. These factors resulted in significant foreign exchange losses.

¹¹ Data is provided on an accrual basis.

¹² The amount of income tax significantly differs in 2018 and 2019. This difference arises from the fact that in 2018 the state bought finished products from NMMC State Enterprise at a fixed price of \$656 per ounce. The difference between the international price for LBMA fixings and the price at which the state bought finished products from NMMC State Enterprise is reflected in the report as deductions to the state budget.

¹³ In 2018, NMMC was a payer of fees to pension, school and road funds. Due to changes in the Tax Code of the Republic of Uzbekistan, starting from January 1st 2019, these fees were abolished, as a result of which there is a decrease in the cost of taxes, with the exception of the subsoil use tax and income tax.



Medium-term prospects and plans:

As part the plan to improve its economic performance, the Company seeks to achieve the following goals:

- Developing, adopting and implementing strategic and tactical management decisions;
- Minimising costs and maximising revenues by increasing the level of production efficiency;
- Ensuring and maintaining regulatory compliance of invested assets with the Company's revenue (normative balance of these indicators);
- Improving the financial results of production activities of the enterprise;
- Thorough recruitment of personnel;
- Improving the forms and reviewing the size of economically justified and fair labour remuneration for all participants in the enterprise's activities;
- Ensuring transparency and accessibility of information about the Company's production, financial, social and environmental activities;
- Ensuring performance accounting and encouragement of scientific and technical creativity of the Company's employees.



ACHIEVEMENTS AND RESULTS IN THE AREA OF SUSTAINABLE DEVELOPMENT

Social responsibility

In 2020, social payments amounted to more than \$73 million	Total headcount – 58,019 employees	Total headcount of employees hired in 2020 was 5,216
316 employees studied at the universities of the Republic of Uzbekistan at the expense of the Company	In 2020, the employee turnover rate was 2.6%	More than \$1.5 million spent on the fight against coronavirus
\$28 million provided for charities and sponsorship in 2020	Starting salary in the Company is 31% higher than the minimum wage in the country	The number of active patents was 17 in 2020
138 implemented localisation projects, production volume of localised products throughout the Company was \$35 million	The Company has its own licensed centre for electronic digital signatures (EDS)	20 agreements executed on the implementation of innovation programs with an economic efficiency of approximately \$683 thousand.

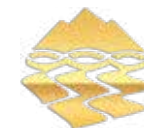
Environmental protection

Nature protection expenses amounted to \$9.1 million in 2020	In 2020, 76.8 million kWh of electricity and 1.2 million m ³ of natural gas were saved	The efficiency ratio of dust and gas cleaning plants in 2020 was up from 66% to 95%
5,042.4 thousand m ³ of household and industrial wastewater were treated in 2020, while 4,475.9 thousand m ³ were reused after treatment, including 4,270.9 thousand m ³ for technological needs and 205 thousand m ³ for irrigation purposes.		



Occupational health and safety

Expenses spent on maintaining a protection system for especially important and categorized facilities – \$187.4 thousand	Improved automated management system for occupational safety 'AIS AMISOS'	46 recorded accidents, which is 16% lower when compared to 2019	
LTIFR (lost time injury frequency) – 0.5	FAR (frequency of fatal accidents) – 0.05		
Certificate ISO 45001:2018	21% female employees	Production volume of localised products – \$352 thousand	Works under 37 projects were carried out in 2020 (R&D)
4 issues of the Mining Newsletter of Uzbekistan were published in 2020	874 national supplier companies	13,336 employees improved their qualifications/passed professional training	In 2020, the average salary in the Company increased by 33% compared to 2019.
\$755 million of dividends paid to the Founder	Four committees created under the Supervisory Board	\$28 million of charitable contributions	Measures to support operations are carried out in a timely manner and in full
Economic effect from the results of implementing measures to improve energy efficiency was over \$3 million	In 2020, the purchase share of local suppliers was 72.7%		

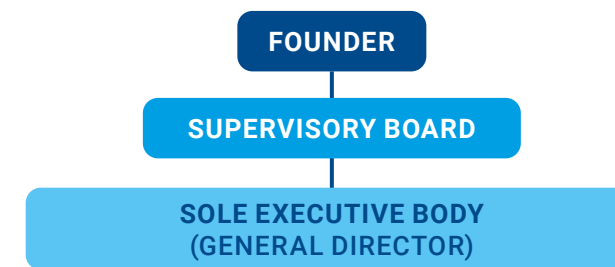


GRI 102-5, 102-10, 102-18, 102-20, 102-22, 102-26, 202-2

Highlights

- **\$755 million** of dividends paid to the Founder;
- **16 Supervisory Board meetings** held;
- **NMMC JSC was incorporated** on April 23rd 2021;
- **four committees** were created under the Supervisory Board

Governance structure in 2020



In order to ensure the implementation of tasks approved by the Presidential Decree of the Republic of Uzbekistan dated January 17th 2019 (No.PP- 4124) 'On measures to improve further the activities of enterprises in the mining and metallurgical industry,' on the introduction of modern corporate governance methods, the transition to market mechanisms, enhancement of competitiveness, expansion of operating capacities, involvement of new promising

deposits, ensuring the effective use of non-core assets of NMMC, the Presidential Decree of the Republic of Uzbekistan dated March 6th 2020 (No.PP-4629) 'On measures to reform the State Enterprise "Navoi Mining and Metallurgical Company"' (hereinafter referred to as "Presidential Decree No.PP-4629") was adopted.

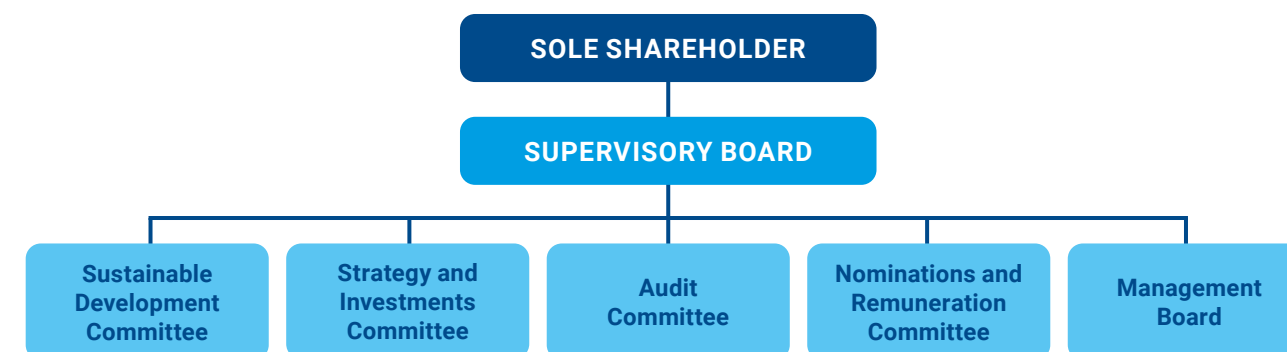
In accordance with Presidential Decree No.PP-4629, the Ministry of Finance of the Republic of Uzbekistan was tasked with ensuring the introduction of the best corporate governance practices at NMMC within two months, in particular, by providing for the appointment of two independent members to the Supervisory Board, the creation of committees under the Supervisory Board, development and approval of a Code of Ethics, and regulations on conflicts of interest and other internal documents in the area of corporate governance.

In 2021, the NMMC SE was restructured through the creation of several legal entities:

- NMMC JSC is the enterprise extracting and producing precious metals¹⁴;
- Navoiuran State Enterprise is the enterprise extracting and processing natural uranium and rare metals;
- 'NMMC Fund' State Organization.

The transformation of corporate governance processes undertaken from 2020 were implemented in 2021, and NMMC JSC was officially incorporated on April 23rd 2021.

GOVERNANCE STRUCTURE OF NMMC JSC IN 2021



¹⁴ This report has been prepared for the operating segment of NMMC State Enterprise performing the extraction and production of precious metals, based on which the NMMC JSC was created in 2021.

3 CORPORATE GOVERNANCE



FOUNDER

The NMMC State Enterprise was incorporated and operated in 2020 in the form of a state-owned enterprise. The sole founder in NMMC State Enterprise was the Cabinet of Ministers of the Republic of Uzbekistan. Currently, the Ministry of Finance of the Republic of Uzbekistan performs the function of a shareholder in terms of the state's share in NMMC JSC.

All members of the NMMC's Supervisory Board are the Founder's representatives. Thus, the Founder, through their representatives, is actively involved in the activities of the Company, including in matters of corporate governance.

In accordance with the approved Charter of NMMC JSC, the 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.

Despite the ongoing uncertainty and volatility in international markets due to external factors, in 2020 NMMC paid dividends to the State Budget of \$755 million.

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. The Supervisory Board members and the Management Board proactively engage with government authorities and other stakeholders on these matters.

In 2020, the Company's Supervisory Board continued to oversee the management and improvement of the efficiency of the Company's activities, representing the interests of all parties involved in the decision-making process. In 2020, the Supervisory Board held 16 meetings to consider, among other things, economic, environmental and social matters.

A new NMMC Charter was developed in 2020 and approved in 2021. It states that the Supervisory Board is responsible for identifying priority activities for NMMC, reviewing Management Board's reports and measures taken to achieve the development, technology and investment strategies.

The proportion of senior management¹⁵ in the regions of presence hired from the local community in 2020 was 100%.

¹⁵ Senior management is the Supervisory Board members and the General Director

The composition of the Supervisory Board for 2020 is given below.



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 (currently the Tashkent State Economic University), and from Colorado State University (USA) in 1996.

Over the years, he has held senior positions in the Ministry of Finance, been Deputy Prime Minister of the Republic of Uzbekistan for economic development, and overseen the structural transformation of investments, reform of the banking and financial systems, and coordination of the activities of free economic and small industrial zones.

On January 24th 2020, he was appointed as the Deputy Prime Minister for Financial and Economic Issues and Poverty Reduction, and on February 24th 2020, he was appointed as the Minister of Economic Development and Poverty Reduction.



Davletov Ruslanbek Kuroltayevich

Minister of Justice of the Republic of Uzbekistan – member of the Supervisory Board

Ruslanbek received a Bachelor's Degree from the University of Warwick in the UK, and a Master's Degree from the University of World Economy and Diplomacy. He graduated from the Tashkent State Economic University and the Academy of State and Public Construction under the President of the Republic of Uzbekistan.

He has experience in the State Committee for Demonopolisation and Development of Competition, the Department of Legal Expertise and International Treaties of the Cabinet of Ministers, the Research Center for the Democratization and Liberalization of Judicial Legislation and Ensuring the Independence of the Judiciary under the Supreme Court.

From 2016–2017, he was the First Deputy Minister of Justice, and from January 4th 2017, he was the First Deputy State Advisor to the President of Uzbekistan.

On August 14th 2017, Ruslanbek was appointed to the position of the Minister of Justice of the Republic of Uzbekistan.



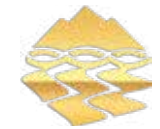
Ishmetov Timur Amindjayeovich

Minister of Finance of the Republic of Uzbekistan – member of the Supervisory Board

In 2000, Timur graduated from the Department of Finance and Credit of the Tashkent Financial Institute. In 2005, he graduated from the University of Birmingham (UK) with a Master's Degree in International Money and Banking. In 2008, he graduated from the Department of Law of the Tashkent State Law University.

From 2000 to 2017, he held various positions at the Central Bank of Uzbekistan. In April 2017, he became the First Deputy Chairman of the State Investment Committee, and in June of the same year, he became the First Deputy Chairman of the Central Bank of Uzbekistan.

In May 2019, he moved to work at the Ministry of Finance, where until February 2020 he was the First Deputy Minister. On February 20th 2020, the President of Uzbekistan, Shavkat Mirziyoyev, appointed Timur Ishmetov as the Minister of Finance.



Bekenov Sunatulla Khussainovich

Director of the State Assets Management Agency of the Republic of Uzbekistan – member of the Supervisory Board

Sunatulla Bekenov graduated from the National University of Uzbekistan and the Banking and Finance Academy.

Over the years, he has held senior positions in the Central Securities Depository, the Ministry of Finance, the Ministry of the Economy, and the Ministry of Investments and Foreign Trade. He has also held the position of the First Deputy Chairman of the State Committee for Investments, and Head of the Executive Office of the Cabinet of Ministers.



Rustamov Olimkhon Bakiyevich

Deputy Minister of Economic Development and Poverty Reduction of the Republic of Uzbekistan – member of the Supervisory Board

Olimkhon graduated from the Tashkent Institute of National Economy Department of Economics, the Moscow State University named after M.V. Lomonosov, and the Academy of State and Public Construction under the President of the Republic of Uzbekistan as a candidate of economic sciences.

He has held senior positions in the Department for the Control of Commercial Banks of the Central Bank, the investment bank “Turkiston”, and the Accounts Chamber of the Republic of Uzbekistan. He also served as Deputy General Director of NMMC for Economics, and Deputy Chairman of the Management Board of “Uzbekneftegaz” for Economics and Finance.

From 2019 to 2020, he was the First Deputy Minister of Economy and Industry.



Shadiev Olimjon Kasymovich

Independent member of the Supervisory Board

Olimjon graduated from the Moscow State Institute of International Relations with a degree in diplomacy and international economics.

He began his career in 1996 as an assistant to the general director of ZalogBank in Moscow. He then held the position of financial director at UzDaewooBank in Tashkent, and from 2000 to 2010 was the financial director of the marketing division of the Eurasian Natural Resources Corporation group in Luxembourg. He was also a co-founder of the ComCo group, a manufacturer and distributor of thermal coal.

From 2016 to the present, he has been a managing partner of IFG Capital Partners SA.

From 2019 to 2021, he was an independent member of the NMMC Supervisory Board, and in 2021 he was transferred to the position of Deputy Chairman of the Supervisory Board.

Fayzullaev Jamol Sabakhonovich also worked as a member of the Supervisory Board in 2020. During 2020, no changes were made to the composition of the Supervisory Board.

SUPERVISORY BOARD COMMITTEES

In order to support the activities of the Supervisory Board and ensure a more in-depth and high-quality consideration of issues, in May 2021 the following Committees were formed under the Supervisory Board of NMMC:

- Sustainable Development Committee;
- Strategy and Investments Committee;
- Audit Committee;
- Nominations and Remuneration Committee.

The Committees report to the Supervisory Board in accordance with the powers granted to them by the Supervisory Board and the relevant Regulations on Committees.

The Sustainable Development Committee was established to prepare 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 Strategy Committee was established to prepare 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, analyse and present recommendations to the Supervisory Board in the above areas.

The Audit Committee was established to assist 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.

The Nominations and Remuneration Committee was established to prepare recommendations for the Supervisory Board in the area of 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.



GENERAL DIRECTOR

During 2020, the General Director of NMMC State Enterprise managed its current activities and reported on a quarterly basis to the Supervisory Board on the results of production and economic activities in the areas of economic, environmental and social impact and on the implementation of the approved development programs of the Company.

In 2020, Sanakulov Kuvandik Sanakulovich was the General Director of NMMC State Enterprise. The Management Board was formed in the Company after its transformation into a joint stock company in 2021. Sanakulov Kuvandik Sanakulovich was appointed as the Chairman of the Management Board and General Director.

Sanakulov Kuvandik Sanakulovich

Chairman of the Board, General Director

In 1979, Kuvandik graduated from the Tashkent Polytechnic Institute. He is a Doctor of Technical Sciences, Professor, and a Hero of Uzbekistan.

From 1979 to 2008, he held different positions in the "Uzbekzoloto" production association, the State Committee of the Republic of Uzbekistan, and was the khokim of the Gallyaaral District, Jizzakh Region. He also held senior positions at "Almalyk Mining and Metallurgical Plant" JSC, and was the Deputy Prime Minister of the Republic of Uzbekistan.

Since 2008, he has been the General Director of NMMC.

In April 2014, Kuvandik was appointed a part-time rector of the Navoi State Mining Institute.

Since the transformation of NMMC into a JSC in 2021, the following composition of the Management Board has also been formed:



Sanakulov Kuvandik Sanakulovich

Chairman of the Management Board – General Director



Ravshanov Atabek Fayzullayevich

Chief Engineer, member of the Management Board (Ravshanov A.F. became the Board member in 2022)



Taparov Kurbanmurat Kholmuratovich

Deputy General Director for Personnel and Administrative Issues, member of the Management Board



Khaitova Milana Rustamovna

Chief Legal Advisor, member of the Management Board



Shaymardanov Alexey Sergeevich

Deputy general director for Economics and Finance, member of the management Board

Remuneration of the Supervisory Board and the Management Board

In 2020, no remuneration was paid to the Supervisory Board members, since obligations in the Supervisory Board were performed as representatives of government bodies.

Internal documents

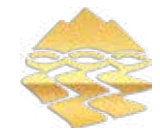
In 2020, as part of the process of transforming NMMC into a joint-stock company, the Supervisory Board developed the internal regulatory documents required for corporate governance in accordance with international principles:

- Restated Charter;
- Regulation on the General Meeting of Shareholders;
- Regulation on the Supervisory Board;
- Regulation on the Management Board;
- Regulation on the Corporate Consultant;
- Regulation on the Audit Commission;
- Regulation on the Compliance Service (the document was approved in 2021).

In 2022, it is planned to approve the Corporate Governance Code in accordance with international principles, based on which further reports will disclose information on compliance with corporate governance principles and the Company's independent assessment for compliance with international corporate governance principles.

IAS and Corporate Consultant

In 2021, after the transformation of NMMC into a JSC, the Supervisory Board approved the creation of the Internal Audit Service and the appointment of a Corporate Consultant.



BUSINESS ETHICS AND COMPLIANCE

GRI 103-1, 103-2, 103-3, 102-15

Highlights:

- NMMC leadership received **2,107 appeals** on social issues for 2020;
- The **Compliance Service** was created in 2021.

For the purposes of complying with the norms of professional ethics and transparency of activities, as well as to avoid the risk of corruption, NMMC's General Director approved and implemented the Rules of Ethical Conduct for NMMC's employees. Order No.282 dated April 15th 2016 appointed the Ethics Commission as the supervisory body for monitoring compliance with the requirements of the rules (a new version of order No. 229 dated 30.03.2022 was adopted), the duties of which include:

- consideration of complaints and suggestions from the Company's employees;
- consideration of cases of non-fulfilment of official duties by employees;
- prevention of conflicts of interest;
- settlement of corporate conflicts.

Risk management

The assessment of risk parameters is accompanied by an analysis of measures to manage them and is integrated into the overall risk management system of the Company. In 2020, NMMC did not have a formalised system and risk management department. However, the Company identified the following key risks for itself and continued systematic work to manage them:

Category and analysis of key risks and risk management

INDUSTRY RISKS	Risks of fall in gold prices	<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 cutoff grades and preparing mining projects; Regular analysis and forecasting of gold supply and demand dynamics; Continuous control of the Company's cash costs.
	Production risks	<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 of mis-estimation of reserves	<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.
OPERATIONAL RISKS	Risk of ineffective budget management	<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 of low-quality project reviews	<ul style="list-style-type: none"> Attracting highly qualified specialists (including experts from international consulting companies) to review investment projects.

FINANCIAL RISKS	Risk of failure to obtain debt financing	<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 obtainment of proper credit ratings.
	Liquidity risks	<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.
SUSTAINABILITY RISKS	Environmental risks	<ul style="list-style-type: none"> The Company implements a number of initiatives aimed at monitoring and limiting the environmental impact of operational activities. These include the external expert assessment of levels of pollution produced, and the use of industry best practices towards policies and procedures both at a corporate and individual business unit level.
	Health and safety risks	<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.

Ethics and integrity

GRI 102-16, 102-17

The Company is committed to high ethical standards and the principles of corporate ethics and good practice, as stipulated in the Rules of Ethical Conduct for NMMC employees.

The Rules of Ethical Conduct set values, principles, standards and norms of behaviour within the Company and apply to all Company employees, regardless of the position they hold. NMMC's ethical rules aim to prevent legal violations and combat corruption, and require all employees to comply with the principles of legality, fairness, and the avoidance of conflicts of interest.

- NMMC employees are not permitted to receive any material or other benefits from other individuals or companies for the performance of their work duties. Employees are obliged to inform their manager or law

enforcement authorities about all attempts by any person to induce them to commit a criminal offence. They must also report any known offences committed by other employees.

- In addition, NMMC's ethical rules oblige employees to take all necessary measures to ensure the security and confidentiality of information that becomes known to them in the course of their professional activities.
- All employees are required to review these rules when being hired. Employees may face disciplinary actions for violations of ethical rules. Compliance with these and other rules is taken into account when conducting employee appraisals and considering promotions.
- If a conflict of interest arises, Company employees must immediately inform their manager. Upon receiving information about a conflict of interest, a manager must swiftly take measures to address it. In addition, the Company has an Ethics Commission, which functions in accordance with the Regulation on the Ethics Commission, and which employees can contact to voice any concerns related to ethical violations. The Commission ensures timely



consideration of cases of conflicts of interest, wrongdoing, and employee allegations or complaints.

- Cases of non-compliance with the requirements of Ethical Rules are considered by the Commission during the general accreditation of employees, administrative and other measures are applied to employees in cases of especially gross violations. No cases of violations of ethical standards were recorded for the reporting period.

Since 2018, the Company has adopted the NMMC Rules of Ethical Conduct for Procurement Activities, which applies to all employees involved in the procurement process. The rules stipulate that NMMC's procurement activities must be based on the principles of transparency, openness, competitiveness, legality and work against corruption. Employees must take all necessary measures to ensure the confidentiality of information received during procurement, and they must not use such information for personal purposes. Any violation of these rules by Company employees is regulated by the Law of the Republic of Uzbekistan, 'On Public Procurement'.

NMMC does not tolerate the punishment or dismissal of employees in response to enquiries about legal violations, or in enquiries with criticisms of existing processes at the Company.

Socio-economic compliance

GRI 419-1

Compliance with all social, legal and economic standards and fulfilment of obligations towards the Company's employees are the main criteria that, as a rule, affect the Company's financial performance and its investment attractiveness in general.

NMMC highly values its reputation as a reliable and stable company, unquestioningly adheres to the legislative norms of the Republic of Uzbekistan, and also complies with all tax, social and administrative obligations. We consider it critical to ensure professional and ethical business standards, and therefore we take a stance against corruption in all forms and manifestations.

In 2020, there were no cases of non-compliance with legal requirements in the socio-economic sphere and the corresponding penalties in relation to NMMC.

To prevent and combat corruption, the Company has an Anti-Corruption Policy since 2021 that defines the principles, rules and procedures for combating corruption.

All members of the Company's governing body are fully aware of the Anti-Corruption Policy. Meanwhile, an internal procedure has been established, according to which each employee shall review the Anti-Corruption Policy, the rules of ethical conduct and other acts which could violate said rules.

Plans for the midterm horizon in the area of anti-corruption

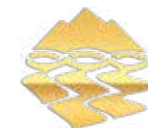
The Company has set important tasks to counteract and uncompromisingly fight against corruption on a daily basis. In this regard, the decision of the NMMC's Supervisory Board No.8 dated December 6th 2021 approved the organisational structure, the regulation on, and the staffing table of the Compliance Service.

The main goals set for the Compliance Service are:

- assessment of the corruption risk management system;
- identification of corruption related risks;
- holding training sessions for NMMC management and personnel, as well as review by the Company partners and counterparties;
- maintaining statistics on the total number of confirmed cases of dismissal or punishment of employees for corruption violations;
- maintaining statistics of court cases relating to corruption issues brought against the organization or its employees during the reporting period;
- reporting to top management on the total number of corruption violations and the amount of damage caused by corruption;
- creation of a program and activities approved by the top management to prevent corruption cases.

Along with these goals, the Compliance Service has been assigned a large-scale task to implement the following principles at NMMC:

MINIMISATION OF RISKS	When Company employees perform their duties, it is strictly prohibited to receive hospitality from individuals and legal entities, including gifts, debts, guarantees, bonuses, financial assistance, cash and non-cash amounts, and other tangible and intangible benefits. The acceptance of gifts is allowed during official conferences, workshops and other tours, but the total value shall not exceed 3 times the basic standard rates. In case of doubt about the legality of receiving a gift, an employee should seek advice from the Compliance Service.
TRAININGS AND ETHICAL PROGRAMS	The process of recruitment, attestation and evaluation of our employees, including bonuses and other types of incentives, should be transparent, equal, impartial, and comply with the basic principles and internal requirements of the Company. We direct all our efforts to communicating and explaining to employees and other stakeholders the anti-corruption measures implemented by us: ensuring regular and systematic anti-corruption basic training for employees, according to the schedule and training plan on combating corruption in the Company and developing additional anti-corruption training programs for positions exposed to a heightened risk of corruption.
REPORTING ON BRIBERY AND CORRUPTION CASES	In case of doubts about the legality and ethics of the actions of the Company's employees, assumptions about corruption or other violations or reasonable suspicions of their commission, this can be reported through the Company's public communication channels. The Company, within its powers and available capabilities, ensures the confidentiality of information about a person who provided reasonable information about the violation, unless otherwise provided for by the legislation of the Republic of Uzbekistan. We protect the interests of our employees and ensure there are no actions in response, such as dismissal, downgrading, discrimination, harassment and oppression, revenge, or prosecution for those who report in good faith possible violations or questionable behaviour by other employees or other anti-corruption requirements.
RISK IMPACT ASSESSMENT	When conducting a legal appraisal of internal documents, the Company's legal service will conduct an expert review to identify corruption factors that allow the commission of corrupt acts and their exclusion from documents. NMMC plans to identify and assess corruption risks specific to its activities, taking into account the nature of the functions of organisational structures, relationships with society, as well as external or internal factors in accordance with the methodology for assessing corruption risks in the Company. Corruption risk assessment will be carried out at least once a year. The results of the corruption risk assessment will be considered by the Chairman of the Management Board. Anti-corruption measures and procedures minimising identified risks will be reflected in the Company's anti-corruption program or roadmaps.
PREVENTION OF CORRUPTION IN THE SUPPLY CHAIN	NMMC does not allow suppliers, contractors and other third parties to make any payments or perform actions which are contrary to the principles and requirements of internal regulatory documents and the legislation of the Republic of Uzbekistan. In relations with contractors, we adhere to the principles of legality and transparency. We are constantly working on honesty, openness and transparency in the process of selecting suppliers, contractors and other counterparties based on the use of objective criteria, and we are also introducing a transparent procedure for determining the cost of purchased goods (services), which are regulated by the legislation of the Republic of Uzbekistan and the internal documents of the Company. In cooperation with counterparties, we are working to improve the guidelines for checking counterparties and the reliability of a potential counterparty in accordance with the requirements of the legislation of the Republic of Uzbekistan, including for its involvement in corruption in the past, and the presence of a conflict of interest with employees.



4 APPROACH TO THE MANAGEMENT OF SUSTAINABLE DEVELOPMENT

MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Integration of sustainable development principles into NMMC's business processes is a prerequisite for the Company's development. When making strategic decisions, the Company strives to take into account the opinions of all stakeholders. We realise the potential impact of our activities on society and the environment and are committed to:

- Achievement of improved indicators of corporate social responsibility;
- Development of occupational health and safety and environmental measures;
- Improvement of the economic impact in the regions of presence;
- Strengthening anti-corruption measures;
- Improvement of the quality of relationships with stakeholders;
- Raising the corporate governance rating;
- Development of a corporate culture of ethics and compliance.

In 2021, the Sustainable Development Committee was established under the Supervisory Board of NMMC. The purpose of the Committee is to monitor the implementation of the Company's strategy in the area of sustainable development and the public promotion of ethical, transparent and responsible business conduct. This Committee is also responsible for monitoring the Company's performance in terms of the ecology and labour protection and coordinating annual and strategic measures in these areas.

Risk management in the area of sustainable development

GRI 102-11

NMMC performs an analysis of risk factors, including risks in the area of sustainable development, which may adversely affect business development and the achievement of goals and indicators. As a result of this analysis, the Company identified environmental risks and risks in the field of occupational health and safety. Environmental risks include damage to the environment, legal responsibility for environmental rehabilitation, the risk of water shortages and pipe explosions due to the harsh continental climate. Also, the Company identifies health and safety risks as the risks of injury when visiting hazardous production facilities, being in a company car, or moving up stairs. In this regard, the Company initiated the implementation of a program

to monitor and limit the impact of operating activities on the environment. Moreover, NMMC has successfully implemented a system for monitoring occupational health and safety, including risk analysis at workplaces of certain production facilities.

The Company considers the following factors when evaluating the potential impact of operations (more on page 46):

- Stakeholder interests, including vulnerable populations that may influence or be affected by operations;
- Potential conflicts that may jeopardise the performance of operations;

In 2020, given the COVID-19 pandemic and the Company's new initiatives in the area of Environmental, Social, and Governance (ESG), NMMC identified a list of priority UN SDGs. As a result, 8 priority UN SDGs were selected (more on page 40).

Moreover, since 2019, NMMC has implemented annual sustainability reporting in accordance with the standards of the Global Reporting Initiative (GRI). This work is coordinated by the project team for the preparation of the Sustainability Report.

The Company sets goals to build a sustainable development management system that will include the following elements:

- Commitment of NMMC to the principles of sustainable development at all levels of management;
- Analysis of the external and internal situation in three aspects of sustainable development: economic, environmental, and social;
- Identification of risks in the area of sustainable development in the social, economic and environmental spheres;
- Stakeholder engagement and stakeholder mapping;
- Implementation of priority areas (initiatives) in sustainable development;
- Integration of sustainable development into key business processes;
- Professional development of the Company's employees in the area of sustainable development;
- Organisation of the annual sustainable development reporting process;
- Measurement of performance in the area of sustainable development;
- Improvement of the sustainable development process.



CONTRIBUTION TO THE ACHIEVEMENT OF UN SUSTAINABLE DEVELOPMENT GOALS

GRI 102-12, 102-13



NMMC supports the UN SDGs adopted in 2015 by the UN General Assembly. Given the significance of all 17 goals, NMMC identified eight SDGs to which the Company can make the most significant contribution. Specific targets have been identified within each of these goals to ensure a tangible result is achieved. We believe that as part of the work on these SDGs, we can build an effective culture of sustainable development in the Company and ensure that the interests of investors, shareholders and other stakeholders are met. NMMC has prioritized targets for each UN SDG. The numbering of the goals in the table below is presented according to the official source of the UN SDGs.

GOAL 1: END POVERTY IN ALL ITS FORMS EVERYWHERE

Tasks under UN SDGs:

1.3. Implement social protection measures.

Our contribution:

- We provide support to young employees in the area of training and acquisition of housing;
- We provide sponsorship to low-income families, war and labour veterans, and orphanages;
- We provide free medical and treatment-and-prophylactic services.

Key indicators for 2020:

- In May 2020, the Company provided assistance to needy families and temporarily unemployed citizens;
- 2.7 thousand low-income families received food packages consisting of 13 main types of food (more on page 52);

> \$950 thousand allocated to food packages for low-income families.

GOAL 3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Tasks under UN SDGs:

3.4 By 2030, reduce by one third premature deaths from non-communicable diseases through prevention and treatment, and promote mental health and well-being.

3.6 By 2030, halve the number of road traffic deaths and injuries worldwide.

3.9 By 2030, substantially reduce the number of deaths and illnesses from exposure to hazardous chemicals and air, water and soil pollution and poisoning.

3.d Build the capacity of all countries, especially developing countries, for early warning, risk reduction and management of national and global health risks.

Our contribution:

- We implemented an automated management information system for industrial safety;
- We created programs for the predictive modelling of emergency situations;
- We provide all employees, their family members and pensioners of the Company with free medical care.

Key indicators for 2020:

- compliance with quarantine and personal hygiene rules, organised duty, conduction of medical examinations of employees;
- carrying out of disinfection at all checkpoints, canteens, and office buildings (more on page 47);

>\$250 thousand allocated to tools, medicines and medical supplies.

SUSTAINABLE DEVELOPMENT GOALS



GOAL 4: ENSURE INCLUSIVE AND QUALITY EDUCATION FOR ALL AND PROMOTE LIFELONG LEARNING

Tasks under UN SDGs:

4.4 Increase the number of young people and adults with in-demand skills, including technical and vocational skills for employment, decent jobs, and entrepreneurship.

4.b Increase the number of higher education scholarships available to developing countries.

Our contribution:

- We provide sponsorship to secondary schools, boarding schools and institutes;
- We provide retraining and professional development programs.

Key indicators for 2020:

- 13,336 employees trained;
- 316 employees studying in the universities of the Republic of Uzbekistan at the expense of the Company (more on page 56);

~ \$603 thousand

allocated for the retraining and professional development of employees.

GOAL 6: ENSURE ACCESS TO WATER AND SANITATION FOR ALL

Tasks under UN SDGs:

6.3 Improve water quality, eliminate waste disposal, and increase recycling scales.

6.4 Improve the efficiency of water use and ensure the supply of fresh water.

6.5 Ensure integrated water resources management.

6.6 Ensure the protection and restoration of water-related ecosystems.

Our contribution:

- We introduced solar installations for the supply of hot water;
- We developed and implemented a technological scheme for mine water treatment jointly with the Scientific Research Institute of the Ecology and Environmental Protection;
- We introduced the reuse of treated household waste in the technological process at GMZ-3.

Key indicators for 2020:

- For the scientific study of the problems of water supply and water saving at the plant, a 'Laboratory for the Study of Water Problems' was organised based on the 'Central R&D Laboratory' (CRDL);
- A Program of Activities for the economical use of water resources for the period 2021–2026 was approved (more on page 88);

4,270.9 thousand m³

of treated domestic wastewater reused to meet technological needs.

GOAL 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

Tasks under UN SDGs:

- 7.2 Increase the share of energy from renewable sources.
- 7.3 Double the global rate of improvement in energy efficiency.

Our contribution:

- We annually implement Energy Efficiency Improvement Programs.

Key indicators for 2020:

- We introduced steam turbines at the sulphuric acid production areas of the Northern Mine Group;
- We implemented three photovoltaic stations with a total capacity of 6 kW;
- We introduced LED spotlights with a solar panel, a photocell and a motion sensor with a power of between 60 to 150W on the dumps of open pits (more on page 81);

> \$3 million

The economic effect of the results of implementing measures to improve energy efficiency.

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

Tasks under UN SDGs:

- 8.1 Sustainable economic growth.
- 8.2 Diversification, modernisation and innovation for economic productivity.
- 8.4 Improvement in the efficiency of resource use in consumption and production.
- 8.5 Full employment and decent work with equal pay.
- 8.8 Protection of labour rights and provision of safe working conditions.

Our contribution:

- We are implementing the NMMC Innovation Development Program until 2026;
- We work with representatives of small businesses as part of the localisation program;
- 100% of workplaces in the Company undergo an internal audit for compliance with the requirements of the OHS management system.

Key indicators for 2020:

- We have implemented the international standard ISO 45001:2018 at the Central Mining Administration;
- economic effect from the use of patents, R&D and rationalization proposals \$31 million;
- The production volume of localised products throughout NMMC amounted to \$35 million (more on page 59);

The average salary of employees in the Company increased by **33%** compared to 2019.

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

Tasks under UN SDGs:

- 9.1 Develop a reliable, resilient and resistant infrastructure.
- 9.2 Promote inclusive and sustainable industrialisation.
- 9.4 Modernise infrastructure and industrial plants for sustainable development.
- 9.5 Intensify scientific research and upgrade industrial technology.
- 9.c Universal access to information and communication technologies.

Our contribution:

- NMMC's Innovation Development Programs until 2026, particularly in the area of ecology and energy;
- Implementation of R&D projects;
- We carry out scientific research and development of technologies jointly with scientific institutes and foreign companies;
- Increased funding for scientific research and rationalisation activities.

Key indicators for 2020:

- In April and May 2020, we restored the social facilities and residential buildings of the population affected by the natural disaster in the Alat and Karakul Districts of the Bukhara Region (more on page 51);

\$497 thousand

allocated for the repair of preschool facilities and parks in the city of Zarafshan.

GOAL 12: ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

Tasks under UN SDGs:

- 12.2 Rational development and use of natural resources.
- 12.4 Rational use of chemicals and wastes.
- 12.5 Waste reduction.
- 12.6 Encourage companies to apply sustainable production methods.

Our contribution:

- Implementation of an improved technology for processing sulphide ores at GMZ-3 jointly with Engineering Dobersek GmbH;
- Utilisation of plastic waste in the amount of 473 tonnes for the production of plastic pipes at a specialised plant of the Southern Mine Group of NMMC;
- Disposal of used tires in the Company to obtain heating fuel and carbon black by pyrolysis in the Company's business unit.

Key indicators for 2020:

- An environmentally friendly roasting technology has been introduced, with a five-stage purification process for exhaust gases with a purification rate of 98% (more on page 81);

2.95 million kWh per year

increase in the capacity of solar collectors.



STAKEHOLDER ENGAGEMENT

GRI 102-40, 102-42, 102-43, 102-44

Stakeholder engagement is the most important condition for improving the efficiency of operations and ensuring the Company's continuing development.

We identify key stakeholder groups and ensure we communicate appropriately with each of them to understand their needs and expectations.

Key stakeholder groups are determined based on an assessment of their impact on the current activities and strategic development of the Company, as well as in accordance with the established practice of interaction with these stakeholders.

NMMC's main stakeholders include the employees and management of the Company, the Founder, governmental authorities, the public organisations, partners, the media and others. In the process of transformation, interaction with investors, representatives of credit institutions and other institutions is also deepening.

Stakeholder engagement is carried out through meetings, roundtables, training and other social events, as well as through official public communication channels. When covering its activities, NMMC relies on the principles of relevance, significance and openness in providing information.

Stakeholder	Key activities	Interaction methods
FOUNDER		
<p>Principles:</p> <ul style="list-style-type: none"> Protection of Founder's rights Transparency of information disclosure 	<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; Transfer of property and formation of the authorised fund. 	<ul style="list-style-type: none"> Interaction through representatives within the Supervisory Board; Meetings and negotiations; Official website.
GOVERNMENT AUTHORITIES/REGULATING BODIES		
<p>Principles:</p> <ul style="list-style-type: none"> Compliance with legislative requirements Taxes and other payments to the budget Implementation of state programs and initiatives 	<ul style="list-style-type: none"> In 2020, about \$2,395.2 million was paid to the state budget. 	<ul style="list-style-type: none"> Correspondence and requests; Reporting platforms; Official website.

EMPLOYEES/ TRADE UNION

Principles:

- Safe and equal working conditions
- Training, growth and professional development
- In 2020, the average salary in the Company increased by 33% compared to 2019;
- Introduced automated management system for industrial safety.
- Training and workshops;
- Corporate events, meetings and discussions;
- Internal corporate channels;
- Official website;
- Company's social networks.

FINANCING ORGANISATIONS

Principles:

- Improving efficiency and financial performance
- Execution of obligations
- NMMC seeks to improve efficiency and financial performance. For example, NMMC's net profit in 2020 amounted to \$815 million. Revenue for 2020 was \$4,558 million, with the sale of 2,809.8 thousand troy ounces of gold, with an average prevailing price during the year of \$1,779 per ounce.
- Submission of reports and financial indicators;
- Meetings and presentations;
- Official website.

SUPPLIERS

Principles:

- Support for local producers
- Constructive and open cooperation
- The purchase share from local suppliers in 2020 reached 72.7%¹⁶ of the total purchases;
- A Procurement Commission was established to carry out procedures through exchange electronic trading;
- A fair for suppliers was held.
- Procurement sites;
- Fairs, briefings and other events for suppliers;
- Official website.

THE MEDIA

Principles:

- Data disclosure transparency
- Open cooperation
- In 2020, NMMC interacted with local media (Uzbekistan 24 TV channel of the National Television and Radio Company, the National News Agency of Uzbekistan, republican and regional print media – the newspapers Yangi Uzbekiston, Halk Suzi, Pravda Vostoka, and Dustlik bayrogi).
- Press releases and interviews;
- Open events of the Company;
- Official website and social networks of the Company.

¹⁶ When calculating the total share of local purchases, the average value of foreign currency (rubles, pounds, dollars, euros) at the exchange rate of the Central Bank of the Republic of Uzbekistan for 2020 was used to convert import indicators.

MATERIAL TOPICS

GRI 102-44, 102-46, 102-47

When disclosing information, NMMC adheres to the principle of materiality, striving to highlight the most important issues and present the key data in demand.

In preparing this report, topics of importance to internal and external stakeholders have been selected. The evaluation of topics took place in three stages: analysis of open sources, gathering the opinions of stakeholders, and compiling a list of topics according to the level of materiality.

First, the Company conducted an analysis of material topics disclosed by benchmark companies and an analysis of best practices in the industry, resulting

in a preliminary list of significant topics. Secondly, the Company convened a working group and surveyed the participants to assess the materiality of each topic for stakeholders and the impact of the Company's business on the topic. Based on the results of the survey, the 20 most significant topics were determined, which at the final stage were agreed upon to be disclosed in the report.

When collecting stakeholder opinions, two main criteria were taken into account: the significance of the Company's economic, environmental or social impact, and the impact on the judgments and decisions of stakeholders.

Approach to Determining Material Topics

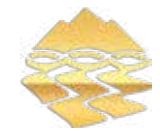
Analysis of open sources	Collection of stakeholder opinions	Finalisation of the list of material topics
<ul style="list-style-type: none"> Analysis of the requirements of rating agencies in ESG area; Benchmark analysis of material topics disclosed by peer companies. 	<ul style="list-style-type: none"> 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 threshold of 'materiality'; 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

Based on the results of the procedures performed, 20 topics presented in the matrix below were selected for disclosure in the report.

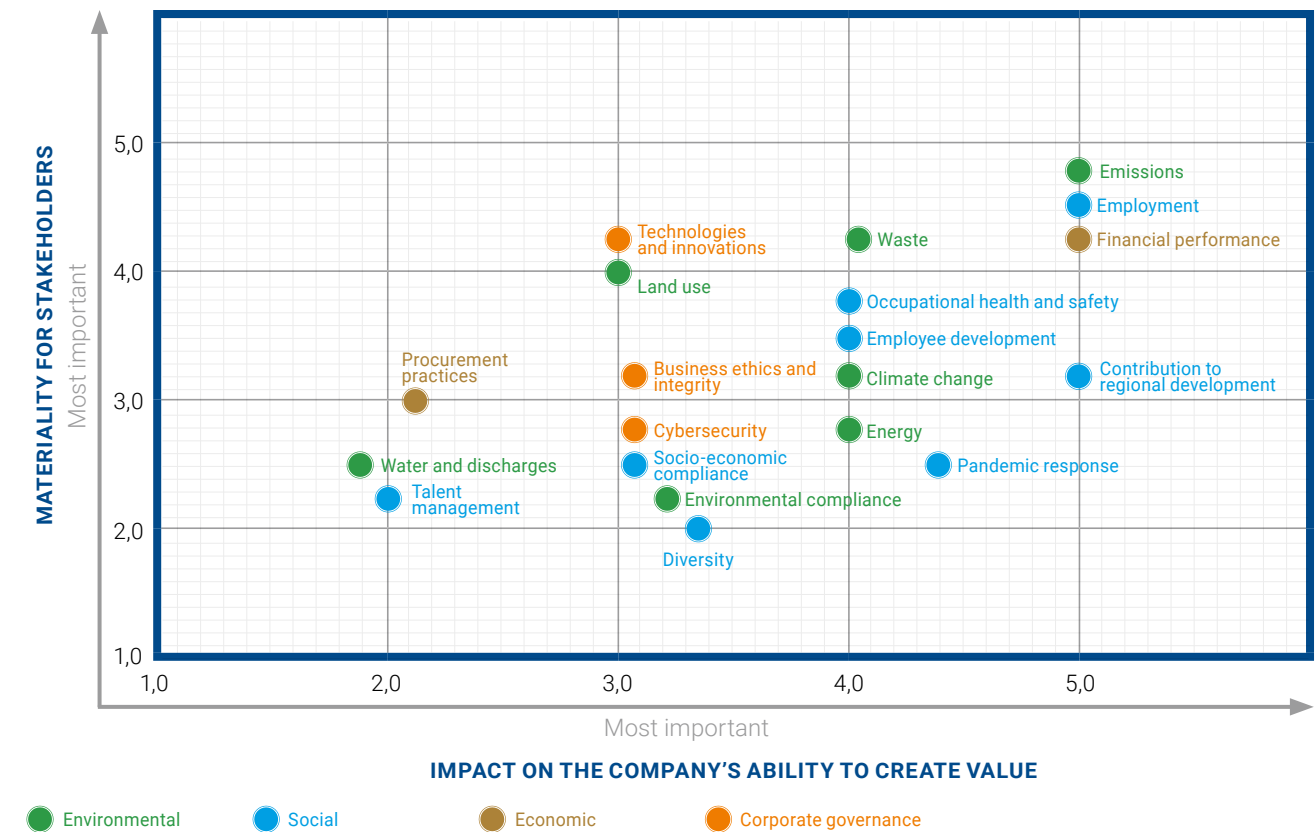
The collection of data on the results of activities in the area of sustainable development for the report was carried out at the level of the NMMC Administration. The indicators are disclosed and calculated in accordance with the requirements of GRI standards and selected SASB indicators. The report contains links (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 organisation's value chain. For the purposes of this report, we have categorised the topics as follows:



OUR MATERIALITY MATRIX



2020 MATERIAL TOPICS



CORPORATE GOVERNANCE

- Business ethics and integrity
- Cybersecurity
- Technology and innovations



ECONOMIC MATTERS

- Economic performance
- Procurement practices



SOCIAL MATTERS

- Employment and labour relations
- Occupational health and safety
- Development of employees
- Diversity and equal opportunities
- Contribution to the development of regions
- Compliance in the socio-economic area
- Talent management
- Pandemic response



ECOLOGICAL MATTERS

- Energy
- Water and wastewater
- Greenhouse gas emissions
- Wastes
- Ecological compliance
- Climate change
- Usage and preservation of lands



MEASURES TO PREVENT THE SPREAD OF COVID-19

Highlights:

- > \$2.7 million provided to acquire medical equipment in 2020;
- > \$1.5 million spent on the fight against the coronavirus infection in 2020;
- 521 patients with coronavirus were cured in hospitals of the Medical and Sanitary Department (MSD) in 2020;
- 1,189 people received outpatient treatment at MSD.

Key indicators and events:

In March 2020, the World Health Organisation declared a global pandemic associated with the spread of COVID-19. The pandemic has made profound changes to the work of enterprises and entire industries, and the past year has also been a challenge for the Company. We have taken unprecedented measures to minimise the risk of infection to workers and to preserve their lives and health. The Company established a Central Working Group to prevent the spread of the coronavirus infection in the Company's business units and took the following measures:

- Compliance with quarantine and personal hygiene rules by employees was undertaken on a systematic basis. The control zones of the main production

- facilities (mines, quarries, plants, administrative buildings of mine groups) were provided with experienced engineering and technical personnel and qualified medical specialists. Duties were organised and medical examinations of production personnel and office employees were carried out;
- The work carried out at all construction sites included in the investment program was subject to a special control and carried out within the timeframe specified in the network schedule, while ensuring necessary conditions for the safety of workers;
- Disinfection was carried out at all checkpoints, canteens, and administrative buildings;
- Transportation of the Company's production personnel and office employees was carried out by official vehicles, and for this purpose 45 additional buses were purchased;
- The Company's supply departments created a reserve of material and commodity assets necessary for the main production processes, and measures were taken to ensure the Company's continuous operation;
- Medical institutions in the cities of Zarafshan, Navoi, Uchkuduk and Nurabad were provided with the necessary amount of oxygen during the COVID-19 pandemic. For this, the capacities of oxygen stations at existing production facilities were used.

Measures taken

Examples

NMMC purchased the necessary tools, medicines and medical supplies to protect employees at work, including:

- 65 thousand test reagents for the detection of coronaviruses and medical products for them (test tubes, racks, etc.);
- 14 thermal imaging cameras for \$260,000 and 310 remote temperature measuring devices (pyrometers);
- 14 tonnes of disinfectants);
- 4.5 thousand units of antiseptics;
- 600 thousand pairs of non-sterile latex gloves;
- Antiviral drugs (starflu, arbidol, ergaferon, pefraction, amirox, etc.);
- Protective overalls for employees.

The necessary equipment was purchased to strengthen the material and technical base of the Company's medical units, including:

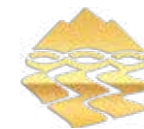
- Two special Mercedes ambulances and ten Damas ambulances procured.
- Two multi-slice computed tomography (MSCT);
- Six digital stationary and six mobile X-ray machines;
- Four digital fluorographs;
- Two units of laboratory equipment for PCR testing;
- Five artificial lung ventilation (ALV) devices;
- 20 oxygen concentrators;
- Medical equipment for the provision of emergency medical services.

Equipment was purchased to prevent the spread of the second wave of coronavirus and ensure the continuous operation of all production facilities of the Company:

- Three additional ambulances of the brand Volkswagen;
- Six sets of atory analysers;
- Six digital, portable, supersonic diagnostic systems;
- 200 pulse oximeters;
- An oxygen pressure chamber;
- Timely delivery of oxygen required for the medical departments of NMMC, medical associations of the city of Zarafshan and Uchkuduk District.

In 2020, over \$2.7 million was allocated for the purchase of medical equipment, and more than \$1.5 million was spent to fight the coronavirus infection. Compliance with

relevant quarantine rules was strictly controlled at all production facilities of the Company, and the production process was uninterrupted.



CONTRIBUTION TO REGIONAL DEVELOPMENT

Highlights

- **>\$73** million of social support expenses;
- **>\$33** million in charitable donations and sponsorship;
- **2,069** appeals on social issues were received and considered in 2020.

NMMC contributes significantly to the development of the regions of presence through the implementation of social projects aimed at improving the quality of people's lives.

GRI 103-1, 103-2, 103-3, 203-1, 203-2, 413-1, 413-2

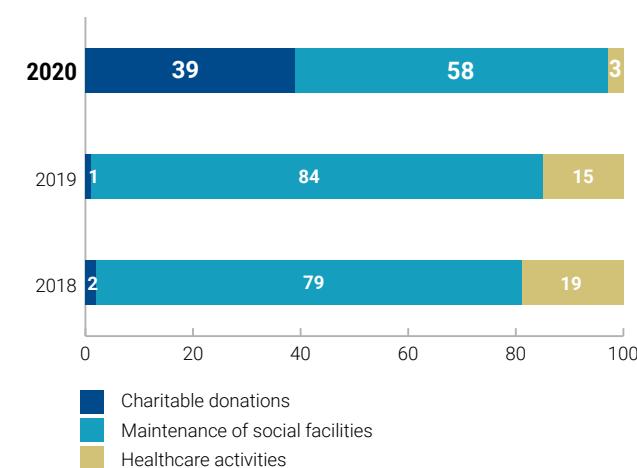
Being the largest gold producer in Uzbekistan, NMMC realises its role and related responsibility in the economy of the regions and the country as a whole. In addition to managing its environmental impact, providing jobs, paying taxes and developing infrastructure, the Company implements a number of social projects aimed at supporting the population in the regions and improving living conditions. In order to ensure the effectiveness of ongoing social work and achieve significant results, we interact with stakeholders regarding the activities of social facilities through trade union committees and social development departments (services) of the company's business units, as well as involving public resources, the Konchilar hayoti newspaper, and the official website of the Company.

In 2020, total social payments amounted to over \$73 million, which is 10% lower than in 2019 (\$81 million). This decrease is associated with the reduction of payments for the maintenance of social facilities due to the pandemic. Payments for the maintenance of social facilities in 2020 were 36% lower compared to 2019.

NMMC has a direct and indirect socio-economic impact on local communities in the regions of presence. Its indirect impact is expressed in regular tax payments to local budgets, which contribute to the growth of regional economies. In 2020, payments to the state budget, including income tax and mineral extraction tax, amounted to approximately \$2,395.2 million.

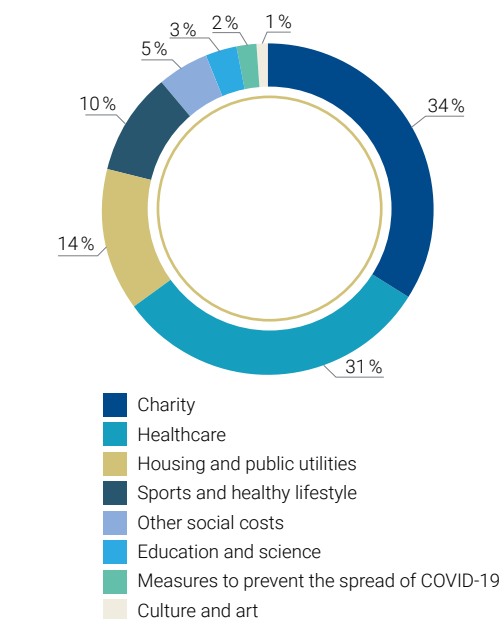
SOCIO-ECONOMIC DEVELOPMENT

Share of social payments, %



In 2020, in light of the COVID-19 pandemic, special attention was paid to charitable projects. \$33 million was spent on charity and sponsorship in 2020, a significant increase from previous years.

Share of expenses by social support areas, %





The main areas of NMMC's social investments are charities, sports, healthcare, education, housing and public utilities, and culture and art. In 2020, during the pandemic, NMMC provided \$1.5 million for the purchase of special diagnostics equipment, personal protective equipment, and medicines to prevent the spread of the coronavirus infection. The pandemic led to a revision of planned social initiatives and a redirection of funding. In particular, during the summer 2020, due to the pandemic, the work of NMMC's children's health camps, which aims to arrange recreation for employees' children, children from low-income families, orphans, and children from the Houses of Mercy, was suspended.

The Company does not have business units with a significant actual or potential negative impact on the regions of presence. Nevertheless, NMMC realises the risk of a potential negative impact and takes appropriate measures to reduce such an impact by implementing programs for the improvement of cities and towns, as well as its charitable and investment activities. No significant negative impact was recorded in 2020.

NMMC implements a wide range of socio-economic projects and initiatives, such as:

- Material and technical support and modernisation of social facilities;
- Implementation of programs aimed at improving cities and towns with the involvement of the Company's employees;
- Charitable projects aimed at supporting low-income families and pensioners, donations and sponsorship of social and economic initiatives in science, healthcare, sports, and art.

Material and technical support and modernization of social facilities

NMMC supports the continuous operation of a number of social facilities: catering facilities, medical institutions, health and recreation facilities, culture and sports centres, social institutions, housing stock, children's health camps and agricultural units in the regions. These facilities are managed by the Department for Coordinating the Activities of Social Facilities, which coordinates its work and ensures the effectiveness of its activities.

Significant performance results of NMMC in the social sphere in 2020:

- Construction of a new special preschool facility on Tinchlik Street in Zarafshan;
- Design and estimate documentation development by Navoifukaralalika OJSC for the construction of a new special preschool educational institution for children with disabilities.

The company supports the following sports facilities:

- Six stadiums (in Uchkuduk, Zarafshan, Navoi, Nurabad, Zarkent, and Marjanbulak);
- Four swimming pools (in Uchkuduk, Zarafshan, Navoi, and the "Metallurg" Health Resort);
- A palace of sports (Navoi), Lochin gyms (Uchkuduk), an outdoor gym and a martial arts gym (Zarafshan), and sports complexes (Zarkent and Marjanbulak);
- A health and fitness complex (Navoi);
- A sailing base (Zarafshan).

Cultural institutions of NMMC:

- Two palaces of culture (Farkhad Palace of Culture in Navoi, and Uchkuduk Palace of Culture in Uchkuduk);
- Two cultural centres (Oltin Vodiy Palace of Culture in Zarafshan, and Nurabad Palace of Culture in Nurabad);
- A cultural and sports centre (Konchi Cultural and sports club in Zarkent);
- A Navruz club (at the Dustlik Agricultural Enterprise in Malikrabet).



Implementation of programs aimed at improving cities and towns with the involvement of the Company's employees

Significant performance results of NMMC in the social sphere for 2020:

NAVOI REGION

To solve the problem of water supply for the irrigation of vegetable gardens in the Karmaninsky District, NMMC provided the following donations:

- **100** drainage facilities (pumping units) at a total cost of **\$9 thousand** were installed in the houses of low-income families in mahallas;¹⁷
- **eight** self-made power transmission line poles were replaced within the territory of mahalla Durman;
- Drilling, logging, washing and installation of reinforcing pipes on the Khazora massif were completed with the mobilisation of special equipment required for drilling – **six** vertical wells;
- In Navoi in 2020 children's preschool institutions were renovated, and in Zarafshan **\$497 thousand** was spent on the renovation of parks.

BUKHARA REGION

In April and May 2020, assistance was provided in the restoration of social facilities and residential buildings to the population affected by the natural disaster in the Alat and Karakul Regions. Construction materials, such as slate, wood (rafters), and nails were delivered to these areas.

SAMARKAND REGION

For the reconstruction of **106** houses affected by rainstorms in Samarkand and to eliminate such problems in the future and improve the infrastructure of the city, NMMC employees raised and donated **\$85 thousand** to the public fund, 'Mercy and Health'.

SYRDARYA REGION

In April and May 2020, NMMC actively participated in the process of rectifying the consequences of a natural disaster which had caused significant damage to the population of the Syrdarya Region. In particular, the Company was one of the first to lend a helping hand to ameliorate the consequences of a flood caused by a dam breaking at the Sardoba Reservoir in the Syrdarya Region. Road construction, loading and unloading, automobile and other special equipment from the Company was sent to the reservoir.

The youth of NMMC took part in the environmental campaign, 'The fate of the Aral Sea is the fate of the future generation.'

In February 2020, at the initiative of the NMMC's Young Leaders Council, 100 employees expressed their desire to take part in the Green Challenge environmental campaign under the motto, 'The fate of the Aral Sea is the fate of the future generation,' and visited the Muynak District of the Republic of Karakalpakstan. A group of young professionals covered a distance of 1,000 km on five buses. Upon arrival, the team was met by the Muynak youth, visited the Museum of the Ecology of the Muynak Region and the regional sports complex,

where they donated sports equipment to young people. The initiative group visited the "Ship Graveyard," which is a landmark in Muynak. During their visit, NMMC participants planted **87 thousand** saxaul seedlings.

Charitable projects aimed at supporting low-income families and pensioners, donations and sponsorship of social and economic initiatives in science, healthcare, sports, and art

In an effort to benefit the residents of the regions, NMMC actively supports the organisation of sports and recreation, educational, scientific and cultural events

¹⁷ A block-sized part of a city whose inhabitants exercise local government in some countries.



for a wide range of participants, including educational institutions, low-income families, veterans, orphanages, homes and societies for the disabled and elderly people, sports organisations, as well as various city and republican institutions.

The largest share of sponsorship payments in 2020 were determined by the decision of the Government of the Republic of Uzbekistan, including support for the National Olympic Committee, the Qizilqum football club, the Scientific Centre for the Implementation of Innovative Developments, the Navoi State Mining Institute, the Tashkent State Technical University, the Mahalla Fund, assistance to khokimiyats, and other institutions.

Significant performance results of NMMC in the social sphere for 2020:

- **~\$150 thousand** was raised and transferred by NMMC employees in March 2020 on a voluntary basis to the public fund, 'Uzbekiston mehr-shafkat va salomatlik' ('Mercy and Health of Uzbekistan').
- In the Republic of Karakalpakstan, Navoi, Samarkand, Jizzakh and Surkhandarya regions **5.4 thousand** people in need of social support, large families, disabled people, orphans and lonely elderly people were provided with food packages consisting of 16 basic types of food.
- **~\$700 thousand** donated to the Republican board of the charitable public fund, 'Mahalla'.

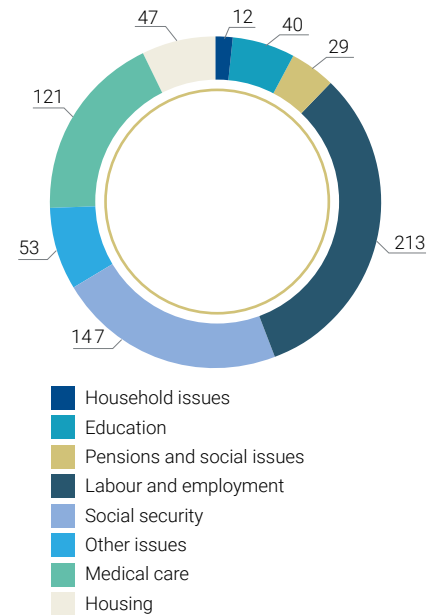
Enquiries

All enquiries are regularly monitored by NMMC's Department for Monitoring and Handling Enquiries from Individuals and Legal Entities. In 2020, NMMC's management received 2,107 enquiries on social issues, of which 468 enquiries were satisfied, legal clarifications were given on 559 enquiries, general clarifications were given on 1,036 enquiries, 6 enquiries were denied, and 38 enquiries were left unconsidered. For the purpose of comparison, in 2019, 2,599 enquiries were received.

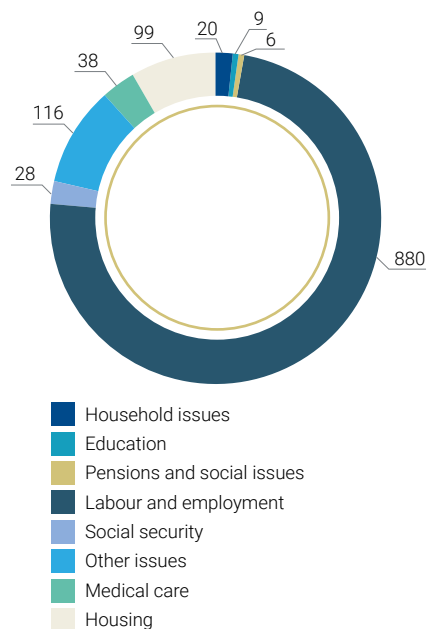
Main communication channels in 2020:

- Enquiries through trade unions;
- Virtual Reception of the President of the Republic of Uzbekistan;
- Written enquiries to NMMC managers.

Enquiries received by NMMC management



In 2020, the Virtual Reception of the President of the Republic of Uzbekistan received 1,196 enquiries, which accounts for 56.7% of all enquiries.



EMPLOYMENT

Highlights:

- as of December 31st, 2020, the total headcount of NMMC SE was **58,019** employees;
- **100%** of employees are covered by the collective agreement;
- **2.6%** staff turnover;
- financial aid to employees of over **\$5 million**;
- **2,935** vouchers issued to sanatoriums and resorts.

NMMC's main asset is its employees, who make significant contributions to the development of the mineral resources industry, the economy of Uzbekistan and the expansion of its export potential, and ensuring the achievement of high production and social indicators. NMMC takes responsibility for providing proper working conditions to employees and caring for their well-being and respect for their rights.

GRI 103-1, 103-2, 103-3

Matters related to employee engagement are handled by the HR Department, which seeks to recruit competent and qualified specialists, as well as to improve their qualifications in a timely manner and provide appropriate working conditions. The Company creates conditions for a healthy lifestyle, provides development programs for young people, and decent wages. In 2020, due to the pandemic, the Company provided additional support to employees and their families.

Key goals of the HR Department are:

- Hiring employees with required qualifications and training profile in accordance with the Company's production development programs;
- Creating the Company's talent pool;
- Ensuring compliance labour rights, and providing the Company's employees with benefits and guarantees stipulated by labour laws;
- Organising training, retraining and advanced training of the Company employees.

What we are guided by:

- Collective Agreement;
- Labour Code;

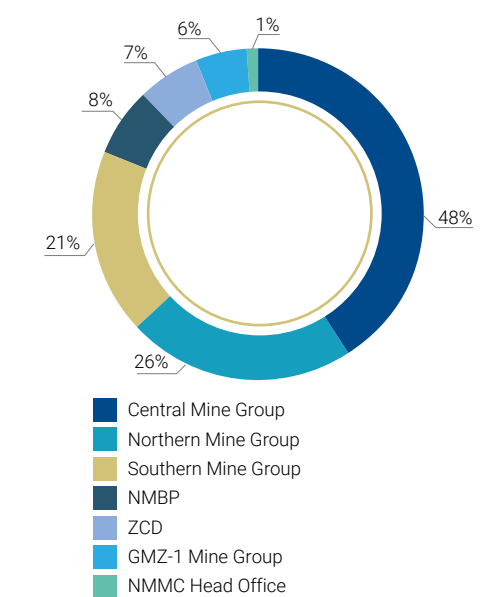
18 Main business units on the gold production segment.

- Regulation on the HR Department;
- Regulation on the HR Division;
- Internal labour regulations.

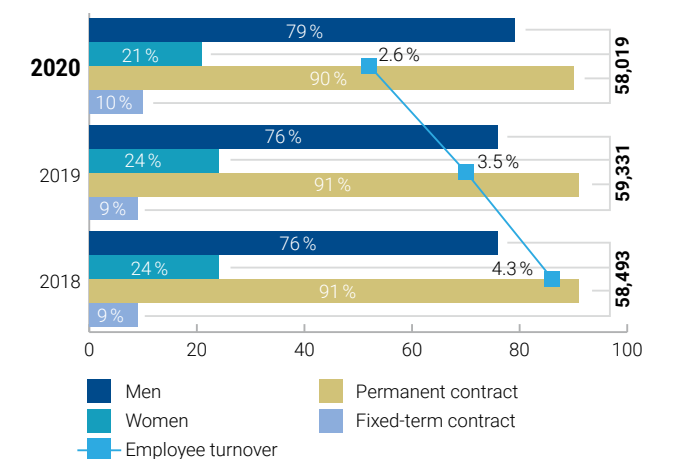
Headcount

GRI 102-7, 102-8, 401-1, 401-3, 405-1, EM-MM-000.B

Personnel Breakdown by Main Business Units in 2020¹⁸



Headcount and Employee Turnover



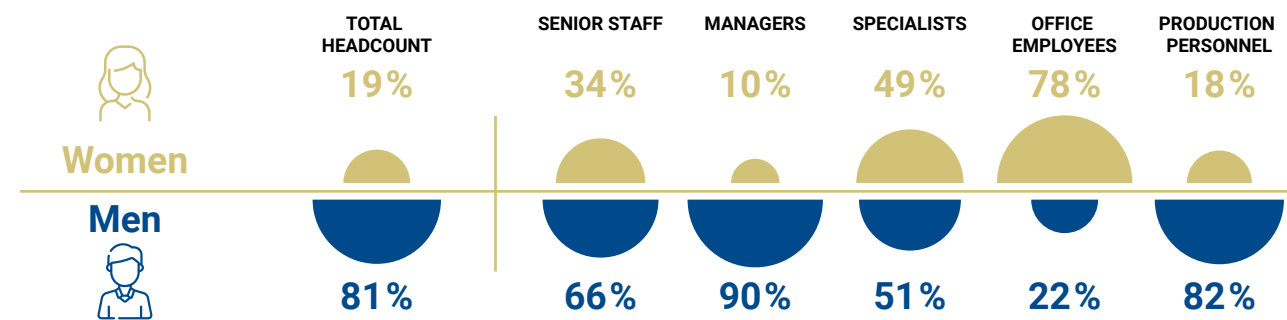


The total headcount in NMMC's precious metals production segment in 2020 was 58,019 employees (as of December 31st, 2020). The largest share of personnel is in the Central Mine Group – 48%, whilst the smallest is in the GMZ-1 Mine Group – 6%. All the main activities of the Company are carried out by full-time employees. The share of non-staff employees is not particularly significant. The Company employs 93 employees, who are not citizens of the Republic of Uzbekistan,

whilst 90.3% of employees work under the terms of a permanent contract.

In 2020, employee turnover was 2.6%, a 0.9% decrease compared to 2019. The improvement in NMMC's employee turnover rate mainly relates to the company's HR policy, social support of employees, and opportunities for young employees.

Personnel Breakdown by Gender



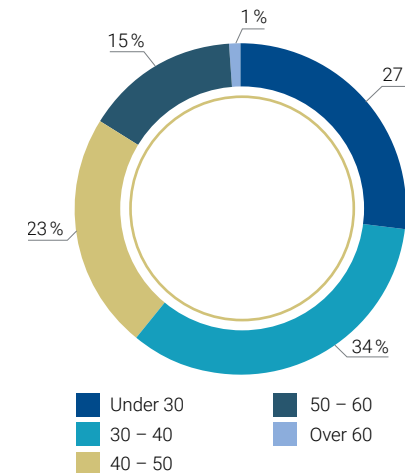
Categories of NMMC employees

- Managers are employees holding the positions of heads of business units: directors, deputies, chief engineers, and masters;
- Specialists are employees holding the position of engineers on areas of activities;
- Office employees are employees holding the positions of record keeper, duty officer, documentation clerk, cashier, collector, custodian, and controller (not related to production personnel);
- Production personnel are hired personnel at production facilities.

The share of women in the total number of employees in 2020 was 21%, while in 2019 it accounted for 24%. NMMC does not tolerate gender discrimination and recruits personnel based on professional experience,

qualifications, and personal achievements. The low share of women in the Company's staff mainly relates to the specifics of the mining industry, which involves vigorous physical activity and work at the fields.

Personnel Breakdown by Age



NMMC's HR policy does not have criteria for the age-based recruitment and promotion of employees. The structure of the staff of the entire Company and its management team reflects its diversity in terms of age.

Personnel social support policy

GRI 102-41, 201-3, 401-3, 401-2, 402-1

Labour relations in the company are regulated by the Labour Code of the Republic of Uzbekistan, as well as labour legislation, collective agreements, and other local regulations. NMMC is responsible for ensuring compliance with labour rights, and providing benefits and guarantees to the Company's employees as specified in labour legislation. Each employee is hired in accordance with the legislation of the Republic of Uzbekistan.

Collective Agreement

The Collective Agreement was developed in accordance with the Labour Code of the Republic of Uzbekistan and is a local normative legal act regulating labour and socio-economic relations between the employer and employees. The Collective Agreement for NMMC employees was signed on May 1st 2018 for a period of three years and covers 100% of the Company's employees (the collective agreement was updated in 2022).

The fulfilment of obligations stipulated by the Collective Agreement is controlled by representatives of the parties

through a systematic review of results at extended joint meetings and conferences of employees. According to the Agreement, the Employer undertakes to communicate to all employees the text of the Agreement no later than one month from the date of its signing. Meanwhile, significant operational changes are to be communicated to employees no later than two weeks before they come into effect. Individual and collective conflicts or disputes are considered in accordance with the legislation of the Republic of Uzbekistan. All structural business units of the Company have established labour dispute commissions pursuant to the terms provided by the Collective Agreement.

As per the Collective Agreement, the NMMC Trade Union Board is the sole and exclusive representative of all Company employees in negotiations regarding the Agreement, as well as in matters of labour law and the trade union. The Company engages with stakeholders on the activities of social facilities via trade union committees and the social development divisions (services) of NMMC's business units.

The Collective Agreement includes an extensive benefits package and employer obligations for occupational safety and the health and social security of workers. NMMC holds on a permanent basis various social events (contests, holidays), improves working conditions, facilitates the training and development of employees, helps create a constructive team environment, devolves authority and delegates responsibilities within teams, and involves employees when making significant decisions.

Benefits for employees:

- Free medical services;
- Medical examinations;
- Medical services for family members of employees and pensioners of NMMC;
- Payment for medicines and medical products (registered in the Republic of Uzbekistan) for disabled people from work and occupational injuries;
- Healthy meals at special facilities;
- Health and social security;
- Sanatorium treatments and recreation;
- Transportation to sanatoriums;
- Organisation of vacations for the children of employees and of NMMC pensioners during the summer holidays;



- Assistance to employees with preschool children;
 - Allocation of places at the Company's kindergartens for NMMC employees and pensioners;
- Parental leave in accordance with the Labour Code;
- Pension coverage.

NMMC annually signs a Labour Protection Agreement with the Trade Union Board of NMMC employees, which provides for a list of activities, deadlines, financing sources and cost of work, as well as responsibility for their implementation.

Examples:

- 2,935 vouchers at a total cost of \$240 thousand were purchased for the organisation of sanatorium treatments and recreation in 2020;
- In Q1 2020, NMMC issued 383 vouchers to Gornyak Guesthouse, NMMC sanatorium and Metallurg Health Resort, and Konchi and Nurabad Health Resorts for the targeted recovery and rest of pensioners;
- Every year, mass cultural and sports and recreational events are held for the employees of NMMC's business units;
- New Year's gifts amounting to \$156 thousand were purchased for employees' children;
- Loans for the amount of \$85 thousand were provided to employees affected by mudflows in Zarafshan.

PERSONNEL DEVELOPMENT

Highlights:

- **5,216** Employees hired;
- **13,336** Employees trained;
- **1,291** students completed an internship (of which 1,033 were hired);
- **\$603** thousand allocated for employees training.

Our Guiding Documents:

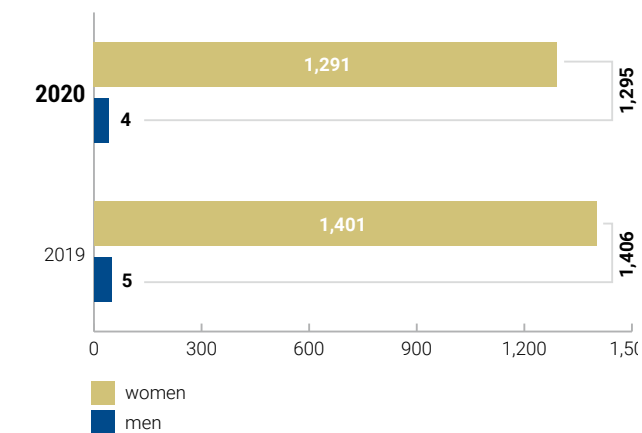
- Collective Agreement;
- Regulation on the HR Department;
- Regulation on the HR Division;
- Internal labour regulations;
- Regulation on Bonuses;
- Regulation on Professional Development and Advanced Training.

19 unaudited

- The estimated value of pension liabilities in accordance with IFRS amounted to \$78 million¹⁹ as of January 1st 2020, and \$90 million as of December 31st 2020. Pension payments are budgeted annually. There is no special fund for the payment of pension obligations.

According to the Labour Code of the Republic of Uzbekistan, every NMMC employee with a child of under two years of age is entitled to parental leave. In 2020, only 1,295 employees were on parental leave, while in 2019 this figure was 9% higher.

Total Number of Employees that Took Parental Leave



Training of employees

GRI 103-1, 103-2, 103-3, 404-2

The professional development and advanced training of employees is managed by the Company's HR Department and is regulated by the Regulation on Professional Development and Advanced Training.

The current employee training system is designed for specialists with higher education and highly-qualified workers, as well as those specialists with a specialised secondary and vocational education. The core principle NMMC follows when developing educational programs is to provide employees with opportunities to continuously develop their skills so they can advance their careers and improve the Company's HR potential. Employee

retraining and professional development is an ongoing process that continues throughout an employee's entire career.

NMMC employees undergo retraining and professional development at three training centres of the Company's production units in Navoi and Zarafshan. The Company also has two training complexes and training stations in Uchkuduk and Nurabad which facilitate education for employees in accordance with programs that are specially designed for the working conditions at production facilities. **2,127** employees upgraded their skill sets in 2020. NMMC has over 100 standard programs and more than 1,000 courses for specific professions and equipment. Employees take exams created by the attestation commission after completing training courses. NMMC currently employs seven Doctors of Science and 27 Candidates of Science, who are involved in employee training. Employee competencies are also confirmed by the attestation commission.

As of December 31st 2020, **316** employees were trained at the expense of NMMC funds, including:

- **15** employees who studied full-time at departments of higher educational institutions in the Republic of Uzbekistan;
- **301** employees who studied on an extramural basis in higher educational institutions of the Republic of Uzbekistan.

11,209 employees completed professional training in 2020 within the system of professional development



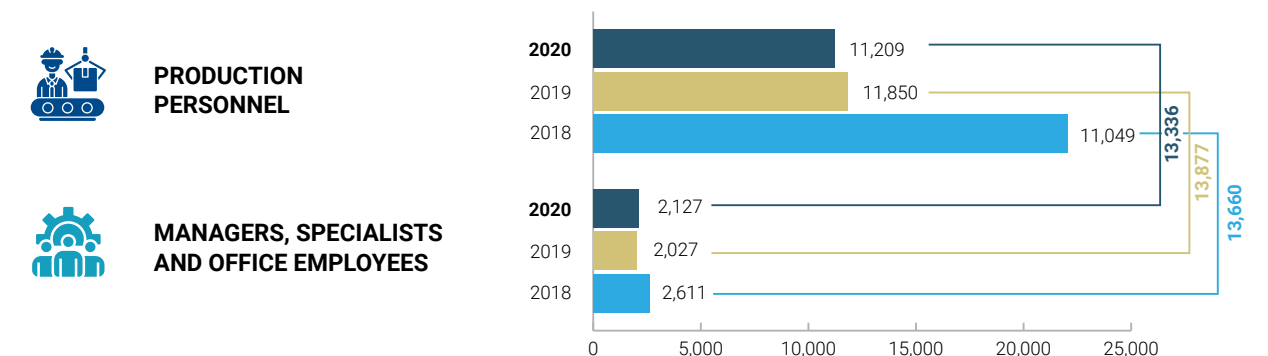
and advanced training of employees at the Company's business units, including:

- Retraining – **5,268** employees;
- Professional development – **5,941** employees.

\$603 thousand was allocated in 2020 for the retraining and professional development of employees, payment for student education in educational institutions, and other forms of professional training.

In total, **13,336** employees of the Company were trained in 2020. In addition, relevant conditions for training were created for employees studying in advanced training courses. Without their consent employees were not involved in work in shifts, and were not sent on business trips. In 2020, the Company did not run a retirement or termination management program.

Number of employees that received training in 2020





Attracting and retaining talents

GRI 401-1

Structure of employees hired in 2020

Business unit	Women	Men
Central Mine Group	387	2,123
Northern Mine Group	177	567
Southern Mine Group	56	505
GMZ-1	38	210
ZCD	13	287
NMBP	61	230
Head Office	5	17

In 2020, the Company hired 5,216 employees, of which 17% were women. The largest share of employees hired was in the Central Mine Group.

Appointment to vacant positions within the Company is carried out in compliance with the principles of meritocracy, transparency and integrity from the most suitable candidates who meet the requirements for the level of qualification, professional, business and personal competencies. One of the main sources of personnel recruitment in the Company are the higher educational institutions of the Republic of Uzbekistan, in particular the Navoi State Mining Institute, professional

colleges affiliated with the Company in Navoi, Zarafshan, Uchkuduk, and other locations in the Republic of Uzbekistan. In 2020, 674 employees were hired immediately after graduating from universities.

Some NMMC employees are hired on a freelance basis and by referral of the labour exchange from the allocated quotas (disabled people, people of pre-retirement age, young people in need of social protection, etc.). The availability of these quotas is significant for vulnerable groups of people experiencing difficulties in finding employment. In 2020, the number of those hired within the quotas amounted to 816 people.

Employees hired within quotas

Year	Number of employees hired within quotas
2020	901
2019	1,337
2018	1,611

Talent pool

NMMC has created a talent pool, which performs the function of identifying the most suitable and motivated candidates. The procedure and criteria for selection to the talent pool, as well as qualification requirements and the required level of knowledge, procedure for conducting training and professional development, and developing the practical skills of employees included in the pool are regulated by the Regulation on the Procedure for the Formation and Preparation of a Talent Pool.

As part of the talent pool program, a special group was formed, which includes employees who have the potential professional and business and interpersonal qualities to work as managers or specialists.

The talent pool is structured as follows:

- Talent pool included in a list of positions from the Presidential Administration of the Republic of Uzbekistan;
- Talent pool included in a list of positions from the Company's General Director;
- Talent pool subject to appointment and release based on an order from the Head of the HR Department;
- Talent pool of NMMC subdivision managers.

EQUAL OPPORTUNITIES AND MOTIVATION OF EMPLOYEES

Highlights:

- Starting wages were **31%** higher than the minimum wage in the country;
- **21%** share of women among employees;
- The average salary of an NMMC employee increased by **33%** compared to 2019.

NMMC values a diversity of views and cultural values and does not tolerate any form of discrimination, including discrimination on the grounds of race, gender, religion, disability, or political affiliation. Job advertisements and the selection of candidates are clearly defined by the requirement of experience and qualifications to avoid bias in hiring decisions. The amount of remuneration is determined solely based on the employee's professional qualities.

Employee remuneration

GRI 103-1, 103-2, 103-3, 202-1, 405-2

Employee remuneration is regulated in accordance with official salaries rates (tariff rates) established based on the Company's tariff grades, reflecting differences in the complexity and working conditions of each professional and qualification group, as well as the specifics and nature of activities by industry feature of business units:

- managers, specialists and office employees are paid an official fixed salary, or, if necessary, an hourly rate for actual time worked;
- production personnel are paid at hourly rates or monthly wages for actual time worked;
- production personnel are paid at the corresponding piece rate (standard time) for actual performed work or in line with the corresponding wage system.

In 2020, starting men's and women's wages were 31% higher than the minimum wage in the Republic of Uzbekistan.

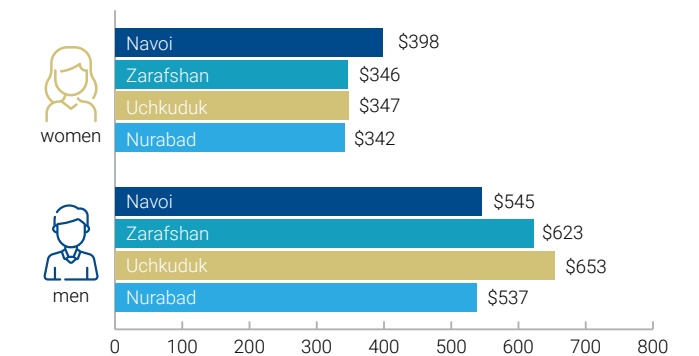
The average monthly salary was:

- In industrial activities – \$556;
- In capital construction – \$469;
- In non-industrial activities – \$332.

In 2020, the average salary of an NMMC employee increased by 33% compared to 2019 and amounted

to \$556. The ratio of women's average wages to men's wages in 2020 was 0.54, which is associated with the specifics of the mining industry of NMMC.

Average salary of employees by region in 2020



Based on NMMC's financial capacities, a multiplying factor is applied to the fixed official salaries of certain highly qualified specialists if they achieve the KPIs associated with bonuses.

Opportunities for young specialists

Apprentice-Mentor System

NMMC has an apprentice-mentor system to swiftly integrate young, newly hired employees into the working process. New employees are assigned a mentor for the duration of their apprenticeship, who provides them with assistance and advice. Mentors develop individual work plans covering the entire mentorship period together with young employees. As per the Regulation on Mentorship, the mentorship period for young employees lasts from 6 to 12 months depending on the complexity of the profession they are trained for. The individual plan should encompass an overview of the plant's activities, study of the basics of labour legislation, the development of practical skills, and the involvement of the new employee in the team's social life.

Youth Leadership Council

To support the activities of the primary organisations of the Youth Union (in the Company's structural subdivisions), as well as to provide them with practical



assistance, NMMC established the Youth Leadership Council (hereinafter referred to as the Council). The Council was established in August 2017. It currently consists of 15 members and is headed by the Chairman, General Director.

The NMMC's Youth Leadership Council has following objectives:

- Coordinating the activities of leaders and assisting the primary organisations of the Company's business units in the performance of their duties;
- Ensuring effective cooperation between stakeholding structures and Company's services during implementation of the government's Youth Policy at NMMC;

PROCUREMENT PRACTICES

GRI 103-1, 103-2, 103-3, 102-9, 102-10, 204-1

Highlights:

- The total number of suppliers is **943**;
- The share of purchases from local suppliers in 2020 was **72.7%**;
- Products, components, materials and services purchased from local manufacturers amounted to **\$1,026 million**.

NMMC, being a national leader in the extraction of minerals and having a wide geography of operations and a large scale of business, pays special attention to the efficient, timely and full provision of the Company's needs for the necessary resources. As part of our procurement activities, we are guided by the principles of transparency, openness and economic feasibility. The Company actively supports localisation and cooperation programs, and is also the largest customer for a number of companies within the Republic of Uzbekistan, which indirectly supports the employment of a large number of citizens and contributes to the economic sustainability of enterprises located in different regions of the Republic.

The Procurement Department, which includes separate services for procuring transportation, equipment, materials, works and services, as well as a contract support service, is responsible for procurement management in the Company. The Procurement Department seeks to maximize value creation for the business in different forms: quality, timeliness, safety, productivity, improvement of the Company's financial performance, and the reduction

- Protecting the rights, freedoms and legal interests of young people;
- Developing jointly with the Company's business units an annual Action Plan for the Implementation of the government's Youth Policy at NMMC;
- Providing the leaders of primary organisations with platforms to exchange opinions, share experiences, explore new ways of working, and submit suggestions;
- Reviewing the work of leaders and providing them with practical and methodological assistance;
- Investigating problems faced by leaders during the performance of their duties and developing proposals to resolve them.

of production and industry risks. For these purposes, the Company seeks to apply technological solutions in its activities and expand the professional competencies of employees responsible for procurement issues.

What we are guided by:

- The Law of the Republic of Uzbekistan 'On Public Procurement';
- The Decree of the Cabinet of Ministers No. 1047 dated December 28th 2019 approving the Localisation Program for the production of finished products, components and materials for 2020–2021. NMMC;
- The Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 136 dated March 10th 2020;
- The procedure for selecting received proposals for the procurement of goods (works, services);
- Regulation on the preliminary qualification selection of NMMC suppliers;
- The procedure for the execution of direct contracts at NMMC;
- The procedure for holding auctions and exchange trading at NMMC;
- The procedure for selecting the best proposals at NMMC;
- The procedure for holding tenders at NMMC;
- The order 'On the organisation of the execution of the Presidential Decree of the Republic of Uzbekistan No. PP-4544' dated December 5th 2019 and 'No. PP-1018, dated December 10th 2019;
- The order 'On organising and holding procurement procedures' No. 414, dated May 27th 2020;



- The order 'On Approval of Procedure for Selecting the Best Proposal' for the procurement of goods (works, services) at SE Navoi MMC No. 495, dated June 25th 2020;
- The order 'On improving the mechanism for drawing up, concluding, maintaining and executing contracts at NMMC' No. 584, dated July 22nd 2020;
- The order 'On approval of the scheme, procedures and regulations for conducting procurement procedures, as well as the composition of procurement committees' No. 528, dated July 23rd 2021.

In recent years, the Government of the Republic of Uzbekistan has been actively pursuing a policy of import substitution and the creation of production facilities for goods imported to the republic, for which there is a steady demand not only in the domestic market, but also in the markets of the Central Asian region and the CIS. This policy is implemented within the Localisation Program for the production of finished products, components and materials based on industrial cooperation, which the Ministry of the Economy, Ministry of Investment and Foreign Trade, and the State Competition Committee of the Republic of Uzbekistan are responsible for.

The localisation program is approved by the Government of the Republic of Uzbekistan on an annual basis and includes projects which are important to the further development of industrial production based on local raw

materials, and materials and components in the republic. In addition, a clear mechanism has been created and the entire process of reviewing and submitting project documents for inclusion in the Localisation Program by private companies and foreign investors has been worked out.

The Decree of the Cabinet of Ministers No, 1047, dated December 28th 2019 approved NMMC's Localisation Program for the production of finished products, components and materials for 2020–2021 (the 'Program'). The main objectives of the Program are to increase the volume of localised production, expand inter-sectoral



production cooperation between small businesses and large enterprises of the republic, import substitution of products and the domestic market through modern high-tech competitive production, and the saving and rational use of foreign currency. The Program includes targets for reducing imports in two areas:

- By expanding inter-sectoral industrial cooperation;
- By localising the production of imported products at its own facilities.

According to the Program, in 2020–2021 target parameters were provided for reducing imports by \$152 million, increasing the production of localised products at NMMC’s own production facilities by 3.3 times, and the mastering of more than 40 types of import-substituting products by enterprises of the republic through inter-sectoral cooperation.

The Program contains a list of imported finished products, raw materials, components and spare parts for the Company’s core activities recommended for development by business entities.

In pursuance of this Program, a schedule for the production of localised and import-substituting products for the Company for 2020 and a roadmap

Amount of contracts executed within inter-sectoral cooperation for 2020, \$ million, excluding VAT

Year	Forecast	Actual purchases	% of execution
2020	330.0	349.5	105.9
2019	204.8	217.4	106.1

As part of the localisation of production and import substitution, the Company implemented 138 projects in 2020, including the overhaul of road construction machines and ore carriers, the installation of electric pumps with membrane technology, and the renewal of metal cutting machines. The Company-wide production of localised products was \$35 million, representing a 1.5 times increase compared to forecasts due to an accelerated production rate. The sales volume of localised products was \$34.4 million, including \$0.2 million sold for export.

of measures to reduce the imports of goods for NMMC for 2020 through the production of localised products at its own facilities and within inter-sectoral cooperation were determined.

During the reporting period, the total number of NMMC suppliers amounted to 943, including foreign import companies from the UK, Russia, Canada and the European Union, of which 874 were local suppliers of products and services, which demonstrates successful cooperative work, the implementation of the plan for the program of interaction with local suppliers, and the use of localised products. Demonstrating its commitment to government initiatives, the Company increased the share of purchases from local suppliers in 2020 to 72.7% of total purchases²⁰.

NMMC actively cooperates with republican manufacturers in ‘Inter-sectoral Industrial Cooperation’, the products of which meet international quality standards and the internal requirements of the Company. Thus, in 2020, products, components and materials were purchased from local manufacturers in the amount of \$1,026 million. The Company exceeded its planned goal of executing contracts in inter-sectoral cooperation across NMMC by 5.9%.

The reduction of imported products in the volume of purchases generates demand for the products of domestic producers, which contributes to the growth of output, decrease in cost, and improvement in the quality of domestic goods. In turn, this contributes to the growth of the region’s economy and the corresponding creation of new jobs, arrangement for the production of import-substituting products, as well as significant savings for the Company. In 2020, the amount of products and services that replaced imports was \$428,031.6 (including services for \$36,233.7).

²⁰ When calculating the total share of local purchases, the average value of the foreign exchange rate (roubles, pounds, dollars, euros) at the rate of the Central Bank of the Republic of Uzbekistan for 2020 was used to convert import indicators.



Improvement of procurement process

- NMMC is actively developing the procurement automation process. In accordance with the Law of the Republic of Uzbekistan, ‘On Public Procurement’, dated April 9th 2018, NMMC tenders are published on a special information portal.
- In 2020, the Procurement Commission was established to carry out procurement procedures through electronic trading of the Uzbek Republican Commodity and Raw Materials Exchange, the Special Information Portal of Public Procurement and the Electronic Cooperation Portal.
- From January 1st 2020, the execution of contracts, including imported ones, for the purchase of goods, works and services through the selection of the best tenders and under direct contracts is carried out with a preliminary announcement on a special public procurement information portal.
- To ensure a decrease in risk of non-fulfilment of obligations under agreements/contracts by suppliers and to increase the efficiency of the use of funds, a mandatory pre-qualification and reliability check procedure has been introduced for all potential suppliers. In accordance with generally recognised international standards, the Company has established a Commission for Prequalification of Potential Suppliers.
- An industrial fair for suppliers and a joint meeting of NMMC specialists with entrepreneurs of the republic and the Navoi Region were held to discuss the expansion of cooperation and ties.

Plans for future periods:

The Company will seek to systematically improve its procurement practices, which will contribute to the development of mutually beneficial partnerships, increasing the efficiency of interaction with suppliers and contractors, as well as increasing the efficiency, control and transparency of procurement activities within the supply chain.

In 2022, NMMC plans to approve the following internal documents:

- Order No. 46 dated January 25, 2022. Regulations on the preliminary qualification selection of NMMC suppliers;
- Order No. 377 dated June 3, 2022. Regulations on performance management of NMMC suppliers;
- Procurement Regulations for NMMC.

The NMMC Procurement Regulations set out the procedures for conducting tenders, selecting the best offers, exchange trading (spot), price reduction auctions, an electronic store, a cooperation portal, and concluding direct contracts.

To introduce digital solutions in this area, the Company plans to introduce the 1C system in the Procurement Department, create a centralised procurement department and further improve the procurement process automation system.



TECHNOLOGIES AND INNOVATIONS

Highlights:

- **over 20 information systems** for solving production and management issues;
- **over 3,000 users** trained in aspects of work in information systems;

- The number of accepted and implemented innovation proposals **increased by 102.1%**;
- The number of existing patents **has increased to 17**;
 - **\$8.4 million** – effect from activities optimisation;
 - **\$6.6 million** – R&D revenue.

In 2020, NMMC achieved the following results in these areas:



Energy consumption and energy saving:

prevention of emergency shutdowns; reduction of downtime by 3%; increasing the productivity of technological sections by 5%; saving energy resources by 4%.



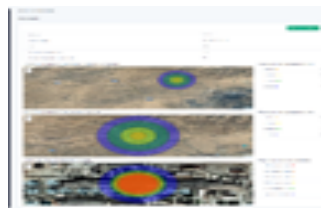
Pandemic response:

installation of thermal imaging cameras and monitors at all production sites; implementation of the COVID-19 Incidence Monitoring Information System; installation of video-conferencing systems at all Company facilities.



Innovations:

implementation of an automated control system for cyclic-flow technology and the mining and transport complex as part of the project 'Muruntau open pit mining (V-stage)'; digital sound pressure level measurement system for the automatic control of the filling degree of ore wet self-grinding mills.



Ecology:

a modern information system for forecasting the consequences of emergencies (including the early prediction of the extent of damage in an accident with hazardous substances; emergency forecasting in case of an accident with hazardous substances; prediction of consequences in an accident with compressed and liquid hydrocarbon gases; prediction of consequences in an accident with flammable liquids; forecasting the consequences of an accident with condensed explosives).



Occupational health and safety:

monitoring is carried out using an automated management system for industrial safety and an automated information system for occupational health and safety.



Corporate website:

website audit by the Cybersecurity Centre, which is conducted on a semi-annual basis.

Scientific developments and technological solutions play a major role in the achievement of NMMC's strategic objectives of maintaining production volumes, increasing efficiency, and reducing any negative environmental impact.

The Company operates the Central R&D Laboratory (CRDL), the Central Design Bureau (CDB), the Central Project Bureau (CPB), the Central Physics and Chemistry Laboratory (CPCL) of the Northern Mine Group, the Central Gamma Activation Analysis Laboratory, and the Central Plant Laboratories (CZLs) at GMZ-2 and GMZ-3.

The Company's scientific and innovative activities are regulated by the Science and Technology Board, which has been operational since 2019 and is aimed at forging the scientific and technical direction of the Company which meets the republican and international trend, developing innovative potential and scientific and practical concepts along with project and methodological documentation. The Science and Technology Board consists of eight people and also includes 28 members from key divisions within the Company.

The Science and Technology Board has the following sections for the comprehensive solution of issues in the areas of innovation and technical development:

- Mining and geological;
- Technological;
- Energy and mechanical;
- Construction;
- Automated control systems and information and communication technologies;
- Environmental protection and improvement of working conditions and safety.

In 2020, 12 Board meetings were held on various matters related to the introduction of innovative methods in the production process and the development of regulatory documents.

The Innovation Centre for the Implementation of New Technologies, established in 2018, is responsible for delivering NMMC's projects and has three subdivisions:

- The Group for the Deployment of Scientific and Technical Products, which oversees rationalisation activities and patenting;
- The Group for the Integration of Innovations, which is tasked with linking the results of research projects to production;

- The Editorial Group, which is responsible for the digitisation of the Company's library collection and publication of the scientific journal, Mining Newsletter of Uzbekistan, which informs readers about the results of the latest research and projects, publication of scientific papers and monographs, the creation of training manuals for students in cooperation with the Navoi State Mining Institute, and the organisation of national and international conferences.

Information Technology Management

NMMC has a modern technological base which includes more than 20 information systems that solve production and management tasks, a system for internal communication and office work (IS Documentation and execution control), financial accounting and bookkeeping, logistics, transport system management (satellite monitoring system for vehicles and mechanisms), enterprise energy resource management and preventive maintenance, a micro-mine geoinformation system, and the mining planning systems, Geovia, Mine Sched, and Studio OP.

The information technology management function in the Company has the following areas:

- service maintenance;
- monitoring and administration;
- operation of telecommunication systems;
- development and implementation of financial information systems;
- development and implementation of production information systems;
- development and statistical reporting.

Between 2015 and 2020, over 3 thousand users were trained in aspects of work in information systems. For the effective use of information systems, a telecommunications infrastructure has been created, which includes local area networks, radio relay links, a telephone communication system, and access to the Internet.



The following programs and documents have been developed and put into effect as part of the overall transformation of the Company:

<p>Action Plan for the Implementation and Development of Information and Communication Technologies (ICT) for 2020</p>	<p>The Action Plan covers execution and monitoring on an ongoing basis or in the reporting period of the following tasks:</p> <ul style="list-style-type: none"> ● Maintaining the operating capacity of the Company’s website, ensuring the high-quality provision of interactive services, namely, consideration of applications from individuals and legal entities through the Unified Portal of Public Services and the Virtual Reception of the President of the Republic of Uzbekistan; ● Projects on digital economy implementation and e-government in 2020–2022, in particular, introduction of the automated financial reporting system, mining and transport complex management system, and a technological process control system to expand processing capacities; ● Implementation of tasks within the Presidential Decree of the Republic of Uzbekistan No.PP-4124 – creation of relevant computer and telecommunications infrastructure in NMMC’s divisions; ● Implementation of a project to increase the production output of precious metals until 2026 in terms of communication systems and means, in particular, technical re-equipment and systems for monitoring the issuance and consumption of fuel; ● Development of the infrastructure of information and communication technologies through upgrading computer technology and equipment.
<p>NMMC Digital Transformation Program for 2020–2022</p>	<p>This program supervises the strategic role of introducing modern digital technologies in the Company’s production cycle and the gradual introduction of the latest systems to optimise and improve the efficiency of the Company’s business processes:</p> <ul style="list-style-type: none"> ● For 2020–2021, 11 areas were identified for information transformation projects which amounted to \$18.1 million, including the following: implementation of a digital design system; implementation of the software and hardware complex ‘Automated accounting and monitoring of the movement of geological samples’; construction of engineering and technical means of protection GMZ-7; advanced training of employees specialising in information technology, including training in foreign institutions.
<p>NMMC information security policy and action plan</p>	<p>Cybersecurity is a priority area for protecting intellectual property, financial activity, operational systems, and data integrity:</p> <ul style="list-style-type: none"> ● To ensure digital protection in the area of electronic documentation, data encryption, offline signing of the certified revocation list (CRL) based on state license No.0028 dated April 7th 2017 issued by the Ministry for Development of Information Technologies and Communications of the Republic of Uzbekistan, rights to issue the Company’s own electronic digital signature have been acquired. EDS (e-signature) issue limit – unrestricted. 481 keys were issued as of 2020. ● The following information protection tools were used as standard protection tools: Kaspersky Endpoint Security, Forcepoint E-mail Security, Fortigate model 500 and 1000 hardware firewalls, DLP system for data leakage prevention and IDS/IPS system for intrusion detection. During the reporting period, no incidents or accidents were registered related to system failures under the influence of external factors.

The maintenance and modernisation of information technology is required to improve the efficiency of operations and ensure cybersecurity. Below are NMMC’s costs for the procurement of new

equipment, and the implementation and automation of information technologies. The increase in costs is due to the automation of technological processes at the Company’s hydrometallurgical plants.

ICT expenses for 2018–2020, \$ thousand:

Category	2020	2019	2018
ICT maintenance costs ²¹	5,894	5,467	4,006
Expenses for the development and training of ICT staff	1	23	22.5
Production automation costs (APCS)	12,010	13,576	4,972
Other	71.1	39	93
Total	17,976	19,105	9,094

The widespread use of automation systems and information technologies in operational and administrative activities also allowed NMMC to implement measures to limit the spread of COVID-19 with the onset of the pandemic in 2020 as efficiently as possible and without affecting the production processes.

the rights and interests of innovators and authors of intellectual property objects, and to develop scientific and technical creativity among the Company’s employees.

Management of innovative development

NMMC has a regulation ‘On Rationalisation Activities’. According to this document, the Central Mining Administration has a technical council for the recognition of proposals as rationalisation proposals chaired by the chief engineer. The function of project implementation is performed by the Innovation Centre for the introduction of new technologies, established in 2018.

NMMC Innovation Development Program until 2026

Since 2018, the Company has been implementing the NMMC Innovation Development Program, which runs until 2026 and covers 105 innovative projects. The purpose of the work carried out within the Program is to solve strategic tasks on innovative development in the mining industry, significantly improve the quality and competitiveness of manufactured science-intensive products, and conduct research and design work for subsequent implementation at the industry’s enterprises. On an annual basis NMMC develops and approves the Innovation Development Program to perform unconditionally production tasks scheduled until 2026, as well as to create favourable conditions for the implementation of the ‘NMMC Innovation Development Program until 2026’, jointly with specialists from the Company’s administration, subdivisions, departments and services.

The competition, the ‘Best innovation proposals’ is held annually within all divisions of the Company. In order to recognise the proposal as rationalisation, the author submits a written application in the prescribed form. Rationalisation proposals are considered within one month, after which the result is reported to the author and the process of introducing the proposal is initiated. Following the introduction of a proposal, the author can make a preliminary assessment of the economic effect of using the proposal. The company pays a fee for the use of any implemented innovation proposals.

From 2018 to 2020, the Company increased its investment in the innovative and scientific activities of the Company’s employees. According to the approved NMMC 2020 Innovation Development Program, which consists of 63 streams, \$2.632 million was allocated to innovative and scientific activities.

NMMC also operates the ‘Club of Young Inventors and Innovators’, which is a public association of the Company’s employees. The goals of the club are to unite employees to solve production problems, protect

This type of investment demonstrates the high level of interest of both management and staff

²¹ ICT maintenance costs include the following items: expenses for the implementation of software products and information systems, expenses for the maintenance of a special ICT unit, expenses for the purchase of computers and server equipment, and expenses for organising access to data transmission networks.

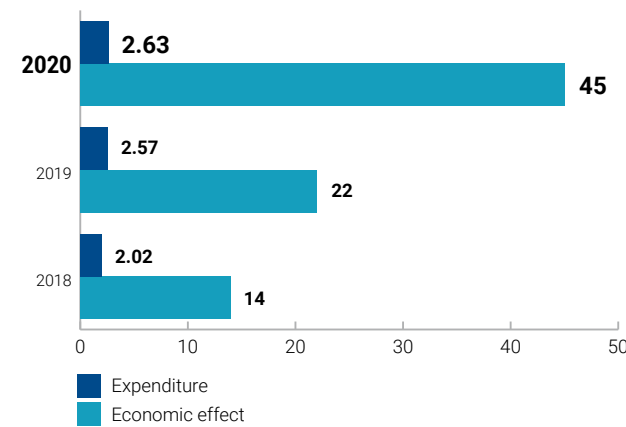


in the development of scientific innovations and brings a significant economic return, thereby strengthening the significance of the Company's production potential. Thus, for example, in 2020, the economic output from rationalisation activities amounted to \$8.4 million, and R&D revenue amounted to \$6.6 million.

Patents and implementation of R&D roadmaps

NMMC sees enormous potential for engaging its employees in rationalisation activities. In order to boost the motivation of engineers and workers in the fields of scientific and technological innovation, due to a systematic increase in ways to encourage employees and an increase in the amount of material remuneration for the development of rationalisation proposals, significant results were achieved in 2020: the number of accepted and implemented rationalisation proposals increased by 72% compared to 2019, and 37 R&D projects were implemented – a 28% increase compared to the previous year.

Expenditure and economic effect, \$ million



There is also a positive trend in the area of patent development: in the period from 2018 to 2020, 10 patents were received out of 14 applications filed. In 2020, the number of active patents increased to 17, the economic effect of the use of patents is \$16.8 million. The main areas of patents cover the following areas: introduction of advanced technology for the processing of sulphide ores, research and development of new types of borehole filters, and methods for creating an anti-filtering shield.

Introduction of patents and inventions from 2018–2020:

Category	2020	2019	2018
Number of active patents	17	16	15
Patent applications filed	5	5	4
Patents received	3	5	2
Economic effect from usage which directed to the main production activity (EBITDA) (\$ million)	31	12	11



Production innovations

The use of advanced technologies and the development of a foundation for innovative potential are essential to NMMC, and have led to the creation of numerous research centres and laboratories, some of which are unique within the Central Asian region. They employ 8 Doctors of Science and 25 Candidates of Science, including 5 female Candidates of Science.

The Company pays special attention to the development of international cooperation and the exchange of experiences with such research and design institutes as: SRK Consulting Ltd. (Great Britain), OUTOTEC (Finland), VNIIPromtehnologiya JSC (Russia), RIVS CJSC (Russia), VNIMI CJSC (Russia), Irgiredmet JSC (Russia), Integra-Group (USA), "ENGINEERING DOBERSEK GmbH" (Germany), as well as with local scientific institutes: the Academy of Sciences of Uzbekistan (INP, IPLTI, IGIC, Institute of Material Science, etc.), Tashkent State Technical University named after I. Karimov, the Navoi State Mining Institute – one of the main specialised higher educational institutions, graduates from which undertake internship programs and are subsequently employed by the Company.

Plans for future periods

The Company has identified the following innovative development tools which may assist in finding solutions to the key challenges facing NMMC:

- protection of intellectual property rights;
- expansion of the scientific base;

- involvement of stakeholders in the results of scientific and technical activities of both the Innovation Centre and the Company in general.

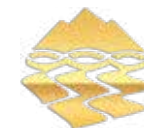
Some of the items listed are strategic areas and have a long-term perspective:

- Innovation Development Program of the Navoi Mining and Metallurgical Company until 2026;
- Roadmap for Developing Geological Science involving NMMC and the Institute of Mineral Resources for the period 2020–2024;
- Roadmap for Developing Geological Science involving NMMC and the H.M. Abdullayev Institute of Geology and Geophysics for the period 2020–2025.

The method of bringing the Company to an innovative development path should be combined with the implementation of individual innovative projects with a high degree of commercialisation.

An essential and priority document is the Innovation Development Program of the Navoi Mining and Metallurgical Company until 2026, which covers areas for the phased implementation into production processes, including the use of technological calculations and the development of regulatory documents for management purposes. Twenty contracts for the implementation of programs had been executed by the end of 2020, with an economic efficiency of \$660.4 thousand.

The ultimate goal of the above programs and activities is to provide and create competitive products, and improve the efficiency of the production cycle.



OCCUPATIONAL HEALTH AND SAFETY

Highlights:

- **10%** decrease in Lost Time Injury Frequency Rate ("LTIFR");
- **ISO 45001:2018** was implemented in the largest business unit, the CMG;
- **16%** reduction in the number of accidents.

Safety at the workplace is the core value of NMMC. As part of our OHS work, we have formed a mechanism for maintaining safe behaviour in the workplace.



GRI 103-1, 103-2, 103-3

Taking responsibility for the lives and health of employees at work, NMMC strives to implement the best international OHS practices. OHS is controlled by the Occupational Health and Safety Department of the NMMC Head Office, as well as the OHS departments of NMMC JSC's business units. The creation of safe conditions in the workplace is entrusted to the engineering and technical employees and their immediate supervisors in accordance with their job descriptions. Issues pertaining to the prevention of emergency situations and implementation of production control over compliance with occupational safety requirements, as well as issues of fire safety and civil protection are controlled by the Emergency Response and Production Control Department.

Our Guiding Documents:

- Internal regulations:
- Regulation on the procedure for the technical investigation of the causes of incidents at the hazardous production facilities of NMMC;
 - Regulation on the organisation and implementation of production control over compliance with occupational safety requirements at the hazardous production facilities of NMMC;
 - Regulation on the organisation and implementation of step-by-step control over the state of OHS in the Company's business units;
 - The policy of the Central Mine Group of NMMC in the area of quality, ecology, health protection and occupational safety;
 - Regulation on the performance of contract work within the territory of the operating units (facilities) of NMMC;
 - Regulation on the investigation and registering of accidents at work and other damage to the health of employees associated with the performance of their labour duties.

6 ENVIRONMENTAL RESPONSIBILITY AND WORKPLACE SAFETY





Goals and achievements in 2020:

Our goal	Progress in 2020
Building an effective OHS management system in accordance with international standards and best practices, systematic improvement of safety culture, prevention of accidents and occupational diseases, as well as reducing the risk of accidents in the workplace, and promoting safe and healthy behaviour among employees	We implemented an automated management information system for occupational safety AIS 'AMISOS' (Automated management information system for occupational safety).
	We created programs for predictive modelling of emergency situations.
	We provide all employees, their family members, close relatives and pensioners of the Company with free medical care.
	We observe quarantine and personal hygiene rules, organise duty and conduct medical examinations of workers and office employees.
	We carry out disinfection work at all checkpoints, canteens and administrative buildings.
	The Central Mine Group (CMG) has implemented the international standards ISO 9001 and ISO 19001. In 2020, the implementation of the ISO 45001:2018 Occupational Health and Safety Management System standard covering over 14,000 employees, was initiated.

OHS management system

GRI 102-11, 403-1, 403-2, 403-7, 403-8

The Company has implemented an OHS management system (OHSMS) developed in accordance with the Law of the Republic of Uzbekistan 'On safety and health protection' No. 410, dated September 22nd 2016. The OHS management system applies to all employees of the Company, regardless of the form of their employment.

The OHSMS's key objectives are as follows:

- Ensure the safety, health and work capacity of NMMC's employees;
- Create a favourable sanitary and hygienic environment at production facilities;
- Ensure the safety of technological processes;
- Ensure workplaces are organised and well maintained;
- Promote occupational safety;
- Provide medical and preventive care for employees.

Step-by-step control over the state of OHS

The Company has a multi-levelled control over the state of OHS, which is the basis for carrying out preventive work to ensure healthy and safe working conditions, thus preventing injuries, occupational diseases, strengthening labour and production discipline, and ensuring all employees comply with the requirements of OHS laws and regulations. In the Company, employees can notify

managers about risks in accordance with the approved scheme, and hazard identification cards are also compiled. Alerting management on the hazards is not anonymous. According to Company policy, employees have the right to refuse to perform high-risk work. One of the most important factors is control over the safe organisation of the workplace; authorised persons for labour protection are involved in this endeavour. Control is also carried out by special OHS commissions created in the shops and at the level of individual enterprises with the participation of representatives of employees and the Head Office.

OHS risks

We develop and implement OHS measures using a systematic approach to hazard identification and risk management. Key OHS risks are recorded in the document 'Risk assessment by the factor of injury hazard (poisoning) of employees' for each mine group.

The key risks are as follows:

- Contact with electrical appliances;
- Walking on flights of stairs;
- Being in company vehicles;
- Visits to hazardous production facilities;
- Increased levels of electromagnetic radiation;
- Reduced air ionisation when working on personal computers.



The Company performs its obligations to ensure sanitary and hygienic working conditions through systematic monitoring of the levels of potentially harmful and dangerous production factors and eliminating the causes of their occurrence. Key occupational hazards that can lead to severe occupational injuries include:

- The sudden manifestation of pressure leading to collapses of rocks in underground mine works;
- Poisoning by gases from explosive products in underground mine works;
- risks associated with the processes of hydrometallurgical enrichment, work with lifting mechanisms;
- Falling from a height;
- Electric shock, moving machinery.

NMMC has developed and approved a schedule of comprehensive and targeted inspections for the prevention of accidents and emergencies, and inspections of the state of occupational health, safety, and the environment. According to this schedule, the Company's business units are audited, based on the results of which orders are drawn up indicating identified violations. The identified violations are discussed in detail by the Production Discipline Strengthening Board.

Automated management information system for occupational safety (AMISOS)

To improve control over occupational safety at NMMC enterprises, it was decided to introduce an automated system of critical processes and create a single database of facilities, employees and documentation related to the Company's occupational safety.

AMISOS is an effective tool for operational control and ensuring the safe operation of hazardous production facilities. This is a multi-user system installed on the server and on user's computers, united in a single network within the enterprise. The system is intended for the managers and specialists responsible for industrial safety.

The implementation of this project allows one to quickly receive information regarding the following:

- The technical condition of equipment, devices, buildings and structures at a hazardous facility;
- Characteristics and compliance of personnel and persons admitted to a hazardous facility;
- Situations with storage and the transportation of hazardous substances;
- The results of production inspections and the status regarding the implementation of corrective actions and instructions;
- Internal regulations and documents on occupational safety.



- In accordance with the approved plan, information filing of the system was carried out in 2020. The total R&D and project implementation costs will amount to \$11,000. The expected economic effect is more than \$18,000.

In 2020, NMMC business units experienced 8 incidents and 1 accident in the field of industrial safety at hazardous production facilities (HPF) PF NMBP, CMG, Northern MG, and ZCD. All incidents and accidents were investigated in accordance with the 'Regulation on the procedure for technical investigation of the causes of incidents at hazardous production facilities of NMMC' and measures were taken to prevent the recurrence of such incidents, as well as in relation to those responsible.

Geomechanical safety controls

To prevent accidents in the underground mines of the Southern Mine Group, geomechanical services have been created. Services work on the early determination of the manifestation of rock pressure and rock bursts utilising the method of acoustic emission. This ensures the shift-time control of hazardous underground areas. If rock pressure is detected, work in hazardous areas is suspended.

Health protection

GRI 403-3, 403-6

Upon starting work at NMMC, each employee undergoes a medical examination at the Medical and Sanitary Unit in accordance with Order No.200 of the Ministry of Health of the Republic of Uzbekistan. According to the results of the medical examination of a candidate, an appropriate decision is made on hiring him/her for a job upon specialty. NMMC employees working in adverse for the conditions undergo annual professional examinations. If, based on the results of these examinations, an employee has health problems that impede the performance of their duties by profession (conclusion of a shop therapist), then the issue of transferring him/her to another job with facilitated working conditions is resolved in the prescribed manner. Information about the state of health of an employee from the Medical and Sanitary Unit is transmitted to the employer's representative (HR department, Foreman, Area Supervisor).

NMMC has departments (services, offices) that control the implementation of socio-economic, organisational, sanitary and hygienic, therapeutic and preventive measures and the means to ensure safety, preserve life and health, performance in the labour process, as well as fire and industrial safety.

NMMC employees, in accordance with the legislation of the Republic of Uzbekistan and internal regulations, are provided with the following medical services:

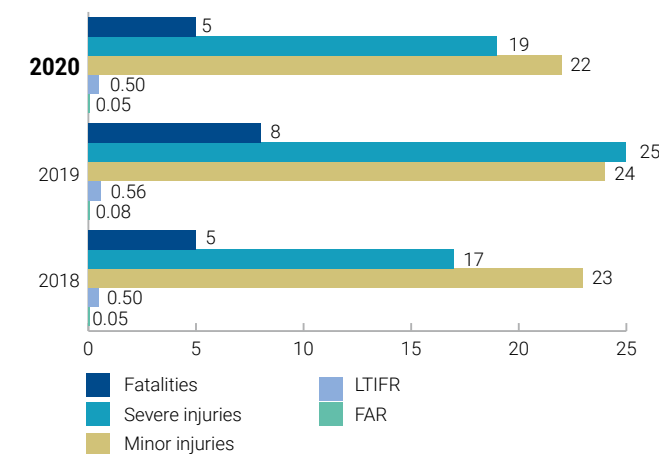
- Emergency medical care in the Medical and Sanitary Unit and emergency medical care;
- Pre-hospital medical care by paramedics of the Health Centres of NMMC business units;
- Qualified medical care in the medical unit;
- Mandatory medical examination including an annual medical examination, as well as pre-shift and post-shift medical examinations for professions that are subject to additional requirements, pre-shift and post-shift medical examinations.

Injuries at workplaces

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

46 accidents occurred in 2020, which is 16% lower than in 2019 (55 accidents). This improvement is associated with the implementation of a set of measures (organisational and technical) to prevent accidents and occupational morbidity at work and the systematic improvement of the OHS management system, as well as increasing the level of labour and production discipline at work. In 2020, a decrease in accidents in all categories of severity was recorded as compared to 2019.

The distribution by type of accident for 2020 was as follows:



The LTIFR does not reflect contractor casualties. The formula for calculating this indicator is: (number of accidents * 1,000,000) / total hours worked. The FAR (fatal accident rate) was calculated using the following formula: (number of fatal accidents * 1,000,000)/total hours worked. Number of hours worked in the last three years: 2020 - 98,502,273; 2019 - 100,228,387; 2018 - 98,681,069. Guidelines used in determining LTI is ICMC Guidance on Health and Safety Performance Indicators, 2021.





Based on the results of the analysis of accidents that occurred during 2020 in NMMC business units, the following causes were identified:

- Application of dangerous methods at work, neglecting the requirements of OHS rules and instructions;
- Violation of OHS requirements by third parties;
- Detachment and collapse of rock mass in mines and underground mines;
- Personal negligence and inattention of the affected;
- Violation of road traffic rules.

Depending on where the accident occurred, a commission is created by the Order to investigate each accident. The established commission collects the testimonies of witnesses, examines the site of the occurrence, studies the regulatory and technical documentation, (if necessary, expert commissions



are involved in the investigation), and establishes the circumstances and causes of the accident. Based on the results of the investigation, an Act is drawn up, in which measures are determined in order to prevent such cases, and is sent to enterprises to fulfil the points therein.

Based on the results of the investigation of each accident, the Company takes corrective measures aimed at avoiding and/or preventing similar accidents at work, which leads to a decrease in the likelihood of their occurrence in the future. At the end of 2020, the following measures were taken in the area of OHS:

- Training courses on 'Safe Performance of Work' were organised to increase the level of knowledge in the area of OHS;
- Modern methods of high-quality introductory briefings on labour protection have been introduced;
- Information about workplace safety is communicated through the local media;
- Work on organising and conducting a knowledge test of employees has been strengthened – if necessary, the main specialists within the Company's business units (by area) are involved in this process;
- Organised periodic visits to workplaces by the main specialists within the business units.

Contract work

GRI 403-4, 403-5

The Company informs the contractor's responsible manager of harmful and dangerous factors associated with the nature of the planned works, and instructs its employees on protection measures. If necessary, the Company provides the contractor with personal protective equipment. Before starting work, the contractor's employees are required to undergo an OHS briefing in the contractor's subdivision. After the briefing and the workplace has been transferred to the contractor via the permit-to-work, responsibility for organising safe conduct within the workplace rests with the contractor. All accidents which occur with suppliers and contractors on the territory of NMMC production facilities are investigated, but are not recorded as part of the Company's statistics.

Safety culture enhancement

Training is an integral part of our approach to managing occupational safety and ensuring the safety of employees. An employee at an NMMC business unit



undergoes preliminary training, introductory, initial, periodic, and targeted safety briefings.

We ensure that employees receive the necessary advice on health and safety issues, and information and training on all OHS aspects, including emergency responses at work.

Examples of improving safety culture:

Certified rescuers of the Civil Protection rescue units (CP) at NMMC business units passed the compulsory insurance procedure in accordance with the Decree of the Cabinet of Ministers of the Republic of Uzbekistan (No.166, dated June 22nd 2015). Measures are currently being taken to equip these rescue units in stages.

Chief specialists are trained on a planned basis at the Institute of Civil Protection.

Other specialists pass civil protection training in regional training centres of emergency departments where NMMC facilities are located. The emergency departments and services of business units have organised and conducted 15-hour training sessions with the commanding and rank-and-file personnel of the emergency response teams, and all categories of workers and employees in NMMC business units.

In the first half of 2020, the following were involved in training:

- Supreme commanders of the CP formations – 531 people;
- The rank and file of the CP formations – 5,292 people;
- Workers and office employees not included in the CP formations – 40,950 people.

NMMC takes all necessary measures to ensure that OHS employees have the time and resources to actively participate in the processes of organisation, planning, implementation, evaluation and performance of corrective measures to improve the OHS management system.



ENVIRONMENTAL RESPONSIBILITY

GRI 102-11

Highlights:

- **\$9.1 million** was invested in environmental protection in 2020.

Being environmentally responsible is fundamental for every modern mining company and is an integral part of our business strategy. Although the mining industry has a significant impact on the environment, we strive to manage and minimise the environmental impact of our operations. Our approach is aimed at reducing the risk of negative consequences and helping to create a sustainable environment in the regions of presence. We apply the highest standards of the rational use of resources and energy, work to recycle and reduce waste, and to conserve land. This not only creates conditions for the well-being of people in the regions of presence and the protection and maintenance of ecosystems, but also provides significant cost savings for our business and increased efficiency.

NMMC's environmental policy:

- Carrying out restorative and preventive, technical and organisational measures to ensure the preservation of the regenerative capacity of the environment under the influence of technogenic factors;
- Reducing the negative impact of production activities on the environment and preserving biodiversity in the locations of production facilities.

NMMC's environmental goals:

- Prevention of environmental pollution;
- Reclamation of land exposed to technology-related impacts;
- Maximum utilisation of mineral resources whilst minimising the consumption of materials, energy, technical, environmental and financial resources;
- Minimisation of the risk of emergencies or other contingencies while reducing the scale of environmental consequences;
- High-performance operation, improvement and enhancement of the system for environmental management based on ISO 14001:2015.

When planning business and other operations, prior to financing a facility NMMC develops a draft environmental impact statement (EIS) and receives the

respective regulatory approvals. In 2020, NMMC received positive conclusions from state ecological experts for the implementation of the following projects:

- EIS 'Expansion of mining and processing capacities for the development of Turbay deposits';
- EIS 'Construction of the 3rd stage of the tailing facility at GMZ-3. Stage 2' of the NMMC's Northern Mine Group;
- EIS 'Expansion and reconstruction of the tailing facility of the Amantaytau gold processing plant in the Tamdy district of the Navoi region';
- Electronic conduction zone 'Muruntau mining pit';
- Electronic conduction zone 'Improvement of technologies from ores of the Kokpatas and Daugyztau deposits';
- EIS 'Opening and mining of ore field No. 25 of the Ziaetda ore field by underground mining';
- Draft EIS Carbon dioxide (CO₂) pipeline from JSC Navoiazot to PA NMBP;
- Draft EIS of NMMC's CMG. Expansion of the Mining Equipment Repair Shop and the Energy Shop of the Muruntau mining pit;
- EIS "Power supply of industrial facilities of the complex for the extraction and processing of gold-bearing ores of the Pistali deposit (GMZ-6)";
- Electronic conduction zone 'Construction of a complex for the extraction and processing of technogenic wastes of the Gold Heap Leaching Plant'.

NMMC systematically increases its portfolio of projects which are successfully approved by state environmental authorities. In 2019, four projects of the Company passed a state environmental audit, and in 2020 the number of projects increased to ten.

NMMC adopted the Environmental Monitoring Program for 2016–2020, which covers all business units of the Company and includes its main activities, mechanisms and timing of implementation, expected results, volumes and sources of funding, as well as responsible executors. Within the Program, the Company performs environmental protection activities in the following key areas:

- Monitoring of water resource pollution sources;
- Monitoring of air pollution sources;
- Monitoring of soil pollution sources;
- Monitoring of underground water pollution.

In addition, NMMC implements environmental measures to improve the environmental situation in the Navoi

Region in accordance with the order of the Cabinet of Ministers of the Republic of Uzbekistan dated March 28th 2019, 'On taking measures to improve the difficult environmental situation in the Navoi Region', including measures to create anti-filtering shields at tailings, reclamation of disturbed lands, modernisation of equipment, rehabilitation of tailings with toxic waste, processing of man-made waste, construction of solar installations, and other measures.

All activities planned by NMMC for 2020 within the specified programs and plans were fully implemented within the scope of work and allocated funding.

The most important events in 2020 in the area of environmental protection include:

- The reconstruction and technical re-equipment of hydrometallurgical plant No. 3 (GMZ-3) to introduce an environmentally friendly roasting technology and a five-stage purification of off-gases with a purification rate of 98%;
- Capital construction was started within the project 'Construction of a complex for the processing of man-made waste of the Gold Heap Leaching Shop';
- The reconstruction and increase in the volume of toxic waste tailings of hydrometallurgical plants from gold processing);
- A technology for processing used car tyres was introduced, with the production of heating fuel for the needs of the Company with a capacity of 2,400 tonnes per year.
- The total capacity of solar collectors introduced at NMMC by 2020 amounted to 15,300 kWh per day or 2.9 million kWh per year (2019: 13,300 kWh per day or 2.6 million kWh per year).

Environmental protection costs, \$ million

Type of costs	2020	2019
protection and rational use of water resources	0.4	0.03
air protection	0.008	18.5
environmental protection and rational use of natural resources.	8.7	27.9
Total	9.1	46.5



For the effective management of environmental risks, NMMC constantly improves approaches to environmental management and allocates the necessary resources for environmental protection.

Environmental costs include the payment of taxes for regulatory emissions, costs for environmental protection activities, insurance, compensatory measures in the area of environmental protection, investments in the prevention of environmental impacts, etc.

Environmental protection expenditure in 2020 amounted to \$9.1 million. The largest share of expenditure on environmental protection activities was investment in the environmental protection and rational use of natural resources (98.4%).



CLIMATE CHANGE

Highlights:

- Total CO₂ emissions amounted to **955.3 thousand tonnes**;
- The total volume of pollutants emitted into the atmosphere was **15,512.8 tonnes**;

GRI 103-1, 103-2, 103-3, 305-1, EM-MM-110a.2., EM-MM-120a.1.

Mining activities are inherently energy intensive. Further improvement of operational efficiency, including the reduction of energy consumption and the corresponding reduction in greenhouse gas

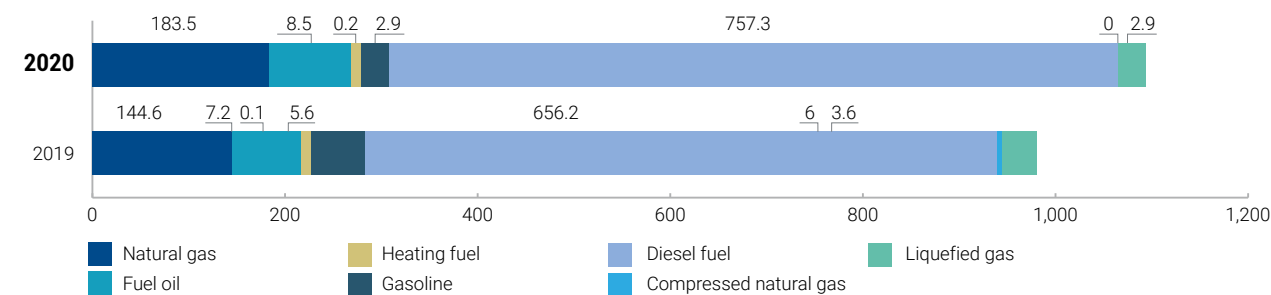
emissions, is a key goal for the Company. In our plans, we adhere to principles that call for urgent action to combat climate change.

Direct greenhouse gas emissions (Scope 1) result from the consumption of hydrocarbon fuel by NMMC facilities. Greenhouse gases (Scope 1) include CO₂, CH₄ and N₂O.

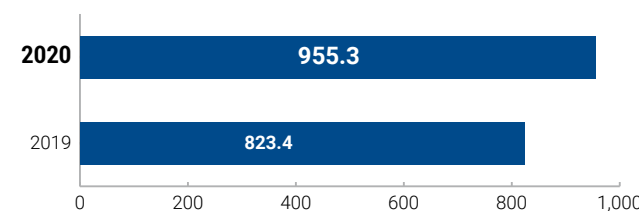
The main source of direct greenhouse gas emissions are:

- Power plants which emit greenhouse gases when hydrocarbon fuels are burned.
- The engines of vehicles which emit greenhouse gases from the internal combustion of gasoline, diesel fuel, compressed natural gas, and liquefied gas.

The volume of greenhouse gases emitted by NMMC business units in 2019–2020, thousand tonnes



Total volume of greenhouse gases emitted by NMMC, thousand tonnes



The Company regularly monitors greenhouse gas emissions and quantifies the volume of direct emissions from facilities controlled by NMMC. The increase in Scope 1 emissions in 2020 was 26% due to the expansion of production²², particularly at GMZ-7, where four additional milling units were commissioned.

NMMC is collecting data to calculate total Scope 2 greenhouse gas emissions and maintaining an inventory of suppliers and their greenhouse gas emissions records to calculate Scope 3 emissions at the time of preparation of this Report. We are considering introducing initiatives to reduce the carbon footprint of the Company's supply chain in the medium term.

²² The calculation of greenhouse gases was made in accordance with the guidelines for national greenhouse gas inventory, MGEIK, 2006, the Republic of Uzbekistan. The calculation includes CO₂ emissions generated as a result of burning carbon fuels at power generation plants (natural gas, fuel oil, heating fuel) and in vehicle internal combustion engines (gasoline, diesel fuel, compressed natural gas, and liquefied gas).

NMMC seeks to minimise the emission of pollutants into the atmosphere. To this end, the Company is working to reduce the volume of energy consumption from non-renewable sources and plans to increase the use of renewable energy resources within NMMC business

units. As of the date of this report, the Company was in the process of integrating carbon footprint reduction targets into its corporate development strategy. A number of activities in this area, as presented below, were implemented in 2020.

Current initiatives

- Completion of the implementation of measures to modernise energy-intensive industries and improve the energy efficiency of the use of fuel and energy resources, including:
 - advancement of technological processes;
 - modernisation and reconstruction;
 - use of secondary energy resources;
 - reduction of unproductive losses.

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

Plans for the next ten years:

- 1) Development of an initiatives program to reduce the carbon footprint and improve energy efficiency.
- 2) Continued implementation of measures to modernise energy-intensive industries and improve the energy efficiency of the use of fuel and energy resources, including the introduction of energy-saving technologies.
- 3) Continued activities to introduce and expand the use of alternative and renewable energy sources, including:
 - installation of solar collectors for the supply of hot water at NMMC facilities;
 - installation of photovoltaic stations at NMMC facilities;
 - other measures to save gasoline and diesel fuel (for more information, see the Energy Management section).

To reduce greenhouse gas emissions, the Company uses alternative energy sources and energy-saving technologies in accordance with a set of measures to reduce greenhouse gases between 2016 and 2030.

However, total GHG emissions rose due to higher consumption of other fuels in 2020 compared to last year.

In 2021, a Sustainability Committee under the Supervisory Board was established to increase the level of control over the Company's ongoing climate change activities, the functions of which include the consideration and monitoring of air protection issues.

Monitoring of air emissions

GRI 305-7, 103-1, 103-2, 103-3, 307-1, EM-MM-110a.1.

Minimising pollutant emissions into the atmosphere is an important aspect of NMMC's environmental activities. The Company strives to reduce the negative impact of its production on air quality by constantly introducing technological improvements.

Environmental monitoring is carried out and measures are taken to reduce the emission of pollutants into the atmosphere resulting from production processes. Monitoring of the source of emissions into the atmosphere is carried out based on the schedule 'Control over compliance with the standards of maximum permissible emissions (the 'MPE') for emission sources by NMMC business units for 2020', as agreed with the territorial authorities of the State Committee for the Ecology of the Republic of Uzbekistan.

In 2020, the volume of pollutant emissions into the atmosphere at NMMC facilities amounted to 19,175 tonnes, which is lower than the level established by the State Committee for Ecology of the Republic of Uzbekistan (the volume of MPE was 22,685 tonnes). All ore dust is recycled back into the production process. The efficiency ratio of dust and gas cleaning plants for 2020 was up from 66% to 95%.



The volume of pollutants in 2019–2020, tonnes

Pollutant	Volume of MPE	2020	2019
Total volume, including:	22,685	19,175	18,859
Cox	n/a	1,524	1,517
NOx (NOx volume includes NO and NO ₂ , but does not include N ₂ O)	n/a	586	570
SOx (SOx volume includes SO ₂ and SO ₃)	n/a	3,323	3,253
Particulate matters PM10 (particulate matters with a diameter of 10 micrometres or less)	n/a	10,149	13,514
Lead Pb	n/a	0	0
Volatile organic compounds	n/a	7	4

NMMC facilities emit 128 types of pollutants into the atmosphere, the main types of which, with an average

volume of emissions per year, are shown in the table below.

Main types of pollutants, tonnes

Types of pollutants	Average volume
Inorganic dust	9,170
Sulphur dioxide	1,963
Carbon oxide	2,588
Hydrogen cyanide	73.4

At the beginning of 2020, measurements were taken at 106 priority emission sources. In Q4 of 2020, measurements were taken at 108 emission sources. A total of 184 measurements were taken. The average

cleaning efficiency was 83.3% at a rate of 70-90%. No excess to the established norms was revealed in 2020.

MANAGEMENT OF ENERGY CONSUMPTION

Highlights:

- The Company's total energy consumption amounted to **27.5 million GJ**;
- **6,169.3 GJ/\$ million** is the indicator of the specific consumption of fuel and energy resources for the production of the main products;
- **76.8 million kWh of electricity and 1.2 million m³ of natural gas** were saved due to the implementation of an action plan to reduce energy intensity and introduce energy-saving technologies;
- The economic effect of the implementation of measures to improve energy efficiency was **over \$3 million**;
- **A technology for processing used car tyres was introduced**, with the production of heating fuel for the Company's needs with a capacity of 2,400 tonnes per year.

Energy efficiency

GRI 103-1, 103-2, 103-3

The efficient management of energy consumption at the Company ensures the stable operation of all its industrial and social facilities. Increasing energy efficiency is one of our key environmental priorities.

What we are guided by:

- ISO 50001 (at the Central Mine Group);
- Program of Measures for Reducing Energy Intensity and Implementing Energy-Saving Technologies and Systems in Various Industries and the Social Sphere for 2020–2022.

The requisite supply of energy is provided by the energy departments operating in each mine group. All energy facilities are managed and controlled by the Central Energy Operational Dispatch Service (CEODS). Energy departments and the CEODS report to the Company's Chief Power Engineer. Control over the implementation of measures to improve energy efficiency is carried out by the Company on an ongoing basis.

NMMC's Central Mine Group has implemented energy management systems in accordance with ISO 50001 requirements. All business units have appointed supervisors for energy management, as well as employees responsible for developing energy management documents, policies and goals, and monitoring the status of energy-saving plans.

In 2017–2018, three business units of the Company were certified in accordance with international standard ISO 50001 'Energy Management System': the Central Mine Group, Southern Mine Group, and NMBP.

To assess energy-saving possibilities and capacities, the Company's business units conduct energy audits on a regular basis. These audits are performed by independent certified specialists. The results of energy audits are used by all operating units of NMMC when preparing the Energy-Saving and Energy Efficiency Action Plan.

Costs for energy resources increase with the growth of production volumes, therefore NMMC annually develops and implements measures aimed at saving energy and resources.

According to comprehensive measures for 2020–2022 on the reduction of energy intensity of economic and social sectors, based on results from 2020 the Company implemented the following measures aimed at reducing the consumption of fuel and energy resources.

Modernisation of energy-intensive industries and improvement of energy efficiency in the use of fuel and energy resources:

- Improvement of technological processes;
- Modernisation and reconstruction (including the replacement of equipment for a lower capacity, transfer to standby);
- Introduction of energy-saving technologies;
- Use of secondary energy resources;
- Reduction of unproductive losses at NMMC business units.



Other measures:

- Temporary storage of vehicles to save gasoline;
- Temporary storage of vehicles to save diesel;
- Replacement of outdated and obsolete vehicles to save diesel.

Due to the efficient implementation of comprehensive measures, the volume of savings in fuel and energy resources in 2020 were:

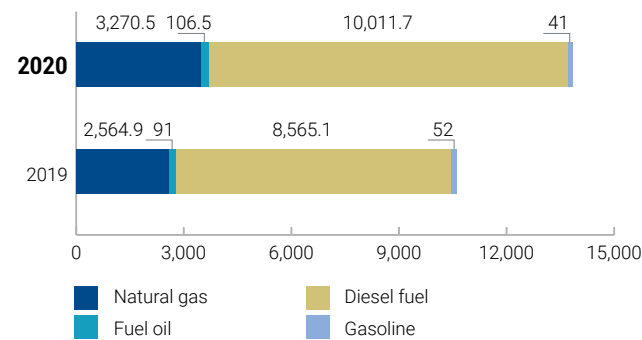
- Natural gas – 1.2 million m³
- Electricity – 76.8 million kWh
- Oil products – 4.5 thousand tonnes

Consumption of purchased energy, thousand GJ

Type of energy	2020	2019
Electricity	13,363.0	12,250.6
Heating energy	114.2	109.6
Steam	74.5	53.5
Total	13,551.7	12,413.8

The heat purchased in 2020 was used at the Navoi site. Other business units used heat generated on site by burning natural gas and fuel oil.

Fuel consumption, thousand GJ



In 2020, the total volume of fuel consumed was 13,429.9 thousand GJ, which is 31% higher than in 2019. An increase was noted in the consumption of diesel, fuel oil and natural gas due to the growth of the Company's production volume and capacities.

In the reporting period, there is a decrease in energy consumption from renewable sources - by 4% compared

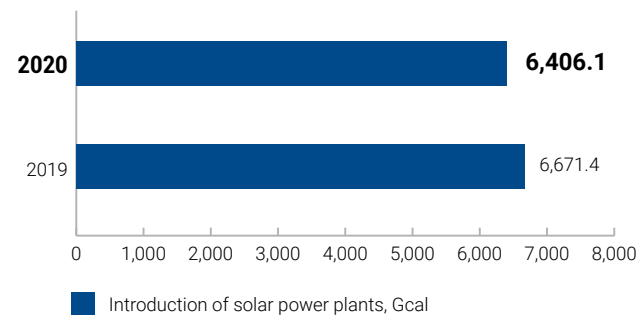
Energy consumption

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

In 2020, the Company's energy consumption increased by 7.7% compared to 2019, which is associated with the commissioning of new production facilities within the implementation of investment projects, an increase in the volume of ore processing and increase in the volume of rock mass, production, and extraction and processing of raw materials. In 2020, the total consumption of purchased energy at NMMC amounted to 13,551.7 thousand GJ.

to 2019. The consumption of energy generated by solar power plants amounted to 6,406.1 GJ. NMMC takes diligent measures to reduce dependence on traditional sources of energy through the widespread introduction of modern energy efficient technologies and the use of alternative energy sources.

Fuel consumption from renewable sources, GJ



Alternative Energy Sources

The use of alternative energy sources is a core development area in NMMC's economic strategy. The role and place of renewable energy in the Company's current

and future energy balance have been determined based on the available technical potential. Therefore, NMMC implements a number of projects aimed at introducing renewable energy sources.

The most relevant and in-demand renewable technologies for the Company include solar energy. Currently, renewable energy sources (RES) used by NMMC's business units ensure energy generation at facilities and mines in addition to traditional sources of energy.

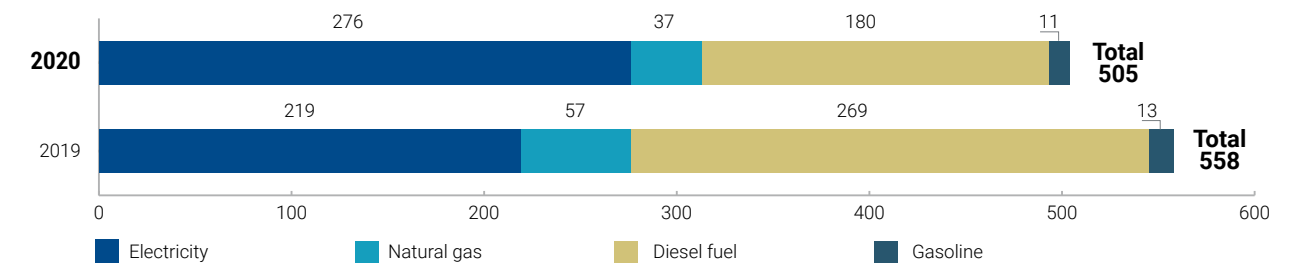
The share of energy consumption from RES in 2020 was 0.05% of the total consumption. Despite the specifics and limited possibilities of using RES in this sector, the share of renewable energy used in absolute units is growing steadily every year.

The Company takes advantage of favourable climatic conditions and the solar energy potential of Uzbekistan to develop and implement projects for using solar energy and providing hot water via solar power plants. The volume of energy generated from solar power plants increased by 32% in 2020 compared to 2019. Solar power plants are used at NMMC's facilities in five regions of Uzbekistan: Navoi, Bukhara, Samarkand, Tashkent and Jizzakh. Solar power plants are used in the Northern, Central and Southern Mine Groups, at the Navoi Machine Building Plant Production Association, and GMZ-1.

The Company uses solar power plants to generate energy.

- From 2009 to 2020, projects were implemented for the construction of 2,153 solar thermal collectors with a total area of 0.5 hectares, providing a total annual saving of 2.7 million kWh per year in electrical equivalent.

Total energy saving, thousand GJ



- According to the results of 2020, the Company's business units successfully operate 2,662 solar thermal collectors with a total area of 0.6 hectares and total capacity of 3,253 GCal/year, which ensures an annual saving of up to 4 million kWh in electrical equivalent.
- NMMC has launched its own production of solar thermal collectors, which allows it to fully cover its own demand for such equipment. Solar thermal collectors are produced at the Central Laboratory of Measurement Equipment and Automation at the Navoi site.

Reduction of energy consumption

GRI 302-4

The Company developed its own Action Plan for Reducing Energy Intensity and Implementing Energy-Saving Technologies and Systems in Various Industries and the Social Sphere for 2020–2022 in accordance with the Presidential Decree of the Republic of Uzbekistan No.PP-4779, dated July 10th 2020.

The total volume of energy saved in 2020 based on the results of the implementation of energy efficiency initiatives amounted to 504.7 thousand GJ. The planned annual savings of fuel and energy resources in physical terms for 2020 amounted to 76.8 million kWh of electricity and 1.2 million m³ of natural gas. Examples of implemented measures which have reduced energy and fuel consumption include the introduction of energy-efficient equipment, the use of a frequency-controlled electric drive, modernisation and reconstruction with transfer to standby and replacing equipment with a lower capacity, as well as the installation of compensating devices at NMMC substations.



The calculation of fuel and energy resource saving was carried out in accordance with the methodology developed by the Ministry of Energy of the Republic of Uzbekistan taking into account the base year.

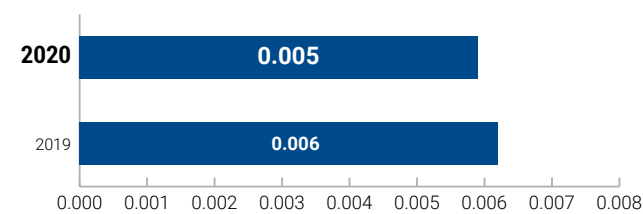
In order to ensure the rational use of energy resources when designing, upgrading, constructing, and commissioning facilities, NMMC verifies their compliance with urban construction requirements and rules for energy efficient and energy-saving technologies. NMMC also requires that solar water heating units for the supply of hot water and energy-saving lighting be installed when designing, upgrading, constructing and commissioning facilities, with the exception of individual residential buildings.

Energy capacity

GRI 302-3

In 2020, the specific consumption of fuel and energy resources in the Company's business units decreased by 11% compared to 2019. The energy intensity indicator was 0.005 GJ per \$ million of marketable products. When calculating energy intensity, all types of fuel and energy (electricity and heat, consumption of natural gas, steam, diesel, gasoline, and fuel oil) were taken into account relative to the total amount of marketable products produced.

GJ/million soms of marketable products



To calculate the energy intensity of the production process, the Company applies the unified indicator of specific fuel and energy consumption resulting from manufacturing core products developed by the Ministry of Energy of the Republic of Uzbekistan for enterprises operating in the republic.

In accordance with the above methodology, the energy efficiency indicator of an enterprise is determined as the ratio of the total consumption of all types of energy resources (purchased, excluding renewable energy) reduced to a single indicator (GJ) to the total amount

of marketable output (GJ/\$ million of marketable products).

Plans for the medium term

GRI 103-3

The further development of energy-saving and energy efficiency will be carried out through the rational distribution and operation of power supply systems, introduction of new technological solutions, modernisation of equipment, and an increase in the share of energy generated from renewable sources.

1. Automated meter reading and control system for electric energy

In the medium term, the Company plans to implement an automated meter reading and control system for electric energy (AMRCS). A list of automated facilities will be defined after the establishment of a legal entity on part of the property of NMMC. The AMRCS is designed for automated remote meter reading and data processing. The purpose of developing and implementing the AMRCS is to increase the level of control over and accounting for electricity, as well as to provide complete data to all system users with respect to electricity consumption at NMMC's facilities to:

- obtain energy consumption readings in automatic mode;
- prevent commercial losses of electricity;
- apply multi-tariff accounting system and ensure rational energy consumption;
- introduce a single data collection system across NMMC;
- eliminate the human factor;
- reduce transportation costs due to the remote collection of data from metering devices;
- operational accounting of power consumption for financial calculations;
- analyse forecasting and the timely tracking of loads;
- improve the accuracy of electricity bills.

2. Construction of photovoltaic solar plants

For the purpose of reducing the cost of products by 2026, NMMC plans to construct photovoltaic (PV) solar plants with a total capacity of 200 MW in the Zarafshan-Uchkuduk Region and three PV solar plants of 100 kW each as part of the following investment projects:

- Power supply for industrial facilities (100 kW capacity) as part of a project to construct a mine



- for the production and processing of gold ore at the Auminzo-Amantoy ore deposit (GMZ-5);
- Power supply for industrial facilities (100 kW capacity) for a pit development project (Stage 5) at Muruntau;
- Power supply for industrial facilities (100 kW capacity) as part of a project to construct a complex for the production and processing of gold ore at the Pistali deposit (GMZ-6).

3. Implementation of the Plan to save fuel and energy resources

In the medium term, NMMC will continue to implement measures within the plan for saving fuel and energy resources through the implementation of organisational and technical activities and has set the following targets for saving electricity and natural gas in the medium term.

The construction of a 200 MW PV power plant in the Zarafshan-Uchkuduk Region will be implemented under the auspices of a separate project.

Electricity and natural gas savings targets for 2021-2022

Nº	Electricity savings volume	Year
Electricity, million kWh		
1	24.9	2021
2	35.5	2022
Natural gas, million m³		
3	0.6	2021
4	1.09	2022

In accordance with comprehensive measures on the reduction of energy intensity in the economic and social sectors, the Company plans to implement the following measures until 2022.

Introduction and expansion of the use of alternative and renewable energy sources:

- Installation of solar thermal collectors for the supply of hot water to NMMC facilities;
- Installation of PV solar plants at NMMC facilities.

Events that are aimed at car maintenance:

- Time technical inspections, technical repairs, increase in the mileage coefficient, vehicle load coefficient for the purposes of saving gasoline;
- Replacement of outdated and obsolete vehicles for the purposes of saving gasoline;
- Time technical inspections, technical repairs, increase in the mileage coefficient, vehicle load coefficient for the purposes of saving diesel.



RATIONAL USE OF WATER RESOURCES

Highlights:

- In 2020, **5,162.5 thousand m³** of domestic and industrial wastewater was treated and reused after treatment, including **5,120 thousand m³** for technological purposes, and **42.5 thousand m³** for irrigation purposes.
- The total length of water supply lines at NMMC was **1,085.5 km**;
- The Supervisory Board approved measures to reduce consumption and save water resources totalling **10.9 million m³ until 2026**.

GRI 103-1, 103-2, 103-3, 303-1, 303-2

The rational use of water resources and responsible water consumption are a priority for NMMC. The Company is guided in its activities by the UN SDGs, in particular SDG-6 – ‘Ensure access to water and sanitation for all’. We strive to reduce clean water consumption and minimise our impact on the ecosystem of the Republic of Uzbekistan.

NMMC considers ensuring proper water management at all facilities an important environmental priority and strives to carry out detailed assessment, goal setting, monitoring and implementation of corrective actions. One of the main areas of NMMC’s strategy for water conservation is its rational use of new technologies, scientific achievements, and the experience of the Company’s personnel.

For the scientific study of the problems of water supply and water conservation, NMMC has organised a ‘Laboratory for the Study of Water Problems’ on the basis of the ‘Central R&D Laboratory’ (CRDL). The laboratory is equipped with modern equipment and staffed by highly qualified specialists with a scientific education and academic degrees in this industry.

The Company also pays great attention to research and development work – a program for the scientific development of water-saving technologies based on global experiences has been developed and approved.

Our guiding documents:

- 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, developing and coordinating projects for maximum permissible discharges (MPD) of substances entering water bodies and terrain with wastewater;
- Sanitary rules for the use of post-treated urban wastewater in the industrial water supply;
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan ‘On approval of the environmental monitoring program in the Republic of Uzbekistan for 2016–2020’.

According to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 171, dated June 14th 2013, special water use or water consumption of NMMC business units is carried out based on a permit issued by the State Committee of the Republic of Uzbekistan for the Ecology and Environmental Protection. Thus, all NMMC business units which are consumers of water from natural sources obtained permits for special water consumption from the bodies of the State Committee for the Ecology of the Republic of Uzbekistan. Also, the State Ecological Expertise of the Republic of Uzbekistan reviewed and issued positive conclusions on projects for maximum permissible discharges (MPD) into water bodies and onto terrain.

Consumption of water resources

Water supply

GRI 303-5, EM-MM-140a.1.

The supply of water to NMMC facilities is carried out from its own surface and underground sources, as well as from the networks of water supply organisations. The main sources of water supply are surface (Zarafshan River, Amudarya River, Tusunsay Reservoir) and underground (Karak-Ata, Beshbulak, Sangzor). The total length of water supply lines on the balance sheet of NMMC is 1,085.5 km.

The water supply of production facilities (Mine Group GMZ-1, NMBP PA, etc.) located in the city of Navoi, Navoi Region, is carried out in accordance with an agreement with the water supply organisation of the State Unitary Enterprise ‘Issiklik Manbai’. The source for water intake is the Zarafshan River.

The Zarafshan – Uchkuduk industrial region, where the main gold mining and processing facilities of SE NMMC are located, are in arid and water-scarce areas.

For drinking and domestic needs of the cities of Zarafshan and Uchkuduk, and the industrial and social facilities of the SE NMMC in the Zarafshan – Uchkuduk Region, water is mainly extracted from the Amudarya River and transported over a distance of more than 310 km from the source through the Amudarya – Zarafshan, Zarafshan – Bessopan, and Zarafshan – Uchkuduk conduits laid across the desert. The rational consumption of water resources is a priority for our Company.

One of the main areas of the NMMC’s water conservation strategy is its rational use of water resources by applying new technologies, scientific achievements, and the expertise of the personnel of the Company.

Because of this, the NMMC Supervisory Board plans to approve the ‘Program of NMMC actions for the economical use of water resources for 2021–2026’.

In accordance with this program, it is expected that consumption will be reduced and water resources saved to a total volume of over 10.9 mln m³.

NMMC pays great attention to research and development work. The main areas for the scientific development of water saving technologies based on the best global practices and experience have already been determined.

For the scientific study of the problems of water supply and water conservation, the Company has organised a ‘Laboratory for the Study of Water Problems’ on the basis of the Central R&D Laboratory (CRDL). The laboratory is equipped with modern equipment and staffed by highly qualified specialists.

To minimise the negative impact on the country’s water resources, the following measures in the area of water saving are being implemented in the Company on an ongoing basis:

- Reuse of water in the technological process;
- Use of recycled water supply;
- Use of mine and groundwater;
- Introduction of drip irrigation;
- Optimisation of process equipment operation.

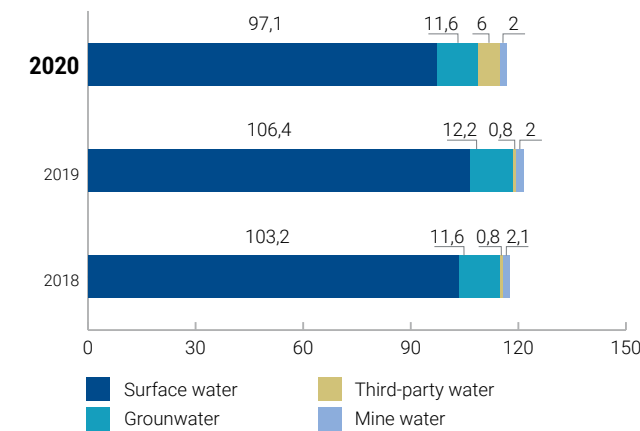
In addition, NMMC has a unique experience in the reuse of industrial and treated municipal wastewater for technological needs and irrigation of green spaces and agricultural crops to ensure the rational use of water resources and prevent pollution of water bodies and terrain.

At the same time, NMMC continues to work to increase volumes of water reuse and to reduce the indicator below.

NMMC continues work aimed at increasing the volume of water reuse and decreasing the following indicators, million m³

	2020	2019	2018
Water intake volume	117	121	118

Total water withdrawal from areas with water stress, million m³



As can be seen from the graph, the volume of consumption from surface sources in 2020 decreased compared to 2019 due to an increase in the volume of water provided by third parties, as well as the implementation of measures for the rational and economical use of water resources.

The reliability and safety of water supply of NMMC industrial facilities is ensured by:

- Availability of storage reservoirs (lake, water reservoirs), number of conduits (two and more) from the source;
- Availability of backup equipment at pumping stations installed locally and available in warehouses;



- Trained repair and maintenance personnel, operational support of repair and restoration work, availability of operational and repair personnel in business units, servicing the water supply system in the context of each business unit.

In 2020, the Company started to introduce combined filters using desalination methods to improve the quality of the drinking water supply to the Company's business units.

At remote facilities, as well as at facilities that do not have drinking water supply sources, the introduction of the use of desalination plants is considered the most appropriate and rational solution. Considering the peculiarities of the geographical location of the company's facilities and the need for desalination of brackish water and water with a high content of calcium and magnesium salts, the Company's business units arranged for the use of desalination plants based on reverse osmosis.

Water discharge

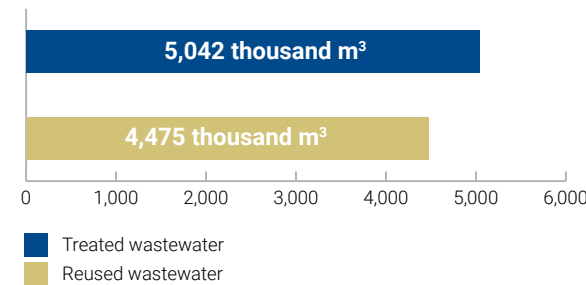
GRI 303-4

NMMC exercises permanent internal control over the volume and quality composition of discharged industrial wastewater, as well as over the state of on-site sewer networks.

Control is carried out by sampling and analysing industrial wastewater at the inlet and outlet of local treatment facilities and in monitoring wells immediately before release. In the process of control, measurements are also made of the volume of industrial wastewater discharged in monitoring wells and at the most critical points in the industrial sewerage network.

The total amount of treated wastewater in the reporting year amounted to 5 million m³. In 2019 – it was 12.3 million m³.

Wastewater information



In 2020, water was discharged only into surface water, and only with fresh water. There was no water discharge in regions with a water deficit.

The list of priority potentially hazardous substances in the composition of wastewater includes: suspended matters, nitrogen nitrates, nitrogen nitrites, ammonium nitrogen, sulphates, chlorides, phosphates, oil products, total iron, and BOD 1. Pollutant discharge standards are approved in the MPD projects.

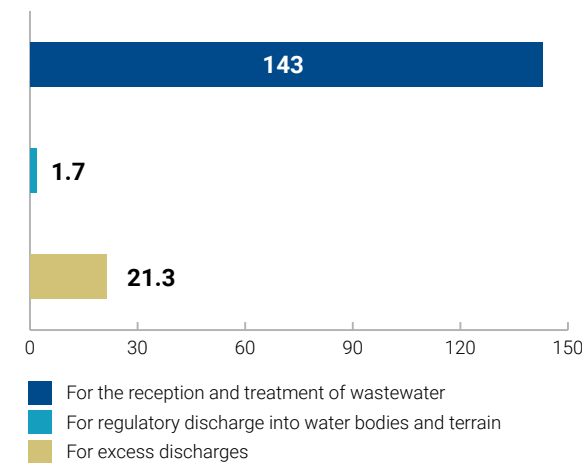
Monitoring of water resources pollution sources

GRI 103-1, 103-2, 103-3, 306-2, 307-1, EM-MM-140a.2.

NMMC performs strict monitoring over the prevention of exceeding the established standards for the content of pollutants in water bodies. There are requirements for the treatment of wastewater by the water user and the water consumer to the limits established by the regulatory authorities for ecology and environmental protection and sanitary supervision of the Republic of Uzbekistan.

NMMC adheres to the principle of a responsible approach to the use of water resources and pollution of water bodies, duly making compensation payments established by legislative requirements.

Thus, in 2020, NMMC made the following payments, \$ thousand:



- In 2020, monitoring was carried out at 36 points of wastewater discharge to land and at one discharge point to a surface water reservoir based on a plan agreed with the territorial bodies of the State Committee for Ecology.
- Water resource pollution sources are monitored by sampling wastewater according to the analytical control schedule. Also, groundwater pollution is monitored by sampling water in observation wells along the perimeter of tailings facilities.

- The treated wastewater of Uchkuduk, Zarafshan and the settlements. Malikrabad, Zafarabad settlements are fully used for technological needs of the Company's subdivisions, as well as for irrigation of green spaces. Pollution of soil and groundwater in the settlements in the zone of influence of the industrial facilities of NGMK has not been detected.

Plans for future periods

- NMMC's Supervisory Board plans to approve the 'NMMC's program of measures for the efficient use of water resources for 2021–2026'. In accordance with this program, it is planned to reduce consumption and save water resources by 10.9 million m³ until 2026.
- In accordance with the project, 'Construction of a complex for the processing of industrial wastes of the Gold Heap Leaching Shop (GMZ-7)', it is planned to use clarified water from the tailing facilities of the GMZ-2 in the technological process in the amount of 7,487 thousand m³/ per year.
- In the future, it is planned to take water from the GMZ-5 tailing facility and the projected GMZ-6 plant.
- NMMC is currently evaluating various possibilities for reusing all the water (pulp) discharged with tailings to maximise its return to the technological process for reuse. NMMC has a goal of achieving a 90-95% water reuse volume.
- It is planned to increase the water intake from reservoirs to increase the volume of reuse in the technological process.



WASTE AND TAILINGS MANAGEMENT

Highlights:

- 99% of non-hazardous waste is transferred to disposal within the facilities;
- Tailings accident response plans are in place for each tailing facility.

Waste management

GRI 103-1, 103-2, 103-3, 306-1, 306-2, 306-3, EM-MM-150a.1.

Tailings are one of the most significant waste streams generated during the mining process. Tailings are formed as mined ore is crushed, ground and processed to separate valuable minerals from the ore, and usually consist of a suspension of fine mineral particles and water that is either included in materials used to backfill open pits or mined underground production faces, or sent to be pumped as slurry into a specially designed storage facility known as a tailing dam or tailing dump. NMMC uses a systematic and consistent approach to monitor tailings and ensure their sustainable operation in order to ensure the stability of dam walls and prevent the seepage of pollutants into the local environment.

Our guiding documents:

- Law of the Republic of Uzbekistan 'On wastes';
- Law of the Republic of Uzbekistan 'On Environmental Control';
- Law of the Republic of Uzbekistan 'On Ecological Expertise';
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan. No. 111, dated April 3rd 2002, 'Regulation on state monitoring of the environment in the Republic of Uzbekistan';
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan. No. 151, dated April 19th 2000, 'On the regulation of import into the Republic of Uzbekistan and export from its territory of environmentally hazardous products and waste';
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan. No. 405, dated October 23rd 2000, 'On streamlining the activities of enterprises for the use and disposal of lamps and devices containing mercury';
- Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 787, dated October 2nd 2018, 'On

measures to further improve the efficiency of work in the area of household waste management';

- Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 95, dated February 6th 2019, 'On measures to further improve the efficiency of work in the area of household waste management';
- GOST 30772-2001. 'Resource Saving. Waste management. Definition terms';
- ISO 14001:2015;
- SanPiN No. 0128-02. 'Hygienic classifier of toxic industrial waste in the conditions of the Republic of Uzbekistan';
- SanPiN No. 0157-04. 'Sanitary rules for the collection, storage, transportation, disposal and utilisation of household waste (SHW) in the cities of the Republic of Uzbekistan';
- SanPiN No. 0158-04. 'Sanitary rules and norms for the collection, transportation and disposal of asbestos containing waste in the conditions of Uzbekistan';
- SanPiN No. 0300-11. 'Sanitary rules and norms for organising the collection, inventory, classification, neutralisation, storage and disposal of industrial waste in Uzbekistan';
- SanPiN No. 0317-15. 'Sanitary norms and rules for the collection, storage and disposal of waste in healthcare facilities'.

Currently, NMMC is not working directly with the World Gold Council on a plan to implement the Principles of Responsible Gold Mining. Understanding the importance of this initiative and striving to become a responsible gold mining partner in the future, NMMC is conducting a detailed internal review of its compliance with the Principles of Responsible Gold Mining.

Data on waste generation and disposal is collected from NMMC business units by the Environmental Protection Department, which generates a single summary report and sends it to the relevant organisations for the ecology and environmental protection.

All NMMC business units have developed and obtained positive findings from the State Ecological Expertise for the Draft Waste Generation Standards and Waste Disposal Limits.

Total volume of generated waste per thousand tonnes:

Waste	2020	2019
Toxic waste generated (1, 2, 3 classes)	53.4	52.1
Non-toxic waste generated (4, 5 classes)	45.3	23.2
Total waste generated	98.7	75.3

In 2020, there was an increase of 23% in the total volume of waste generated compared to 2019, which is associated with an increase in the production of precious metals.

The main types of waste are mined rock mass and tailings from the processing of gold-bearing ore at hydrometallurgical plants, which are stored in specially equipped tailing facilities built and operated in accordance with project documentation.

Waste disposal

GRI 306-5, EM-MM-150a.1.

In accordance with the legislation of the Republic of Uzbekistan, all waste generated as a result of the production activities of business units is classified into five hazard categories:

- Class 1 – extremely hazardous waste that leads to irreversible environmental damage;
- Class 2 – highly hazardous waste, causing severe environmental damage, the recovery period of which is over 30 years after the complete elimination of the source of harmful effects;
- Class 3 – moderately hazardous waste, causing moderate environmental damage, the recovery period of which is at least 10 years after minimising the harmful impact;
- Class 4 – low-hazard waste that causes some environmental damage, the self-recovery of which takes at least 3 years;
- Class 5 – almost non-hazardous waste, causing negligible environmental damage.

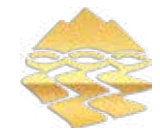
In 2020, the total weight of non-hazardous waste sent for disposal amounted to 71.7 thousand tonnes increasing by 6% compared to 2019.

Total weight of non-hazardous waste sent for disposal, thousand tonnes:

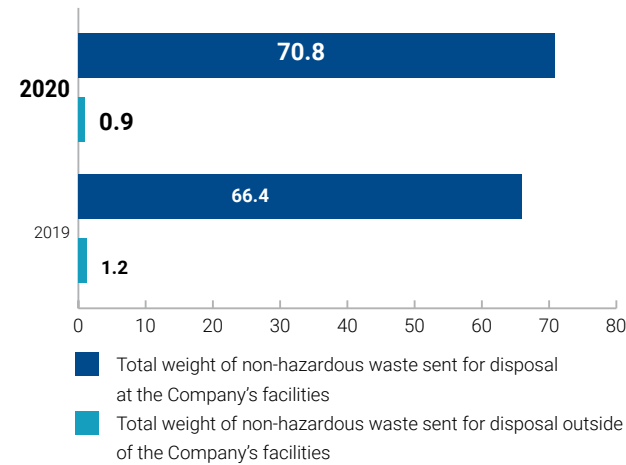
Waste:	2020	2019
Total weight of non-hazardous waste sent for disposal	71.7	67.5

The total volume of hazardous waste in 2020 amounted to 53.4 million tonnes increasing by 2% compared to 2019 due to the growth in the production of precious metals. All hazardous waste was sent for disposal at the Company's

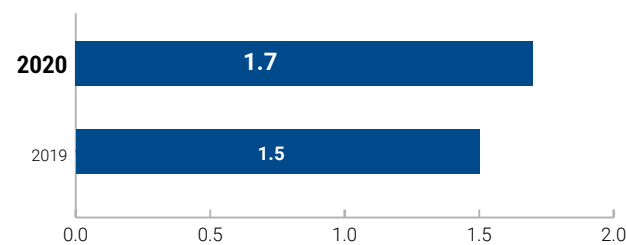
facilities, while no hazardous waste was sent for off-site disposal at the Company's facilities.



Breakdown of non-hazardous waste sent for disposal, thousand tonnes:



Breakdown of hazardous waste sent for disposal at the Company's facilities, thousand tonnes



Separate collection of scrap metal, plastic, used oils, tires, waste paper, used batteries is organized in the Company's divisions. Waste is temporarily placed in specially equipped premises, containers and, as it accumulates, is transferred to specialized licensed organizations for neutralization or disposal with the extraction of valuable components. The methodology used in calculating these indicators is based on the Regulation on the procedure for the implementation of state accounting and control in the area of waste management of the Republic of Uzbekistan. The data is collected by the environmental protection department of the central office on a periodic basis.

Tailings management

EM-MM-150a.1

The formation and storage of tailings of gold producing business units of NMMC is carried out at the Company's facilities in the following regions: Navoi Region, Samarkand Region and Jizzakh Region. In total, the Company has nine tailing facilities located in the following business units:

- Mine Group GMZ-1 in Navoi;
- Central Mine Group – GMZ-2 and Auminzo-Amantoy gold extraction plant mine;
- Northern Mine Group – GMZ-3;
- Southern Mine Group – GMZ-4 and Marjanbulak gold extraction plant.

Tailing facilities include a storage unit and a tailings hydro-transportation system. Tailing facility basins have anti-filtration barriers and embankment dams.

The state of tailings is inspected on a periodic basis by authorised state bodies such as the inspectorate of the State Committee for Industrial Safety, Environmental Protection, Ministry of Emergency Situations of the Republic of Uzbekistan, and others. Once every five years NMMC studies the sustainability of the operation of facilities including tailings, resulting in the development of action plans to improve the sustainability of their operation in accordance with the Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 71, dated April 3rd 2007, 'On the state program for forecasting and preventing emergencies'.

The Decree of the Cabinet of Ministers of the Republic of Uzbekistan No. 515, dated August 26th 2020, 'On further improvement of the state system for the prevention and elimination of emergencies of the Republic of Uzbekistan' defines the state system of measures for the prevention and elimination of emergencies, consisting of territorial and functional subsystems and having three levels: republican, local and facility-based.

At the republican and local levels, there are functional subsystems of the State Emergency Service of the Republic of Uzbekistan, which include ministries, departments and relevant offices of the State Emergency Service of the Republic of Uzbekistan, as well as NMMC.

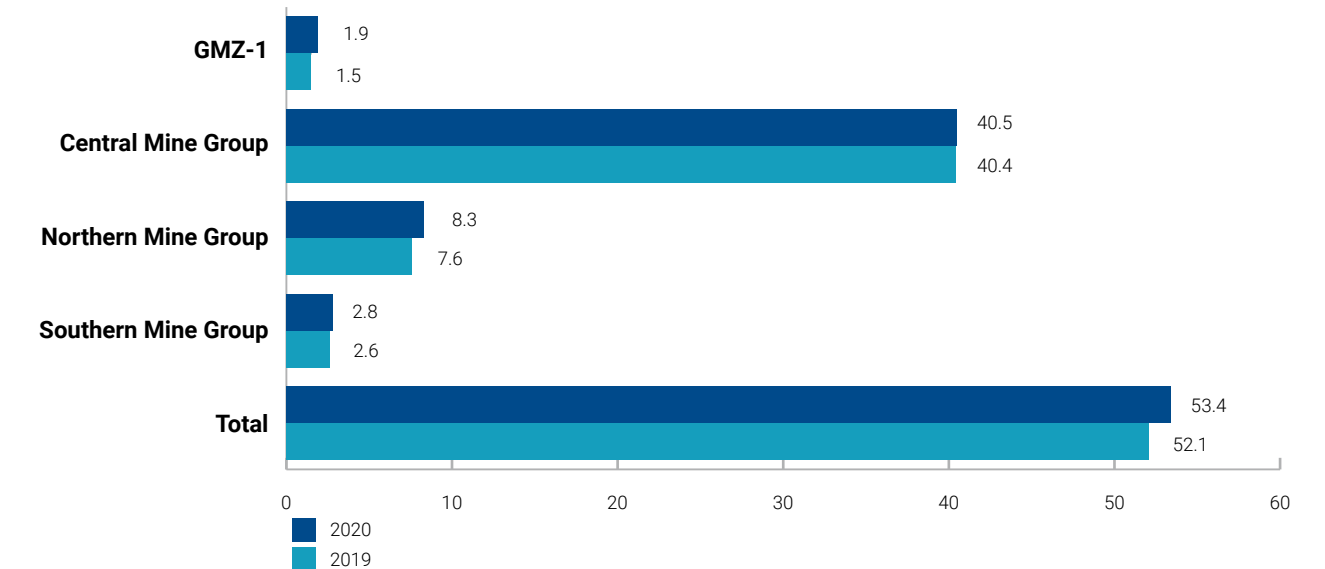
Each level and subsystem of the State Emergency Service arranges work on a planned basis. Therefore, there are action plans for the prevention and elimination of natural and man-made emergencies, as well as annual plans for civil defence and emergency situations of business units, which, taking into account risks, describe scenarios for the localisation and elimination of possible emergencies. According to these plans, in the event of accidents and emergencies, operational services as part of the State Emergency Service at different levels are notified (inspectorates of the Environmental Protection, regional departments for emergencies, internal affairs and State Security Service of the Republic of Uzbekistan, etc.). These plans also provide for the actions

of the relevant services, facilities, machinery, and equipment.

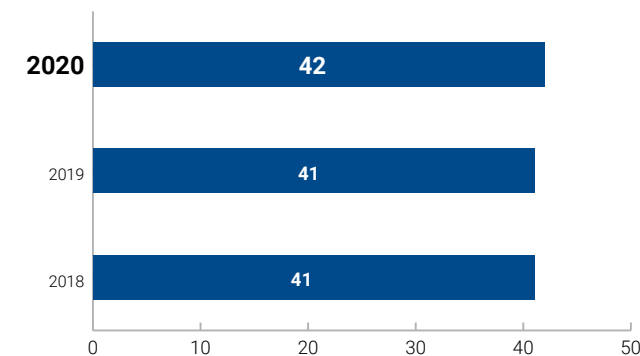
In 2020, two projects in the area of tailing management were approved and will be implemented in accordance with project documentation and agreed deadlines:

- Construction of the third stage of the tailing facility at GMZ-3. 2nd stage of the Northern Mine Group of NMMC located in Navoi Region, Uchkuduk;
- Expansion and reconstruction of the tailing facility of Amantaitau gold recovery plant in Tamdyn district, Navoi Region.

The volume of waste transferred through the pulp pipeline, million tonnes



Volume of Tailing Storage Facilities generated from operations, million tonnes



The volume of waste sent through the slurry pipeline for 2020 amounted to 53.4 million tonnes, an increase of 2% (2019 - 52.1 million tonnes). The largest share of waste in 2020 is directed to the tailing dump of the Central Mining Administration (75%).



Monitoring of groundwater pollution in observation wells of tailing facilities

GRI 303-4

The Company closely monitors groundwater in the observation wells of tailing facilities to take timely measures on the treatment and prevention of any negative impact. Water resource pollution sources are

monitored by sampling wastewater and in accordance with the analytical control schedule agreed with NMMC's Environmental Protection Department and the Regional Department for the Ecology and Environmental Protection. Groundwater pollution is monitored by sampling water in observation wells along the perimeter of tailing facilities, followed by laboratory analyses for nitrites, nitrates, ammonium, heavy metals, salts, and cyanides.

Tailing facilities at the GMZ-2 of the Central Mine Group Tailing facility at the GMZ-3 of the Northern Mine Group

Mode-linked hydrogeological monitoring of changes and the chemical composition of groundwater, as well as the impact on water from tailing facility pools on groundwater across the observation well network.

During 2020, 23 wells were cleaned, 21 samples were taken to check for 12 chemical pollutants and hazardous chemical substances (such as cyanides, thiocyanates, and arsenic).

608 test analyses were conducted. As of January 1st 2020, the chemical composition of water mainly includes sulphates, chloride, sodium, magnesium, and calcium with mineralisation and nitrate (NO₃).

Decreased infiltration by 10% as a result of anti-filtration protective measures taken in accordance with the recommendations of the Uzgeorangmetliti Research Institute²³.

In 2020, groundwater (of technogenic origin) was noted at 38 first-line observation wells at all dams. 708 tests were performed. The largest number of watered wells was observed on the side of the 'technogenic dam' (north) and the southern dam.

According to water analysis results on January 1st 2020, the chemical composition of water mainly included nitrates (NO₂ and NO₃).

The infiltration decreased by 10% as a result of anti-filtration protective measures taken in accordance with the recommendations of the Uzgeorangmetliti Research Institute.

Other industrial wastes

Since LED lamps have been used at all NMMC production facilities since 2020, no waste from mercury-containing fluorescent lamps are generated during operation.

Cyanide management

GRI 403-2, EM-MM150a.1

Our guiding documents:

- 2008 Safety rules for crushing, sorting, enrichment of minerals and pieces of ores and concentrates, as approved by the State Committee for Industrial Safety of the Republic of Uzbekistan;

- 2009 General safety rules for metallurgical plants as approved by the State Committee for Industrial Safety.

With regard to work with cyanides and other hazardous chemicals, NMMC operates in accordance with the legislation of the Republic of Uzbekistan. This legislation is in some cases more stringent than the International Cyanide Management Code, but in other cases, it may be less restrictive. Since the Republic of Uzbekistan is currently considering the possibility of harmonising its environmental standards with those adopted worldwide, we anticipate some alignment of local legislation and the International Cyanide Management Code in the future.

²³ Uzgeorangmetliti Research Institute performs pre-project, integrated design and research, construction and R&D work for the construction and reconstruction of mining, metallurgical, machine-building, instrument-making and other enterprises in the Republic of Uzbekistan and CIS countries.

Processes for the management of hazardous substances

One of the priority areas in ensuring safety for Company employees is the prevention of natural and man-made emergencies.

In 2020, NMMC continued work on the further improvement of functional and facility-based subsystems of the state system for emergency warning and response in the Company, as well as on strict compliance with the requirements of the laws of the Republic of Uzbekistan, 'On Civil Defence' and 'On Protection of the Population and Territories from Natural and Man-Made Emergencies'. As part of the performance of these and other tasks, constant monitoring of hazardous production and potentially hazardous facilities and areas of increased man-made hazard created by the Company's facilities was ensured. The handling of cyanides used as a leaching agent in the extraction of gold from ore is controlled at every stage to ensure the safety of employees and prevent the reagent from entering the ecosystem.

Work with dangerous, potent, explosive substances, oil products and equipment under pressure is regulated within the Company's comprehensive system for ensuring industrial safety and labour protection. Before starting to work with hazardous substances, all employees undergo training and respective briefings.

The Company has also developed an Emergency Response Plan, which is a tool to minimise the risk of accidents or other unforeseen situations and includes different measures for the safe handling and disposal of hazardous chemicals to avoid unforeseen consequences for human health and the environment, as well as to eliminate the reuse of these materials.

In order to prevent possible emergencies at all the production facilities of NMMC, a set of measures has been developed and is being implemented which is aimed at strengthening monitoring of the current situation, the state of hazardous sites and possible risks of accidents and emergencies, power supply systems, the utility life support systems of NMMC business unit, as well as to identify and prevent the risk of natural emergencies. For these purposes, if necessary, the formations and emergency recovery services of civil protection, facilities of the NMMC, medical services of the Company are transferred to a state of high alert, additional beds are equipped in isolation wards

of the infectious diseases departments of NMMC MSD, and vehicles are assigned to the territorial consolidated teams of work mechanisation and prepared for action.

Introduction of a program for predictive modelling of possible emergency scenarios and accident development

In 2020, NMMC initiated a project on the creation of a program for the predictive modelling of possible emergency scenarios at the Company's facilities where large quantities of highly poisonous substances, explosives and other hazardous substances are used and stored. This program provides for the modelling of spills of highly active toxic substances or explosions where substances are stored at warehouses, and planning and preparation for potential situations that may be accompanied by spills of these substances. In addition, this information system makes it possible to assess the impact of a modelled situation on humans and the environment considering various external factors for the correct calculation of expenses and effective development of measures for each situation. When planning actions in the case of possible accidents, different alternative strategies for possible responses will be worked out.

The creation and use of a modelling program enables prediction of possible scenarios for the development of accidents and emergencies, recommending the most prompt possible actions on their localisation and liquidation, and will ensure the sustainability of operating industries, and the reduction of potential economic damage and negative environmental impact.

Total R&D and project implementation costs amounted to \$11,300. The expected economic effect on EBITDA is over \$18,000.

Plans for future periods

In the future, the Company will continue to widely apply the program for predictive modelling of possible emergency scenarios to simulate various emergency and unforeseen situations. In addition, NMMC plans to raise the awareness of employees on work with hazardous substances and introduce regular training and briefings.



LAND USE AND CONSERVATION

EM-MM-160a.1

Our responsibility with respect to the rational use of land is to properly decommission facilities so that mines, underground mine works, drilling sites and buildings do not pose a danger to the environment after their closure. We perform comprehensive land reclamation after completion of works in a particular area to compensate for possible environmental damage from our activities. In 2020, no fields were decommissioned.

Our Guiding Documents:

- Land Code of the Republic of Uzbekistan;
- Law of the Republic of Uzbekistan 'On protected natural territories';
- Law of the Republic of Uzbekistan 'On radiation safety';
- SanPiN No. 0183-05. 'Hygienic requirements for the quality of soil in populated areas in the specific natural and climatic conditions of Uzbekistan';
- SanPiN No. 0191-05. 'Maximum Permissible Concentrations (MPC) and Estimated Permissible Concentrations (EPC) of exogenous harmful substances in the soil'.

The environmental situation at the mining sites of NMMC is formed from natural conditions and the nature of disturbed lands due to technological and geological operations. Such disturbances of the land as geological exploration and the creation of ditches and dumps cause negative consequences associated with the destruction of vegetation, the release of chemical elements into the soil, and the creation of tailings, thereby damaging the local balance of flora and fauna.

Our activities involve impacts on the local ecosystem, such as soil erosion and landscape change, disturbance of vegetation and forage cover, fragmentation of habitats, and the potential loss of grazing areas.

Protection and rational use of land

NMMC tries to use land resources efficiently and conducts semi-annual monitoring of their use by a special commission. As of January 1st 2020, NMMC was using 35,349,200 hectares of land allotted to it, of which 18,701,500 hectares were disturbed by mining.

Monitoring of soil pollution sources

- During the reporting period, soil samples were taken at 12 control points in the territories adjacent to NMMC tailings. Monitoring of the state of the tailing dump and the territories adjacent to it is carried out twice a year jointly with the bodies of the State Committee for the Ecology of the Republic of Uzbekistan (27 points per year). In October 2020, specialists from the State Committee for the Ecology of the Republic of Uzbekistan took soil samples from the tailing facility and the industrial waste landfill. According to the conclusions of the commission, the concentration of pollutants in the soils of the sanitary protection zone of the tailing facility corresponded to natural levels.
- According to the results of monitoring in the territory of the sanitary protection zones (SPZ) of industrial facilities, it was found that the state of the soil of tailings on the border of the SPZ does not exceed the established standards for the studied ingredients.
- An increase in the distribution area of soil pollution in the zone of influence of the tailings was not observed.
- The results of radiation monitoring of the state of soils in the sanitary protection zones of industrial production facilities and tailing facilities carried out by the environmental protection and R&D laboratories showed that no technogenic impact was noted at the border of the sanitary protection zones.

In 2019, NMMC assessed the feasibility of developing mine closure and reclamation plans. Based on geological exploration data and current reserves, most NMMC ore bodies have significant exploration opportunities with the further potential for continued operation. This will lead to larger open pits and underground mines, making current mine reclamation/closure plans impractical. Closure plans for each mine will be developed based on the final size of the depleted open pit. Simultaneously with mine closure plans, plans for restoration and reclamation will be developed in accordance with the requirements of the legislation of the Republic of Uzbekistan.

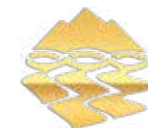


Compliance with Environmental Requirements

GRI 307-1

In 2020, NMMC paid \$85.6 thousand, including all payments for non-compliance and violation of environmental laws. In 2019, fines from regulatory authorities and non-financial sanctions were not applied against the Company. A significant share of the total costs incurred due to non-compliance with environmental requirements were compensation payments and payments for excess emissions of pollutants and waste disposal in water bodies.

Taking into account all environmental consequences, the Company tries to minimise environmental damage and pay compensation in a timely manner in case of unforeseen damage to nature. In 2020, no cases were initiated against the Company related to the violation of environmental legislation.



ABOUT THE REPORT

PREPARATION APPROACH

GRI 102-50, 102-51, 102-52, 102-54

The 2020 Sustainability Report (the 'Report') presents the key results of sustainability activities of NMMC ('NMMC', the 'Company') and its business units in the period from January 1st to December 31st 2020, as well as the Company's plans for the medium term.

The quantitative indicators in this Report are given for 2020. However, due to the fact that the Report is published in the second half of 2022, as well as the fact that the State Enterprise Navoi Mining and Metallurgical Plant was split into a gold mining segment (represented as NMMC JSC) and other segments, which occurred in April 2021, the qualitative information and management approach on most material topics are also presented for 2021. This approach will give the reader a more complete picture of the activities of NMMC JSC.

NMMC JSC has been preparing sustainability reports on an annual basis since 2019 and publishes reports in accordance with the Global Reporting Initiative (GRI). The previous report of the Company, published in 2020, discloses the performance results for 2019. NMMC JSC's reports are available on the Company's website in Russian and English at: <https://www.ngmk.uz/ru/home/blog/stoychivoe-razvitie/dannie-i-otchyoti>.

This Report has been prepared in accordance with the GRI Standards: Core option and SASB for metallurgical and mining sectors (version 2021-12). The Report also discloses information about how the Company is working towards achieving the UN's Sustainable Development Goals (UN SDGs).

To ensure the possibility of comparison and comparability of data by indicators, the information is presented in dynamics for several years.

The Sustainability Report of NMMC SE is approved by the CFO and communicated to stakeholders through its publication on the corporate website. The Report preparation process is coordinated by the Head of IFRS and the GRI Department.

Reporting boundaries

GRI 102-46

This Sustainability Report covers the following NMMC gold segment SE's business units, which are not independent legal entities and compose the NMMC SE Group: the NMMC Head Office, Central Mine Group, Northern Mine Group, Southern Mine Group, GMZ-1 Mine Group, Zarafshan Construction Department, and the Navoi Machine Building Plant Production Association and social support facilities (see Appendix 1).

The resolution on the creation of a new legal entity NMMC JSC by separating the gold segment from the state enterprise NMMC State Enterprise was adopted in March 2021. The division of all assets, liabilities, personnel between the newly formed NMMC JSC and other assets of NMMC SE was completed in December 2021. Due to the close relationship between the business segments of SE NMMC, it was not always possible to reliably identify quantitative data in the field of sustainable development for JSC NMMC, that is, for the gold mining segment for which the Report was compiled. Therefore, a special approach was used to define the boundaries of the 2020 Performance Report.

In cases where it was impossible to define clear boundaries of indicators related to the gold mining segment (NMMC JSC) and other segments of the NMMC JSC predecessor company (NMMC SE) and to reliably extract information on gold mining segment from the indicator for NMMC SE, indicators are given for NMMC State Enterprise. In other cases, where the distinction was possible, the indicators are disclosed for NMMC JSC. Due to the specifics of the GRI Standards, some indicators are relevant for both NMMC SE and NMMC JSC.

Appendix 1 provides a list of indicators disclosed in this Report with indication of the reporting boundaries for each disclosure: JSC - information is provided only for the gold mining segment, that is, for NMMC JSC; SE - for the predecessor company NMMC SE; JSC \ SE – qualitative information that applies to both JSC and SE.



Data review and significant changes

GRI 102-48, 102-49

In 2020, no significant changes were made to calculation methods.

In 2020, NMMC SE disclosed for the first time 4 new indicators pursuant to GRI Standards, as well

as 10 indicators pursuant to the SASB standards for metallurgical and mining industries in accordance with version 2021-12 (see Appendix 2). In addition, the Company disclosed in this report information about cybersecurity initiatives, innovations, climate change, land use, and conservation. In 2020 the Company also reviewed its contribution to the achievement of UN SDGs and determined actions under each goal.

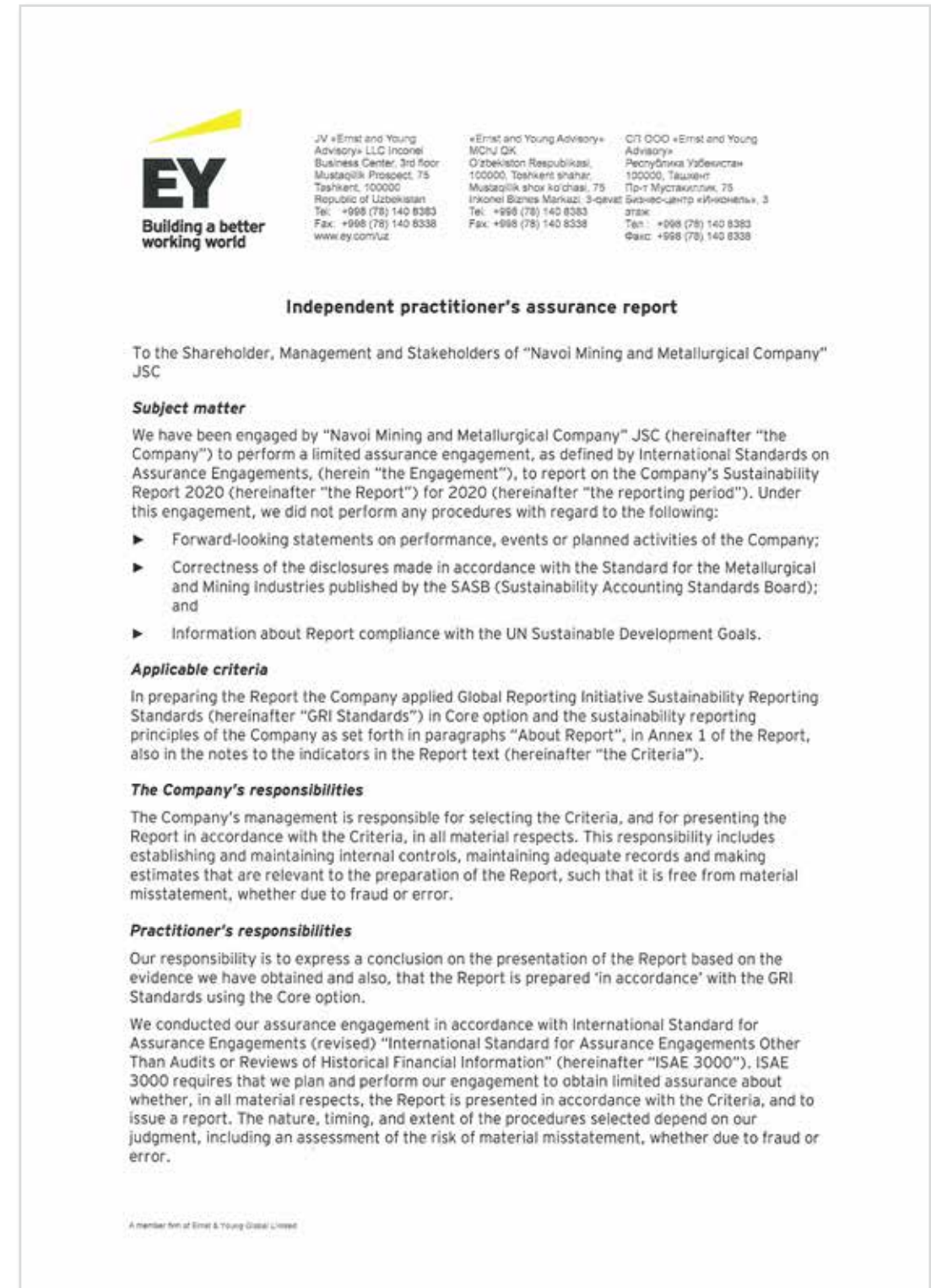
EXTERNAL ASSURANCE REPORT

GRI 102-56

The Company engaged EY for the external assurance of the 2020 Sustainability Report to ensure high-quality, accuracy, and the completeness of the data provided in the Report, as well as to assist in the improvement of the sustainability reporting process in general.

In 2020, the Report was subject to assurance in accordance with the International Standard on Assurance Engagements ISAE 3000 (revised).

The independent assurance report is given below:





We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of work performed

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

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 information technology systems.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Report and related information and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Inquiries of the representatives of the Company management and specialists responsible for its sustainability policies, activities, performance and relevant reporting,
- ▶ Analysis of key documents related to the Company sustainability policies, activities, performance and relevant reporting,
- ▶ Obtaining understanding of the process used to prepare the information on sustainability performance indicators of the Company,
- ▶ Benchmarking of the Report against sustainability reports of selected international mining and gold mining peers of the Company and lists of sector-specific sustainability issues raised by stakeholders,
- ▶ Review of a selection of corporate and external media publications with respect to the Company sustainability policies, activities, events, and performance in reporting period,
- ▶ Analysis of material sustainability issues identified by the Company,
- ▶ Identification of sustainability issues material for the Company based on the procedures described above and analysis of their reflection in the Report.

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- ▶ Review of data samples regarding key production in mining, economics and finance, personnel management, use of energy resources, environmental protection, industrial safety, labor safety and social and charitable activities indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately,
- ▶ Visit Company's head office in Navoi, Company's production facilities in Zarafshan to interview executives responsible for production and finance, human resources, environmental protection, safety, labor protection, charitable and social activities, and gather evidence supporting the assertions in the Report regarding sustainability policies, activities, events, and reviewing production performance regarding health, safety and environment activities,
- ▶ Collection on a sample basis of evidence substantiating other qualitative and quantitative information included in the Report,
- ▶ Assessment of compliance of the Report and its preparation process with Company's sustainability reporting principles,
- ▶ Assessment of compliance of information and data disclosures in the Report with the requirements of the Core option of reporting 'in accordance' with the GRI Standards.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

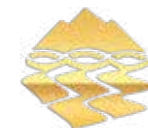
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report is not represented fairly, in all material respects, according to the Criteria.

Also, nothing has come to our attention that causes us to believe that the Report is not prepared 'in accordance' with the GRI Standards using the Core option.

JV 'Ernst and Young Advisory' LLP

Tashkent
August 19, 2022

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APPENDIX 1: TABLES OF GRI AND SASB INDICATORS AND REPORTING BOUNDARIES

GRI 102-55, 102-46

Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
General reporting elements						
GRI 102: General disclosures 2016						
102-1	Name of the organisation	p. 9	in full	SE/JSC	About NMMC	
102-2	Activities, brands, products and services	p. 9	in full	JSC	Business model	
102-3	Location of headquarters	p. 121	in full	JSC	About the Report Appendix 3: Contact information	The Company's headquarters is in Navoi City (Republic of Uzbekistan).
102-4	Location of operations	p. 9	in full	JSC	Geography of operations	All units do not operate near conflict zones and areas inhabited by indigenous peoples.
102-5	Ownership and legal form	p. 9, 27, 121	in full	JSC	About NMMC Appendix 3: Contact information	
102-6	Markets served	p. 9, 15	in full	JSC	About NMMC	
102-7	Scale of the organisation	p. 19, 55	in full	SE	About NMMC	
102-8	Information on employees	p. 55	in part	SE	Employment	The Company does not keep records of employees by type of employment contract, broken down by gender.
102-9	Supply chain	p. 9, 62	in full	JSC	About NMMC Procurement practices	
102-10	Significant changes to the organisation and its supply chain	p. 27, 62	in full	JSC	Corporate Governance Procurement practices	
102-11	Precautionary principle or approach	p. 39, 74, 80	in full	JSC	Approach to the management of sustainable development Environmental responsibility and workplace safety	The Company supports and is consistent with the precautionary approach and advocates a risk-based approach to sustainability in operations throughout management systems.
102-12	External initiatives	p. 40	in full	JSC	Contribution to the achievement of UN SDGs	

²⁴ SE – State Enterprise "NMMC", the predecessor company of JSC "NMMC"

JSC – Joint Stock Company "NMMC", formed by the spin-off of the gold segment from SE "NMMC"

8 APPENDICES



Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
102-13	Membership of associations	p. 40	in full	JSC	Contribution to the Achievement of UN SDGs	Currently, the Company has not officially joined any of the external initiatives. Meanwhile, the Company supports the UN SDGs and also publishes sustainability reports focused on Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB).
102-14	Statement from senior decision maker	p. 4	in full	JSC	General Director's statement	
102-15	Key impacts, risks, and opportunities	p. 34	in full	JSC	Business ethics and compliance	
102-16	Values, principles, standards, and norms of behavior	p. 35	in full	JSC	Ethics and integrity	
102-17	Mechanisms for advice and concerns about ethics	p. 35	in full	JSC	Ethics and integrity	
102-18	Governance structure	p. 27	in full	JSC	Corporate Governance	
102-20	Executive-level responsibility for economic, environmental, and social topics	p. 27	in full	JSC	Corporate Governance	
102-22	Composition of the highest governance body and its committees	p. 27	in full	JSC	Corporate Governance	
102-26	The role of governing bodies in the approval of goals, values and strategy	p. 27	in full	JSC	Corporate Governance	In general, the role of each of the governing bodies in matters of goals, values and strategies in the field of sustainable development is revealed.
102-40	List of stakeholder groups	p. 44	in full	JSC	Stakeholder engagement	
102-41	Collective bargaining agreements	p. 57	in full	JSC	Employment	
102-42	Identifying and selecting stakeholders	p. 44	in full	JSC	Stakeholder engagement	
102-43	Approach to stakeholder engagement	p. 44	in full	JSC	Stakeholder engagement	

Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
102-44	Key topics and concerns raised	p. 44, 46	in full	JSC	Stakeholder engagement Material topics	
102-45	Entities included in the consolidated financial statements	p. 19	in full	JSC	n/a	The Company does not prepare consolidated financial statements since it has no subsidiaries, associates and other organisations.
102-46	Defining Report content and topic boundaries	p. 46, 103, 109	in full	JSC	Material topics Reporting boundaries Appendix 1: Tables of GRI and SASB indicators and reporting boundaries	
102-47	List of material topics	p. 46	in full	JSC	Material topics	
102-48	Restatements of information	p. 104	in full	SE/JSC	Data review and significant changes	
102-49	Changes in reporting	p. 104	in full	SE/JSC	Data review and significant changes	
102-50	Reporting period	p. 103	in full	SE/JSC	Preparation approach	
102-51	Date of most recent report	p. 103	in full	JSC	Preparation approach	
102-52	Reporting cycle	p. 103	in full	JSC	Preparation approach	
102-53	Contact point for questions regarding the Report	p. 121	in full	JSC	About the Report Appendix 3: Contact information	
102-54	Claims of reporting in accordance with GRI Standard	p. 103	in full	JSC	Preparation approach	
102-55	GRI content index	p. 109	in full	SE/JSC	Table of GRI indicators Appendix 1: Tables of GRI and SASB indicators and reporting boundaries	
102-56	External assurance	p. 104	in full	JSC	External assurance report	



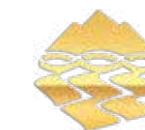
Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
Material topics						
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 19	in full	JSC	Financial performance	
103-2	The management approach and its components	p. 19	in full	JSC	Financial performance	
103-3	Evaluation of the management approach	p. 19	in part	JSC	Financial performance	
GRI 201: Economic performance 2016						
201-1	Direct economic value generated and distributed	p. 19	in full	JSC	Growth and financial stability	
201-3	Defined benefit plan obligations and other retirement plans	p. 19, 57	in part	JSC	Growth and financial stability Employment	The Company does not have a special fund for the payment of pension obligations. Payments are budgeted annually. Employees, the employer does not invest a share of wages in the fund for pension payments. Employees do not participate in post-employment programs.
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 61	in full	SE	Equal opportunities and motivation of employees	
103-2	The management approach and its components	p. 61	in full	SE	Equal opportunities and motivation of employees	
103-3	Evaluation of the management approach	p. 61	in part	SE	Equal opportunities and motivation of employees	
GRI 202: Market presence 2016						
202-1	Ratios of standard entry level wage by gender compared to local minimum wage in the regions of presence	p. 61	in part	SE	Equal opportunities and motivation of employees	Information only about the minimum wage in the country was disclosed.
202-2	Proportion of senior management hired from the local community	p. 27	in part	JSC	Corporate Governance	

Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 51	in full	SE	Contribution to regional development	
103-2	The management approach and its components	p. 51	in full	SE	Contribution to regional development	
103-3	Evaluation of the management approach	p. 51	in part	SE	Contribution to regional development	
GRI 203: Indirect economic impacts 2016						
203-1	Infrastructure investments and services supported	p. 51	in full	SE	Contribution to regional development	The Company strives to increase its positive impact and minimise potential negative consequences of its operation for local communities.
203-2	Significant indirect economic impacts	p. 51	in part	SE	Contribution to regional development	The Company does not evaluate the significance of indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols and policy programs.
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 62	in full	SE	Procurement practices	
103-2	The management approach and its components	p. 62	in full	SE	Procurement practices	
103-3	Evaluation of the management approach	p. 62	in part	SE	Procurement practices	
GRI 204: Procurement practices 2016						
204-1	Proportion of spending on local suppliers	p. 62	in part	SE	Procurement practices	Local suppliers are suppliers from the same regions of the Republic of Uzbekistan as the Company's regions of presence.
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 85	in full	JSC	Management of energy consumption	



Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
103-2	The management approach and its components	p. 85	in full	JSC	Management of energy consumption	
103-3	Evaluation of the management approach	p. 85, 88	in part	JSC	Management of energy consumption	
GRI 302: Energy 2016						
302-1	Energy consumption within the organisation	p. 86	in part	JSC	Management of energy consumption	The Company does not resale energy to third parties.
302-3	Energy intensity	p. 88	in full	JSC	Management of energy consumption	
302-4	Reduction of energy consumption	p. 87	in part	JSC	Management of energy consumption	
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 90	in full	JSC	Rational use of water resources	
103-2	The management approach and its components	p. 90	in full	JSC	Rational use of water resources	
103-3	Evaluation of the management approach	p. 90	in part	JSC	Rational use of water resources	
GRI 303: Water and effluents 2018						
303-1	Interactions with water as a shared resource	p. 90	in part	JSC	Rational use of water resources	
303-2	Management of water discharge-related impacts	p. 90	in full	JSC	Rational use of water resources	
303-4	Water discharge	p. 92, 98	in part	JSC	Water discharge Monitoring of groundwater pollution in observation wells of tailings facilities	The company does not discharge water into water bodies.
303-5	Water consumption	p. 90	in part	JSC	Consumption of water resources	
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 82	in full	JSC	Climate change	
103-2	The management approach and its components	p. 82	in full	JSC	Climate change	

Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
103-3	Evaluation of the management approach	p. 82	in part	JSC	Climate change	
GRI 305: Emissions 2016						
305-1	Direct (Scope 1) GHG emissions	p. 82	in part	JSC	Climate change	The Company has no biogenic CO2 emissions in metric tons of CO2 equivalent. Base year: 2019. Consolidation method: emissions statistics are given for facilities directly controlled by the Company under the right of ownership.
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions	p. 83	in part	JSC	Climate change	
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 94	in full	JSC	Monitoring of water resources pollution sources	
103-2	The management approach and its components	p. 94	in full	JSC	Monitoring of water resources pollution sources	
103-3	Evaluation of the management approach	p. 94	in part	JSC	Monitoring of water resources pollution sources	
GRI 306: Effluents and waste 2020						
306-1	Waste generation and significant waste-related impacts	p. 94	in full	JSC	Waste and tailings management	
306-2	Management of significant waste-related impacts	p. 93, 94	in part	JSC	Monitoring of water resources pollution sources	The company does not take measures to prevent waste in the upstream and downstream value chains.
306-3	Waste generated	p. 94	in full	JSC	Waste management	
306-5	Waste directed to disposal	p. 95	in full	JSC	Waste disposal	Disposal of hazardous and non-hazardous waste by incineration with energy recovery and incineration without energy recovery is not practiced by the Company.
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 83, 93	in full	JSC	Climate change Monitoring of water resources pollution sources	



Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
103-2	The management approach and its components	p. 83, 93	in full	JSC	Climate change Monitoring of water resources pollution sources	
103-3	Evaluation of the management approach	p. 83, 93	in part	JSC	Climate change Monitoring of water resources pollution sources	
GRI 307: Non-compliance with environmental laws and regulations 2016						
307-1	Non-compliance with environmental laws and regulations	p. 83, 93, 101	in full	JSC	Climate change Monitoring of water resources pollutin sources Compliance with Environmental Requirements	
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 55	in full	SE	Employment	
103-2	The management approach and its components	p. 55	in full	SE	Employment	
103-3	Evaluation of the management approach	p. 55	in part	SE	Employment	
GRI 401: Employment 2016						
401-1	New employee hires and employee turnover	p. 55, 60	in part	SE	Employment Personnel development	In 2020, registration of the turnover rate for men and women separatley by region was not conducted. Employee turnover by business units: Central Mine Group – 2.14% Northern Mine Group – 2.60% Southern Mine Group – 1.58% GMZ-1 Mine Group – 2.64% ZCD – 5.55% NMBP – 1.21 % NMMC operates only within the territory of the Republic of Uzbekistan.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 57	in part	SE	Employment	

Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
401-3	Parental leave	p. 55, 57	in part	SE	Employment	The Company meets all legislative requirements. All employees who are legally entitled to parental leave are free to exercise this right while maintaining their position. All employees returned from parental leave to their original positions throughout 2020.
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 55	in full	SE/JSC		
103-2	The management approach and its components	p. 55	in full	SE/JSC		
103-3	Evaluation of the management approach	p. 55	in part	SE/JSC		
GRI 402: Labour/Management Relations 2016						
402-1	Minimum notice periods regarding operational changes	p. 57	in full	SE/JSC	Employment	There is no provision for notifications in the collective agreement. The company follows the requirements of the labor legislation of the Republic of Uzbekistan and the norms applicable to such matters.
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 73	in full	SE/JSC	Occupational health and safety	
103-2	The management approach and its components	p. 73	in full	SE/JSC	Occupational health and safety	
103-3	Evaluation of the management approach	p. 73	in part	SE/JSC	Occupational health and safety	
GRI 403: Occupational health and safety 2018						
403-1	Occupational health and safety management system	p. 74	in full	SE/JSC	Occupational health and safety	
403-2	Hazard identification, risk assessment, and incident investigation	p. 74, 98	in full	SE/JSC	Occupational health and safety Cyanide management	
403-3	Occupational health services	p. 76	in full	SE/JSC	Occupational health and safety	



Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 79	in full	SE/JSC	Occupational health and safety	The Company has no joint committees.
403-5	Worker training on occupational health and safety	p. 79	in full	JSC	Occupational health and safety	
403-6	Promotion of worker health	p. 76	in full	SE/JSC	Occupational health and safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 74	in full	SE/JSC	Occupational health and safety	
403-8	Workers covered by an occupational health and safety management system	p. 74	in full	SE/JSC	Occupational health and safety	
403-9	Work-related injuries	p. 77	in part	SE	Occupational health and safety	The company does not keep records of injuries among contractors.
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 58	in full	SE	Personnel development	
103-2	The management approach and its components	p. 58	in full	SE	Personnel development	
103-3	Evaluation of the management approach	p. 58	in part	SE	Personnel development	
GRI 404: Training and education 2016						
404-2	Programs for upgrading employee skills and transition assistance programs	p. 58	in full	SE	Personnel development	
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 61	in full	SE	Equal opportunities and motivation of employees	
103-2	The management approach and its components	p. 61	in full	SE	Equal opportunities and motivation of employees	

Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
103-3	Evaluation of the management approach	p. 61	in part	SE	Equal opportunities and motivation of employees	
GRI 405: Diversity and equal opportunity 2016						
405-1	Diversity of governance bodies and employees	p. 55	in full	SE	Employment	
405-2	Ratio of basic salary and remuneration of women to men	p. 61	in part	SE	Equal opportunities and motivation of employees	
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 51	in full	SE	Contribution to regional development	
103-2	The management approach and its components	p. 51	in full	SE	Contribution to regional development	
103-3	Evaluation of the management approach	p. 51	in part	SE	Contribution to regional development	
GRI 413: Local communities 2016						
413-1	Operations with local community engagement, impact assessments, and development programs	p. 51	in part	SE	Contribution to regional development	There are no advisory committees and processes in NMMC with the participation of the regions of presence, which include unprotected groups. Nevertheless, community development programs are implemented at all facilities as part of the Company's charitable and sponsorship activities. The Company's hotline also accepts inquiries from external stakeholders.
413-2	Operations with significant actual and potential negative impacts on local communities	p. 51	in full	SE	Contribution to regional development	
Management approach						
103-1	Explanation of the material topic and its Boundary	p. 34	in full	JSC	Business Ethics and Compliance	
103-2	The management approach and its components	p. 34	in full	JSC	Business Ethics and Compliance	



Standard and indicators	Disclosure	Report page	Disclosure level	Reporting boundaries ²⁴	Report sections	Comments
103-3	Evaluation of the management approach	p. 34	in part	JSC	Business Ethics and Compliance	
GRI 419: Socio-economic compliance 2016						
419-1	Non-compliance with laws and regulations in the social and economic area	p. 36	in full	JSC	Business Ethics and Compliance	In 2020, there were no cases of non-compliance with legal requirements in the socio-economic sphere and the corresponding penalties in relation to NMMC.

TABLE OF SASB INDICATORS

SASB indicator	Page number	Reporting boundaries ²⁴	Report section	Comments
Greenhouse Gas Emissions				
EM-MM-110a.1	p. 83	JSC	Climate change	NMMC is not subject to any emission restrictions.
EM-MM-110a.2	p. 82	JSC	Climate change	
Air quality				
EM-MM-120a.1	p. 82	JSC	Climate change	
Energy Management				
EM-MM-130a.1	p. 86	JSC	Management of energy consumption	
Water Management				
EM-MM-140a.1	p. 90	JSC	Consumption of water resources	
EM-MM-140a.2	p. 93	JSC	Monitoring of water resource pollution sources	
Waste & Hazardous Materials Management				
EM-MM-150a.1	p. 94, 95, 96, 98	JSC	Waste management Waste disposal Tailings management Cyanide management	
Biodiversity Impacts				
EM-MM-160a.1	p. 100	JSC	Land use and conservation	
Workforce Health & Safety				
EM-MM-320a.1	p. 77	SE/JSC	Occupational health and safety	
Performance indicator				
EM-MM-000.B	p. 55	SE	Employment	

²⁴ SE – State Enterprise “NMMC”, the predecessor company of JSC “NMMC”

JSC – Joint Stock Company “NMMC”, formed by the spin-off of the gold segment from SE “NMMC”

APPENDIX 2: ACRONYMS AND ABBREVIATIONS

Abbreviation	Full name
1C	Digital product for business process automation
APCS	Automated Process Control System
BOD	Biochemical Oxygen Demand
CFO	Chief financial officer
CH₄	Methane
CIP	Carriage and insurance paid
CIS	The Commonwealth of Independent States
COVID-19	Coronavirus Disease 2019
CO₂	Carbon dioxide
CP	Civil Protection
CRL	Certificate revocation list
DLP	Data loss prevention
EBITDA	Earnings before interest, taxes, depreciation, and amortization
ES	Emergency situation
ESG	Environmental social governance
ESG	Environmental Social Governance
FAL	Fuels and lubricants
FER	Fuel and Energy Resources
GCal	Gigacalorie
GDP	Gross Domestic Product
GE oz	Gold equivalent ounce
GHLS	Gold Heap Leaching Shop
GOST	National standard
GRI	Global reporting initiative
HP	Hydrometallurgical plant
HR	Human Resources
HS	Hazardous Substances (Chemical)
ICT	Information Communication Technologies
IDS	Intrusion detection system
IFRS	International financial reporting standards
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial public offering
IPS	Intrusion prevention systems

Abbreviation	Full name
IS	Information System
ISAE	International standard on assurance engagements
ISO	International organization for standardization
JORC	The Australasian code for reporting of exploration results, mineral resources and ore reserves
JSC	Joint Stock Company
KW	Kilowatt
LBMA	London bullion market association
LTIFR	Lost time injury frequency rate
MWh	Megawatt
N₂O	Nitrous oxide
NMBP	Navoi Machine-Building Plant
NMMC	Navoi Mining and Metallurgical Company
NO₂	Nitrogen dioxide
NO_x	Nitrogen oxides
OHS	Occupational Health and Safety
PA	Production association
Pb	Particulate Matter
PCR	Polymerase Chain Reaction
PM	Particulate matter
PPE	Personal Protective Equipment
PV	Photo-Voltaic
R&D	Research and Development
RDC	Radiation Dosimetric Control
RES	Renewable Energy Systems
RU	Republic of Uzbekistan
SASB	Sustainability accounting standards board
SB	Supervisory Board
SDG	Sustainable Development Goals
SE	State Enterprise
SE	State Entity
SO₂	Sulfur dioxide
SO₃	Sulfur trioxide
SO_x	Sulfur oxides
STB	Science and Technology Board
UN	United Nations Organisation
US	The United States
VAT	Value-added tax
ZCD	Zarafshan Construction Department

APPENDIX 3: CONTACT INFORMATION

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