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# ESG-report on the sustainable development of Uztransgaz JSC for 2022



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# Key performance indicators



## Key performance indicators for 2022

GRI 2-6

**13 343 KM**

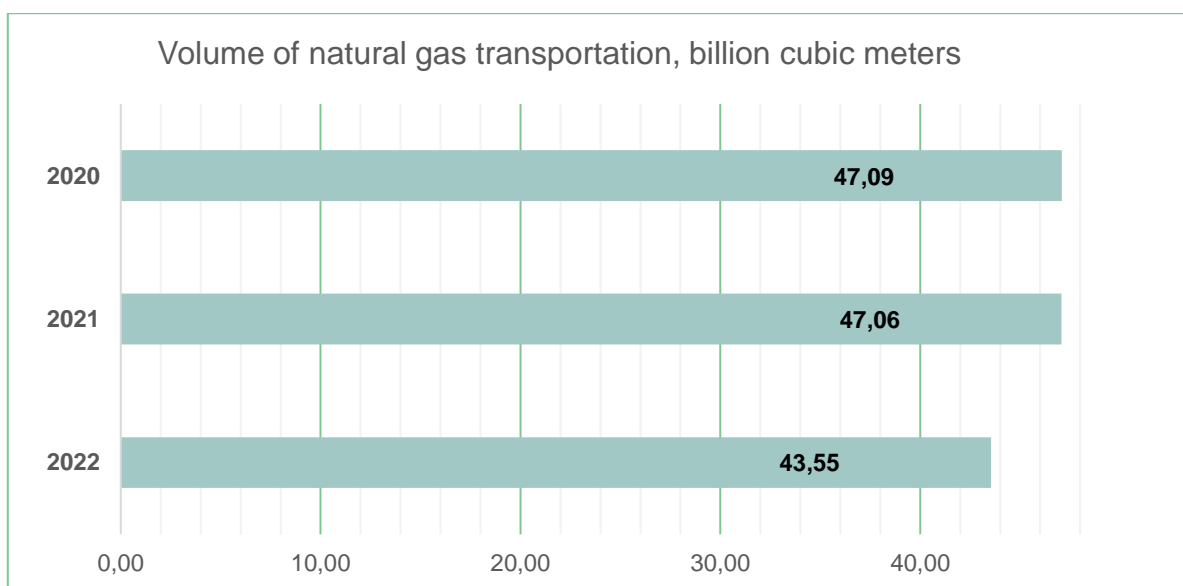
main gas pipelines

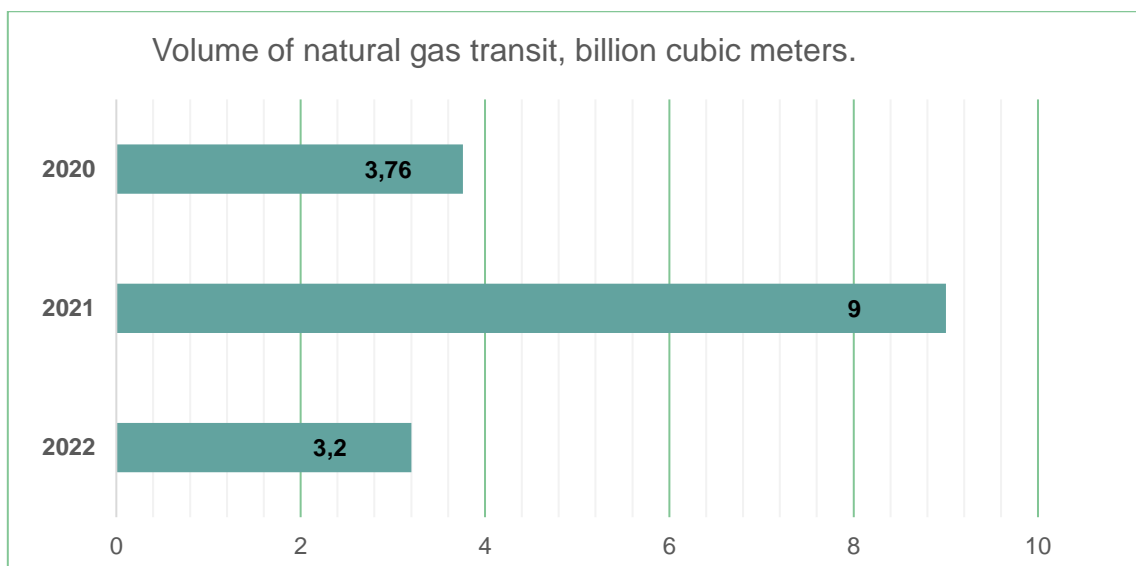
**426** gas distribution stations

**20** compressor stations

**2** underground storage stations

## Transportation and transit of gas

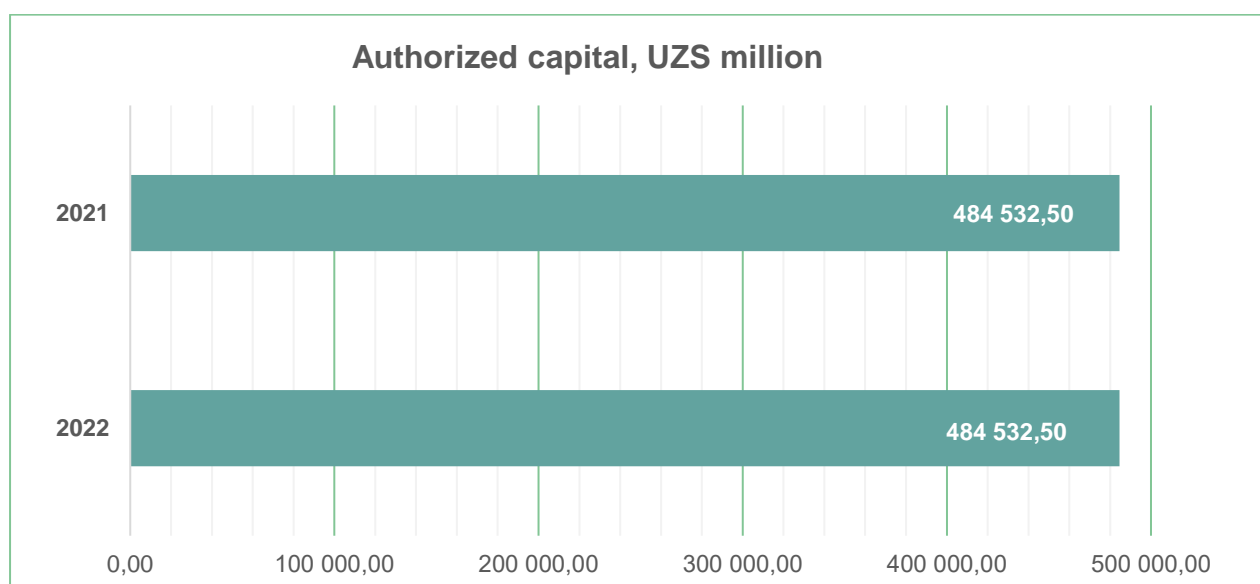


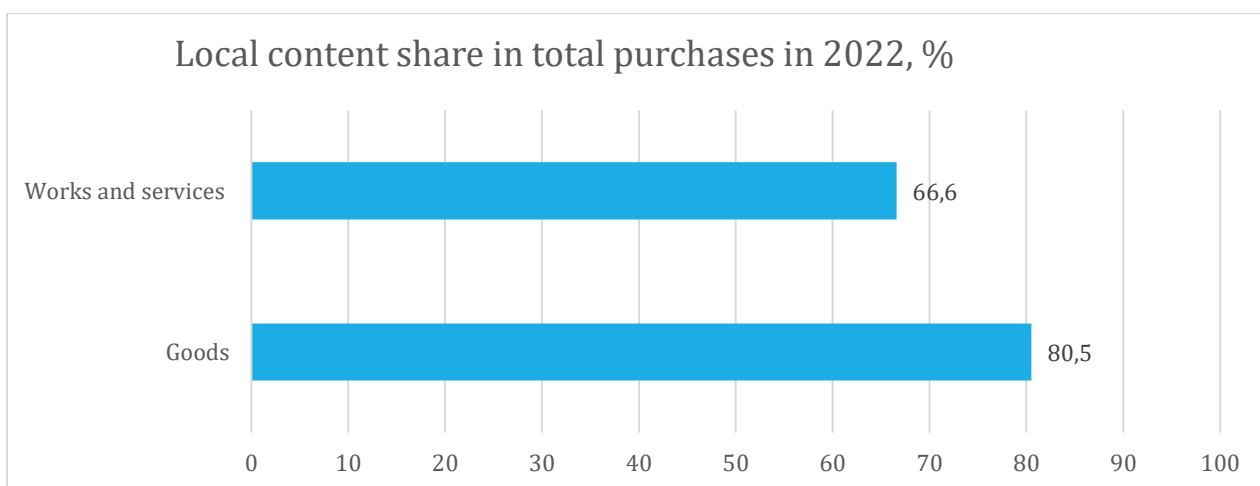
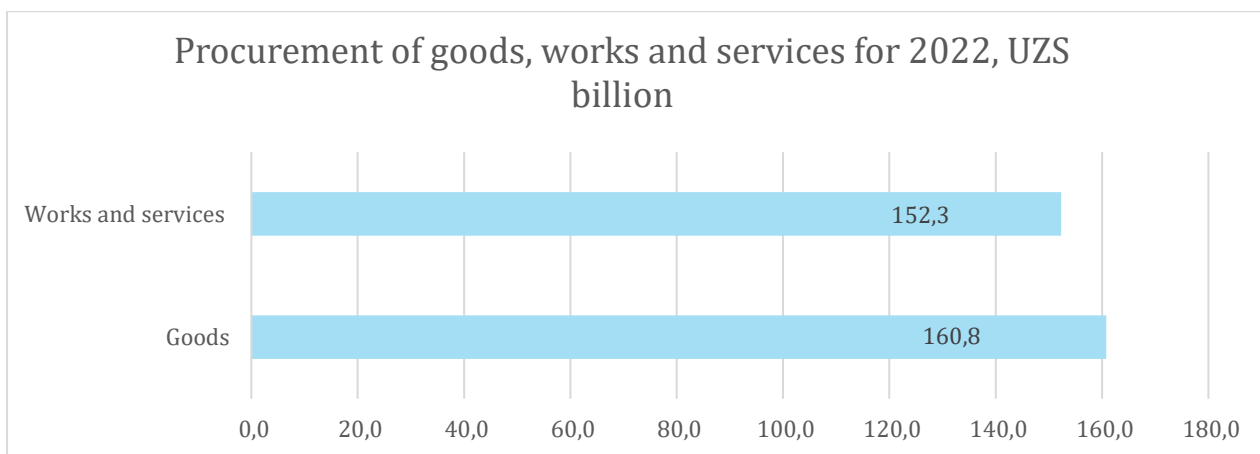


### Financial performance

The financial indicators are taken from the approved financial statements, which have been prepared in accordance with the National Accounting Standard (hereinafter - NAS)

Income, UZS mln.	2021	2021
Uztransgaz JSC	- 2 151 750	-2 168 376

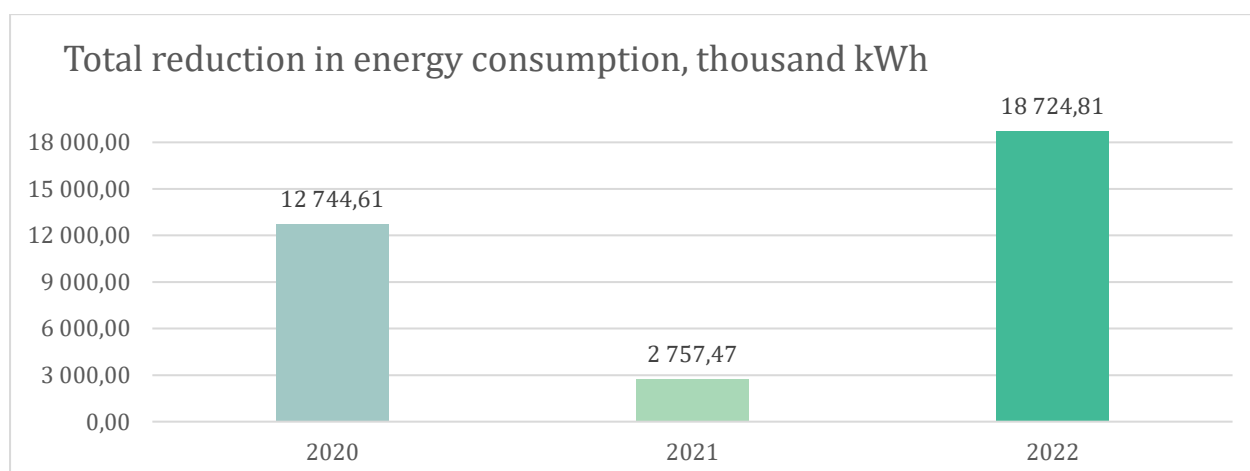
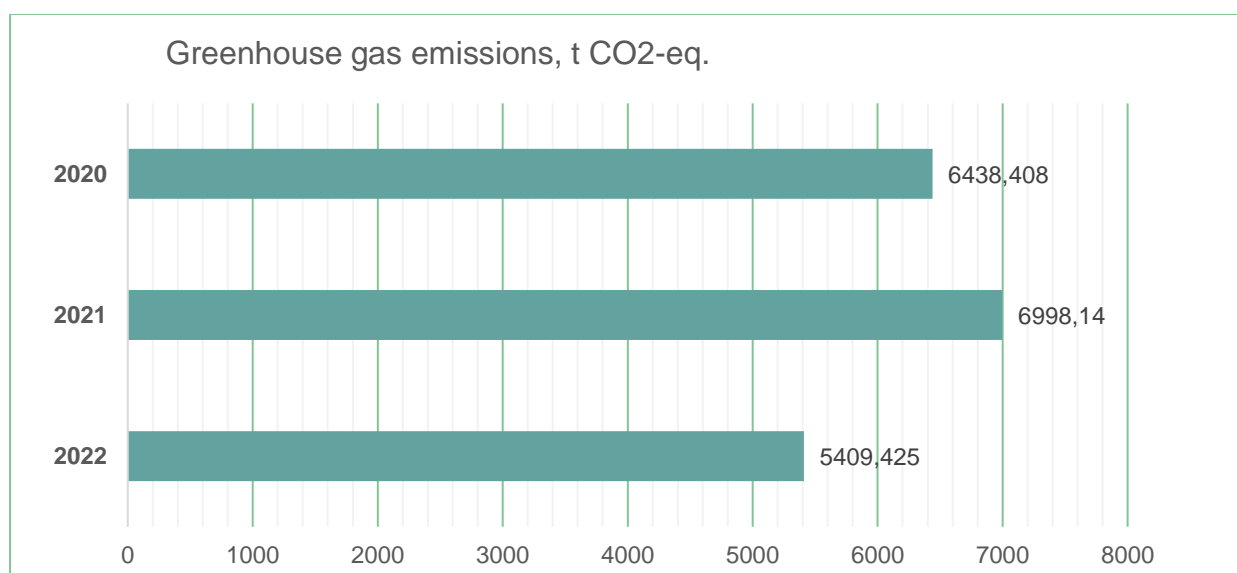
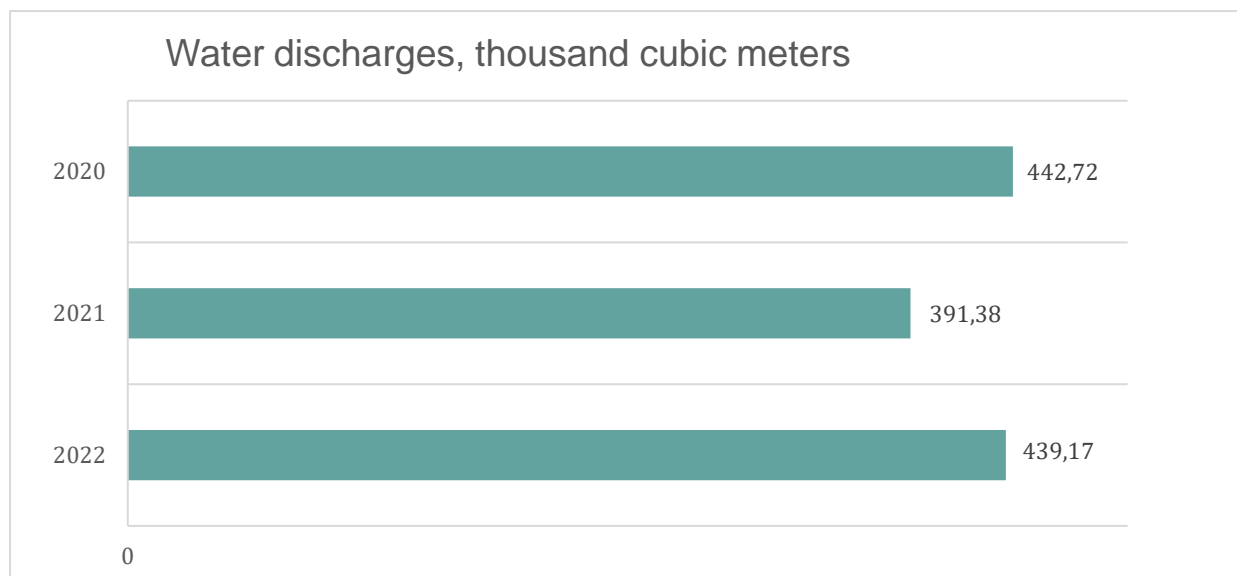




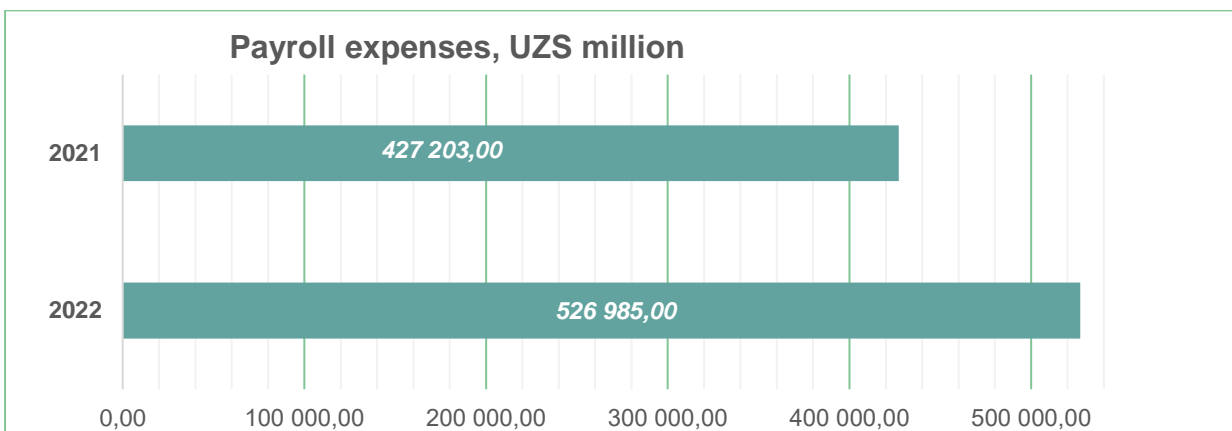
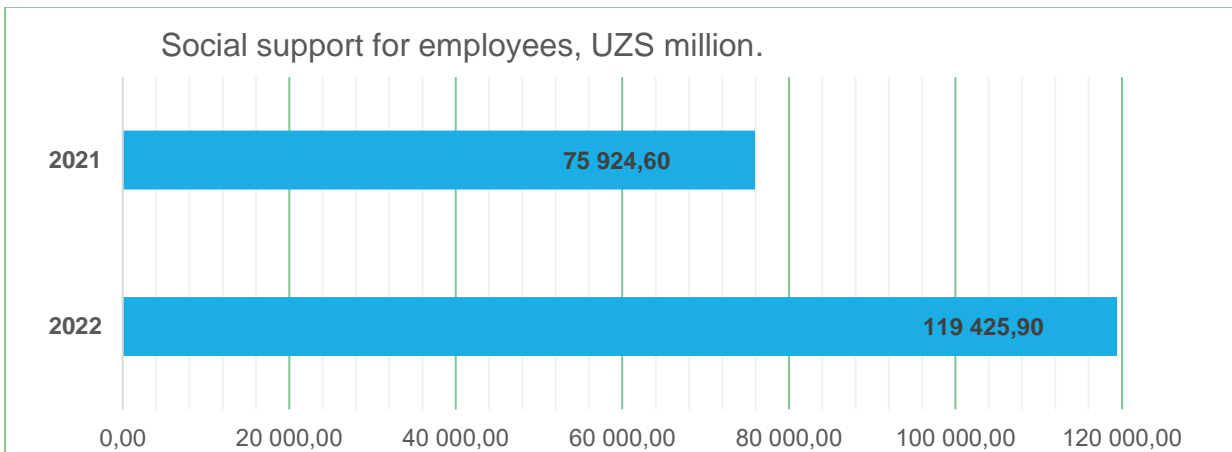
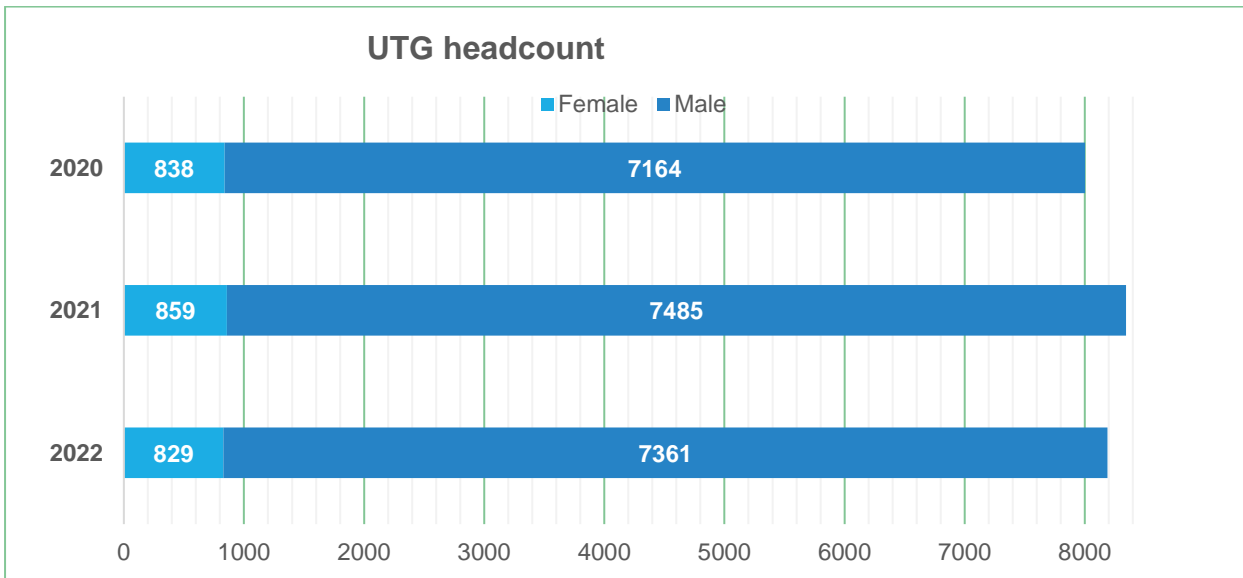
**99,49%** of shares are owned  
by the Ministry of Finance of the Republic of  
Uzbekistan

The owners of **0,51%** of shares are  
individuals and legal entities

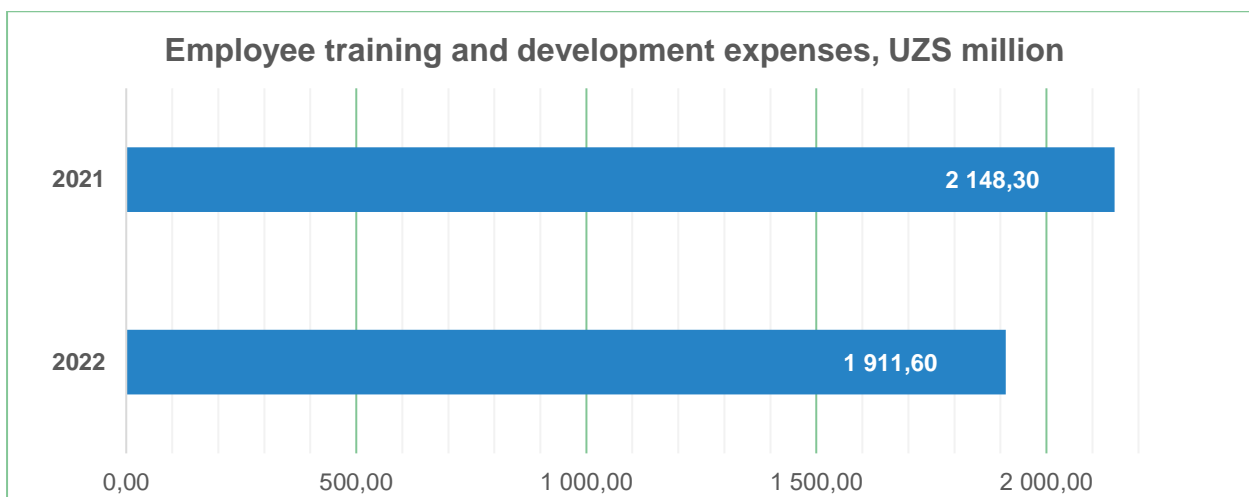
## Environmental indicators



Social responsibility and occupational health and safety performance







**1** occupational injury recorded in 2022

## Message from the Executive board GRI 2-22

Dear Readers!

We are glad to present to you the third ESG-report on the sustainable development of Uztransgaz JSC. The previous 2022 was a significant and productive year for the Company. Starting from the second half year, the Company took over the functions of a net operator of the natural gas transmission network. By separating out the natural gas sales process, we were able to focus all of our efforts on improving the fundamental function of natural gas transportation.

Moreover, we assume obligations on qualitative and responsible execution of our duties to consumers and continue to carry out great work on implementation of "Program on modernization and increasing efficiency of trunk gas transportation system of the Republic of Uzbekistan in 2021-2022", within the framework of which in 2022 more than 200 kilometers of main gas pipelines were prepared for tie-in and more than 70 kilometers of main gas pipelines were reconstructed.

Being also a major consumer of electricity, the Company seeks to consume energy consciously and distribute it reasonably in the conduct of its business. Therefore, in 2022, as part of organizational and technical measures to save electricity and heat at production facilities of Uztransgaz JSC, we managed to reduce electricity consumption by more than 18 million kilowatts per hour.

Great achievements of the Company are unthinkable without its employees. The company's employees are provided with all the necessary working conditions and extensive work is carried out to improve their qualifications. For example, in 2022, more than 20% of the company's personnel (1977 people) underwent various training and qualification improvement programs. Also throughout the organization employees received more than 20 thousand payments, including an extensive list of social benefits and guarantees.

Safety in the workplace is a priority for the company. To our great regret, it is not always possible to avoid workplace injuries. However, even from unfortunate experiences we learn lessons that contribute to improving our health and safety system. The company strives to reduce the number of occupational injuries to zero. Medical examinations of employees are conducted annually. Regular activities include workplace inspections in the production and office areas.

Our employees - one big family with a special approach and attention for each of its members. The most interested in this process are the employees of the Trade Union Committee, Youth Unions and Women's Councils: not indifferent, active and empathic. Through the efforts of these people a lot of events of sporting, recreational, spiritual and enriching nature are organized throughout the year. In 2022 there were organized such events as "The most experienced welder", family sports competitions under the motto "Healthy family is the basis of society", youth forum for the Youth Day on June 29-30.

In March 2022 Uztransgaz JSC held the Second Women's Forum. The event was held in Kokand and was attended by female representatives from all structural subdivisions of the Company and its subsidiaries. Also, in order to ensure gender equality and support women's active participation in society, a training seminar was held with the chairs and activists of the Women's Council of the system at the recreation center in Tashkent region under the slogan "The role of women in society and family".

First and foremost, we would like to thank our Company employees for their responsible approach to their work duties, representatives of all stakeholders for their feedback and expressed interest in the Company's activities. Every year we discover new aspects of material topics to be disclosed and strive to reflect relevant and reliable information in the Report.

A reliable natural gas supplier, a conscientious and loyal employer, a reasonable consumer of energy resources - this is how we see the Company's profile and strive to exaggerate its strengths

Members of the Board Uztransgaz JSC

# About the report

## GRI 2-3

Uztransgaz Joint Stock Company (hereinafter referred to as the Company, Society) publishes the third integrated yearly report disclosing the operating and financial performance of the Company. The previous Report published in May 2023 (for the reporting period from January 1 to December 31, 2021).

The Report aims to ensure transparency and clarity of its activities, striving for a balanced presentation of information to stakeholders through highlighting the Company's approach to sustainable development and social, economic and environmental responsibility.

The Company adopted an annual reporting cycle presenting the performance from January 1, 2022 to December 31, 2022, as well as a description of plans for 2023. Reporting period of financial statements of the Company is also adapted from January 1 to December 31.

The report contains consolidated information on the Central Office of Uztransgaz JSC and its structural units for the 2022 calendar year.

The financial position and production performance of the Company are presented using consolidated data of the Company with administrative support of the relevant units of the Company.

The Report has been compiled in accordance with the Core option of compliance with the requirements of the Global Reporting Initiative Sustainability Reporting Standards (hereinafter abbreviated as "GRI").

In order to enable benchmarking and comparability of data by specific indicators, the information is presented in the form of multi-year trends.

The report on sustainable development of Uztransgaz JSC is approved by the resolution of the Chair of Executive body and its communicated to stakeholders by distributing a printed version and publication in Russian and English on the corporate website: <https://www.utg.uz/en/>.










### *Sustainability management*

Uztransgaz JSC is aware of the importance of its impact on the economy, the environment and society, striving for the growth of long-term value, and ensures its sustainable development in line with the interests of all stakeholders. The Company aims to ensure alignment of its economic, environmental and social goals for sustainable development over the long term

Uztransgaz JSC shares the United Nations (hereinafter - UN) initiative on sustainable development and strives to contribute to the achievement of specific sustainable development goals (hereinafter - SDGs) by doing business responsibly, minimizing the environmental impact, applying the best practices of corporate governance and human resource management. While recognizing the importance of 17 UN SDGs aimed at solving significant economic, social and environmental issues, the Company has identified 6 priority goals in the field of

environmental protection and labor protection for its business pursuant to the resolution of the Cabinet of Ministers (hereinafter - the "RCM") of the Republic of Uzbekistan №841 dated October 20, 2018 "On measures for the implementation of National Goals and Tasks in the field of Sustainable Development for the period until 2030".

The Company integrates the following SDGs into its operations:

	SDG UN name
	3. Ensure healthy lives and promote well-being for all at all ages.
	6. Ensure availability and sustainable management of water and sanitation for all.
	7. Ensure access to affordable, reliable, sustainable and modern energy for all.
	8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
	12. Ensuring the transition to sustainable consumption and production patterns.
	13. Take urgent action to combat climate change and its impacts.

# About the company

## Company profile

GRI 2-1, 2-6

Uztransgaz JSC is a guaranteed provider of natural gas for the Republic of Uzbekistan, ensuring uninterrupted supply of natural gas to consumers in the country, also engaged in transportation, transit and export of gas. Owing to such significant areas of the Company's activities as gas supply a considerable part of the country's strategic enterprises is supplied with ecologically more acceptable fuel resource - natural gas as well as tens of millions of houses and apartments in the country are supplied with heat, light and comfort.

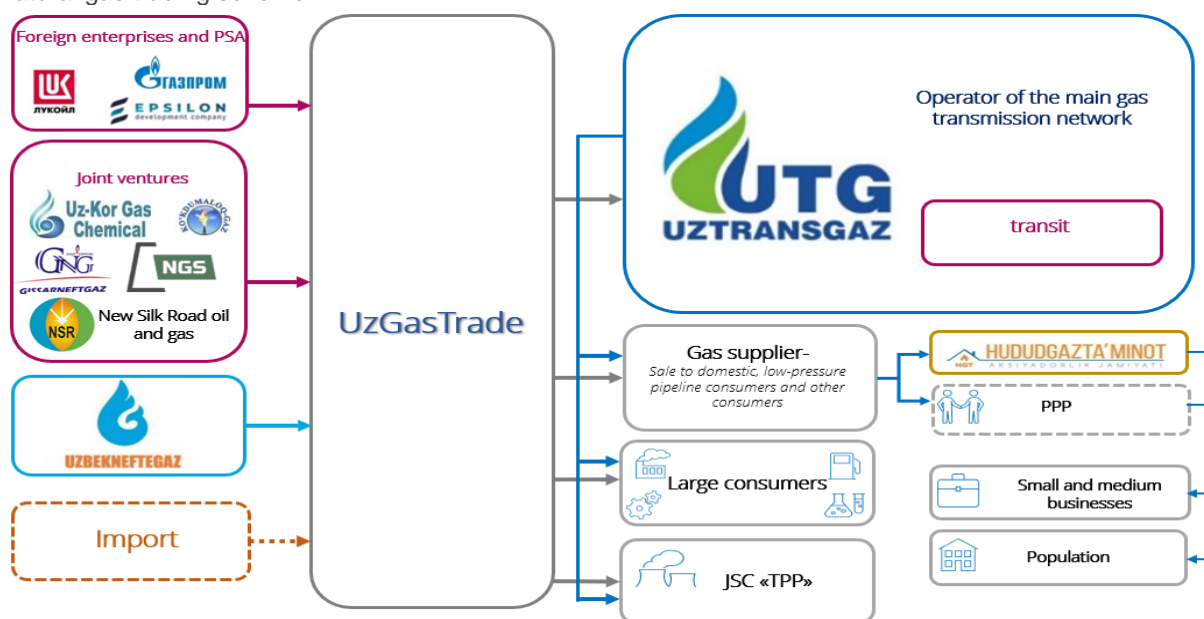
Pursuant to the Decree of the President of the Republic of Uzbekistan No. DP-2154 dated December 11, 1998 "On the restructuring of the Uzbekneftegaz National Oil and Gas Industry into the Uzbekneftegaz National Holding Company and the resolution of the Cabinet of Ministers of the Republic of Uzbekistan № 523 dated December 15, 1998 "On the establishment of the Uzbekneftegaz National Holding Company and its activities", Uztransgaz Joint Stock Company was founded on the basis of the Uztransgaz state association. The Company has been separated from Uzbekneftegaz JSC in accordance with Decree of the President No. DP-4388 dated July 9, 2019, and the share of Uzbekneftegaz JSC in the authorized capital of Uztransgaz JSC was transferred to the Agency for Management of State Assets of the Republic of Uzbekistan. Furthermore, this year Hududgaztaminot JSC was established on the basis of territorial gas supply branches of Uztransgaz JSC with the Agency for State Assets set as its state shareholder. According to the Decree of the President of the Republic of Uzbekistan No. 6096 dated October 27, 2020 "On measures to accelerate the reform of enterprises with state participation and privatization of state assets" the Ministry of Finance became the main shareholder of Uztransgaz JSC (by order of Depo N60/20 for transfer of securities on December 14, 2020).

Starting from August 1, 2022 Uztransgaz JSC transferred functions of purchase of natural gas from producers and sales of natural gas to Hududgaztaminot JSC and consumers, connected to the main gas transmission system of UzGasTrade JSC according to the Decree of the President PP-280 from June 15, 2022. The Company's primary function is the transportation, including the transit of natural gas, as a single operator;

The Company is a natural monopolist for pipeline transportation of natural gas, and in this regard, the Company's activities are regulated by the Law of the Republic of Uzbekistan "On Natural Monopolies".

The authorized capital of the Company is 484 532 500 ordinary registered shares with a par value of 1000 UZS. The Ministry of Finance of the Republic of Uzbekistan holds 99,49% of shares of Uztransgaz JSC, which is the central executive body within the Cabinet of Ministers responsible for leadership and cross-sector coordination in the national financial area. Members of the workforce of enterprises and organizations of the industry, as well as other individuals and legal entities own 0,51% of the Company's shares.

Natural gas trading scheme



As a single operator, the Company provides natural gas transportation services. The transportation tariffs are developed by the Price Regulation Body under the Ministry of Finance and approved by the Cabinet of Ministers of the Republic of Uzbekistan.

The total volume of gas transported in 2022 was 46,75 billion cubic meters.

Products	2020	2021	2022
Total gas transported	51,74	56,06	46,75
Own gas transported	47,09	47,06	43,55
Gas transited	3,76	9,00	3,2
Underground gas storage	2,23	2,47	3,1

#### Development history

Year	Event details
1962	The development of the gas field began, including the transshipment of the gas pipelines of Bukhara-Ural and Central Asia-Center
1973	Uzbekgazzanoat Production Association was established, Uztransgaz Joint Stock Company began to develop as a separate gas transportation company
1978	Experimental use of the underground storage facility began, and the following year, the gas storage facility at the Gasli gas field began.
1992	In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 585 dated December 23, 1992, Uztransgaz Joint Stock Company was established on the basis of specialized divisions of Uzbekgazzanoat Production Association as part of Uzbekneftegaz national oil company.
1999	According to the Resolution of the Cabinet of Ministers No.169 dated April 30, 1996, experimental use of Heubad gasoline stations was launched through a well-developed capacity of Heubad oil and gas fields. Pursuant to the Decree of the President of the Republic of Uzbekistan No. UP-2154 dated December 11, 1998 "On the Restructuring of the Uzbekneftegaz National Oil and Gas Industry into the Uzbekneftegaz National Holding Company and the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated December 15, 1998, Uztransgaz JSC was incorporated as an Public Joint Stock Company".
2006	In accordance with the Decree of the President of the Republic of Uzbekistan No. 438 dated August 8, 2006 "On Measures to Improve the Organization of Activities of Uztransgaz Joint Stock Company, Shape a Unified Policy in the Field of Development and Utilization of Natural Gas Distribution Grids", an effective system of transport and sales management was created. Uztransgaz Joint Stock Company was reorganized by transferring gas supply companies from Uzkommunhizmat Uzbek Agency and a joint venture of Uztransgaz Joint Stock Company to Uztransgaz Joint Stock Company to provide consumers with all types of gas on the basis of gas supply facilities. Six interregional enterprises were established.
2009	The construction of Ahangaran-Pungan, a 165-kilometer and unique main gas pipeline with the Ahangaran compressor station through the Kamchik pass was completed and put into operation to supply natural gas to consumers in the Ferghana valley. The gas pipeline passes through the slopes of the Cura mountains.
2019	Uztransgaz JSC has been separated from Uzbekneftegaz JSC in accordance with the Decree of the President No. 4388 dated July 9, 2019 and the share of Uzbekneftegaz JSC in the authorized capital of Uztransgaz JSC was transferred to the Agency for Management of State Assets of the Republic of Uzbekistan. Also, this year, Hududgazta'minot JSC was established on the basis of the regional gas supply branches of Uztransgaz JSC by appointing the Agency for Management of State Assets as its state shareholder.

2020	According to the Decree of the President of the Republic of Uzbekistan № 6096 dated October 27, 2020 "On measures to accelerate the reform of enterprises with state participation and privatization of state assets," the Ministry of Finance became the main shareholder of Uztransgaz JSC (on December 14, 2020 depo order N60/20 for the transfer of securities).
2022	According to the Decree of the President № PP-280 from June 15, 2022 "On additional measures to reform the natural gas market" functions of purchase of natural gas from producers and sales of natural gas Hududgaztaminot JSC and consumers connected to the main gas transmission system, based on direct contracts, are transferred from Uztransgaz JSC to UzGasTrade JSC.

## Geographic footprints

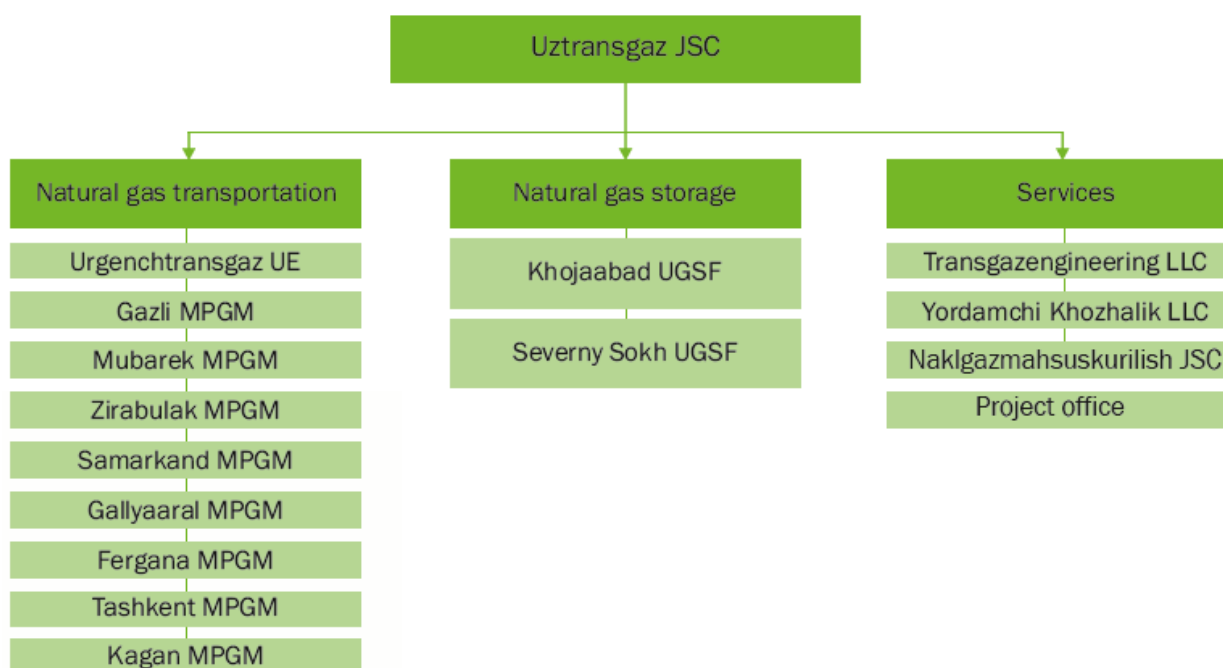
### GRI 2-1

#### Company structure

The Company's structure consists 9 enterprises for the transportation of natural gas, 2 enterprises for the storage of natural gas, 3 enterprises for the service of construction and mixed agriculture, and a project office that carries out corporate and digital transformation tasks. All structural enterprises are located in 7 regions of the Republic and in Tashkent.

The central office of the Company combines the tasks and functions of the executive body and is directly responsible for the production process management.

Business units and associated companies under direct control are as follows:



## Supply chain

### GRI 2-6

In 2022, the Company purchased 27,12 billion cubic meters of natural gas, 0,878 billion cubic meters were imported.

#### Natural gas suppliers

Uzbekneftegaz JSC

Gissarneftegaz LLC JV

Shurtan GCC LLC

Natural Gas-Stream LLC JV

LUKOIL Overseas Supply and Trading LTD

Uz-Kor Gas Chemical LLC JV

Kokdumalakgaz JV

However, already on June 15, 2022, Presidential Decree No. PP-280 "On Additional Measures to Reform the Natural Gas Market" came into force, which prescribed the following:

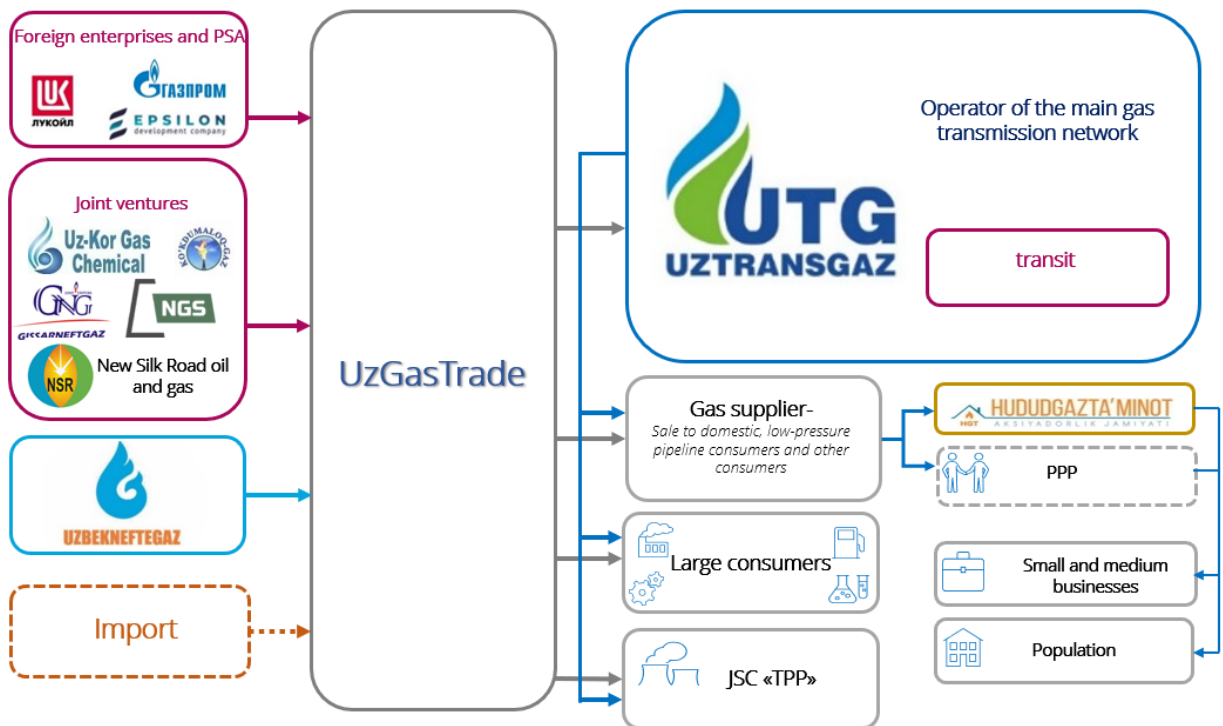
*"From August 1, 2022 the functions of purchasing natural gas from producers and selling natural gas to JSC Hududgaztaminot and consumers connected to the main gas transportation system on the basis of direct contracts shall be transferred from Uztransgaz JSC to UzGasTrade JSC".*

As a result, significant changes in the Company's supply chain have occurred and the Company's primary function has become transportation and transit of natural gas.

Natural gas is distributed in the following main areas:

- natural gas transportation to large enterprises, thermal power plants and suppliers providing gas to low-pressure household consumers;
- natural gas transit;
- injection of natural gas into underground storage facilities;
- natural gas consumption for own needs and process losses.

The current pattern of natural gas trade is shown below:





## Key corporate events in 2022

Date	Event Details
	<i>Personnel changes</i>
January	By decision of the General Meeting of Shareholders of the Company from January 17, 2022 a new composition of the Supervisory Board consisting of 7 persons was elected.
	<i>Personnel changes</i>
January	By resolution of the General Meeting of Shareholders of the Company, a new Audit Commission consisting of 3 members was elected as of January 17, 2022.
	<i>Changes in the Company's business model</i>
June	According to the Presidential Decree No. PP-280 dated June 15, 2022, determination of Uztransgaz JSC as a single operator of the main gas transmission system, specialized in transportation, storage and transit of natural gas.
	<i>Credit score</i>
June	Development of an action plan to obtain an international credit rating for Uztransgaz JSC by the end of 2024
	<i>Rights under contracts</i>
August	From August 1, 2022, the rights and obligations of Uztransgaz under contracts and agreements on the purchase and sale of natural gas, including production sharing agreements, are transferred to UzGasTrade JSC

## Mission and strategic areas of the Company

The activities of Uztransgaz JSC have a strategic significance for the development of the entire economy of Uzbekistan and affect the interests of a wide range of stakeholders.

The mission of Uztransgaz JSC is to ensure the supply of natural gas to the domestic market, as well as to build up the transit capacity of the Republic of Uzbekistan.

*The Company's vision.* Uztransgaz JSC is a competitive and fastest growing company that provides a wide range of services for the transportation and export of gas through a modern pipeline system, operates in accordance with the best practices in the field of sustainable development, environmental protection and ensuring process safety.

Currently, the Company is guided by the Concept for the Provision of the Republic of Uzbekistan with Oil and Gas Products for 2020-2030, which has been drawn up by the Ministry of Energy of the Republic of Uzbekistan to ensure the further sustainable development of the oil and gas industry in a single fuel and energy complex. This concept defines the goals and objectives of the long-term development of the country's oil and gas industry for the medium and long term, priorities and guidelines, as well as mechanisms to ensure the efficiency of the government energy policy at certain stages of its practical implementation, ensuring the achievement of targets.

The Company has identified the following strategic directions for itself:

### Name of strategic areas

Stable supply of natural gas to consumers, both inside and outside the Republic of Uzbekistan, in accordance with the terms of concluded contracts

Attracting and implementing investment projects aimed at expanding the gas transportation system and controlling existing gas trunkline facilities

Rational use of fuel and energy resources in the gas transportation and gas distribution systems through the introduction of modern technologies to reduce energy intensity and improve energy efficiency of production

The Company has set the following priorities based on its strategic goals:

Targets	2022 target achievement status
Upgrading and reconstruction the existing gas pipeline system, development of transit capacity	<p>In line with the Program for increasing the Efficiency of the Main Gas Transportation System of the Republic of Uzbekistan in 2021-2022, measures are scheduled to revamp, construct and repair of main gas pipelines of those 545 km. of pipelines are to be revamped:</p> <ul style="list-style-type: none"><li>- Gazli - Nukus main gas pipeline, I Line DN 1220 mm, section 21-43 km, 167-188 km with a length of 43 km;</li><li>- Gazli - Kagan main gas pipeline, I line DN 1020 mm, section, 78-112 km with a length of 34 km;</li></ul> <p>Ready for tapping after construction:</p> <ul style="list-style-type: none"><li>- Gazli - Kagan main gas pipeline, DN 1220 mm 140 km;</li><li>- SATS-II main gas pipeline DN 1220 mm 68,7* km.</li></ul> <p>Main gas pipelines with a length of 95* km in the process of construction:</p> <ul style="list-style-type: none"><li>- Yangier-Ahangaran main gas pipeline DN 1220 mm construction of 30-125 km section with the length of 95 km (in 2022 in the process of line welding prepared 31,6 km.);</li></ul> <p>In the process of overhaul of 41,2 km sections of gas pipelines:</p> <ul style="list-style-type: none"><li>- Bukhara - Ural main gas pipeline 14 km;</li><li>- Gazli - Nukus main gas pipeline 10,9 km;</li><li>- Gazli - Kagan main gas pipeline 3,2 km;</li><li>- Mubarek - Kagan main gas pipeline 13 km (repaired section of 11,3 km.).</li></ul> <p><i>*- the actual length of the constructed gas pipelines may differ from the design length.</i></p>
Publishing financial statements in accordance with International Financial Reporting Standards (IFRS), on economic, social and environmental issues, in line with the Global Reporting Initiative (GRI).	<ol style="list-style-type: none"><li>1. Consolidated financial statement for 2020 was prepared in accordance with IFRS standards, and a positive audit opinion on these statements for 2020 was received</li><li>2. Work on preparation of the ESG report on the sustainable development of Uztransgaz JSC for 2021 in accordance with GRI standards was carried out. External independent assurance of the Report is planned for 2023.</li></ol>

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A phased and total transformation into a completely new company

Starting from August 1, 2022 in accordance with the Presidential Decree No. PP-280 dated June 15, 2022 "On Additional Measures for Natural Gas Market Reform" the functions of natural gas purchase from producers and sales of natural gas to Hududgaztaminot JSC and consumers, connected to the main gas transmission system, on the basis of direct contracts transferred from Uztransgaz JSC to UzGasTrade JSC.

The body of price regulation under the Ministry of Finance has developed a tariff for transportation.

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## Membership in Associations and External Initiatives

### GRI 2-28

#### *Integrated management system*

Underpinning the Company's approach to managing the economic, environmental and social aspects of its operations is the commitment to the best international practices in sustainable development. Company has been maintaining a policy in the field of an integrated management system (hereinafter referred to the "IMS"). The IMS certificate was issued for the period from May 25, 2020 to May 25, 2023.

The Integrated Management System Policy defines the main priorities and value-based orientations that the Company will adhere to in relation to all its consumers, employees, and other stakeholders, and determines the main strategic priorities for the IMS, including quality management, environmental management, occupational health and safety management, and energy management. The main directions of the Policy in the field of IMS are as follows:

- satisfying the consumer requirements and expectations of ensuring domestic and export supplies, transit of export gas to the maximum extent;
- creating safe working conditions, prevention of injuries and diseases of personnel related to the production activities of the Company;
- preventing adverse environmental impacts of the Company's activities;
- increasing energy efficiency by introducing and using energy-saving technologies.

In particular, the Company is guided by the principles and provisions enshrined in the international standards as follows:

- ISO 9001 :2015 Quality Management System. Requirements;
- ISO 14001:2015 Environmental management system. Requirements and guidelines for their implementation;
- ISO 45001:2018 Health and safety system. Requirements;
- ISO 50001:2018 Energy management system. Requirements and guidelines for their implementation.

As of the reporting period, 10 structural divisions and organizations of the Company were certified for all the IMS areas. Urgenchtransgaz UE is certified only to ISO 9001:2015 - quality management system.

Compliance with the standards in the field of quality management, environment, health and safety and energy of most of the Company's enterprises indicates that the management system, internal and external processes meets the highest standards in this area, recognized worldwide.

The management of the Company and its units, all employees of the Company, the Technical Policy Department of the Executive Office of the Company, internal auditors of the IMS are responsible for the application of the requirements of the IMS policy.

#### *Chamber of Commerce and Industry of the Republic of Uzbekistan*

The Company has been actively involved in various professional and industry initiatives that facilitate the sharing of professional experience and addressing the challenges relevant to the industry level. Since October 27, 2020, the Company has been a member of the Chamber of Commerce and Industry of the Republic of Uzbekistan in the Tashkent region. The agreement provides for the interaction between the parties in such significant areas in business and legal activities as the protection of rights and legitimate interests, the promotion of entrepreneurial activity, education and training, bringing foreign investment, etc.



## CHAMBER OF COMMERCE AND INDUSTRY OF UZBEKISTAN

The main objective of the Chamber of Commerce is to establish a class of owners, to create of best possible legal, economic and social conditions for the implementation of entrepreneurial initiatives, to develop a win-win partnership between the business community and public control and administration authorities, as well as to strengthen guarantees for the protection of the rights and legitimate interests of business entities. The Chamber of Commerce and Industry endeavors to provide comprehensive assistance in improving the business environment and investment climate. Many large organizations of the neighboring countries and beyond are members of the Chamber of Commerce and Industry.

# Report preparation process

## Stakeholder engagement

GRI 3-1, 2-25, 2-26

To achieve the Company's strategic goals, effective collaboration with stakeholders is important. Uztransgaz JSC builds its relations with all stakeholders based on trust, openness and mutually beneficial cooperation, enabling to understand their interests and meet expectations. The Company has been constantly taking measures to establish a dialogue and long-term cooperation and stakeholder relationship management.

Also, the relationship of Uztransgaz JSC with its business units performing activities in the area of responsibility of the Company is built on their mutual interest in ensuring human safety, including the Company's employees and contractors, other people (civilians, visitors, etc.) in the place of operations. The stakeholder engagement process of Uztransgaz JSC, which is based on best practices, enables the Company to timely assess and identify the interests and proposals of various stakeholder groups holding dialogues and other events to improve collaboration.

The Company updates and holds an open dialogue with all stakeholders on the IMS issues related to all areas of this policy on a regular basis. Also, a special mechanism for receiving and considering requests from employees through a hotline and a corporate portal is available at the Company. Thus, the Company creates conditions for an open demonstration of its commitments and intentions in the area of quality management, labour safety, environment and energy efficiency.

### *Stakeholder identification*

Given the complex structure and scale of activities of Uztransgaz JSC, the Company interacts with a wide range of stakeholders including government, local authorities, and international organizations.

The list of stakeholder groups whose opinions influenced the determination of material topics regarding the 2022 Report has not been changed. They are listed below:

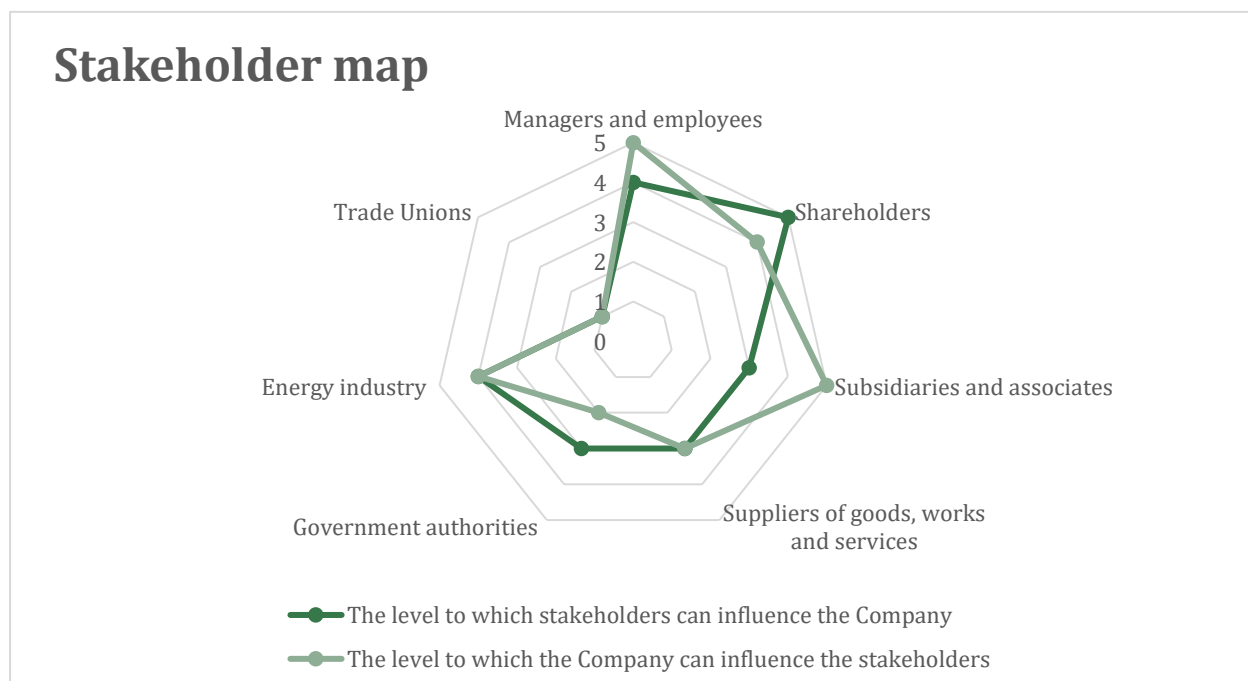
No	Stakeholder
1	Management and Personnel
2	Shareholders
3	Subsidiaries and associates
4	Suppliers of goods, works and services
5	Government authorities
6	Energy industry
7	Trade Unions

The Company has selected the stakeholders for interaction based on the 3 principles as follows:

- 1) Engagement - the extent to which the activities of stakeholders are related to the activities of Uztransgaz JSC.
- 2) Impact - the extent to which the stakeholder is able to influence the activities of Uztransgaz JSC.
- 3) Materiality – a contribution that a stakeholder makes to the activities of Uztransgaz JSC by making certain decisions in favor of the Company.

To identify, assess and systematize stakeholder groups, a Map of Stakeholder of Uztransgaz JSC was approved. The Map reflects the results of the assessment of the significance of stakeholders. When creating the Map of

Stakeholders, the Company assessed the level to which stakeholders can influence the Company and the level to which the Company can influence the activities of stakeholders on a five-point scale, where 1 is the lowest level and 5 is the highest level, based on specific interaction parameters. The approved stakeholder map is as follows:



As part of the preparation of this Sustainability Report, the Company has engaged with all groups of stakeholders by requesting information to obtain their permission to participate in the Survey to identify material topics for disclosure.

#### *Review of appeals*

The Company has a service for handling appeals, complaints and suggestions. Appeals come in the form of postal and electronic letters. In addition to the opportunity to appeal in writing, there is also a hotline, a telephone number for appeals, days of reception of individuals and legal entities by members of the executive body, as well as on-site events to enable individuals and legal entities from remote regions to lodge complaints and proposals directly. Based on the profile of the Company, much attention is paid to a detailed study of appeals in order to resolve arising conflicts, explaining the possibilities of assistance and assistance or otherwise. Most appeals come from individuals who are either employees of the Company or consumers of natural gas. In 2022 Uztransgaz JSC received 659 appeals including 560 from individuals and 99 from legal entities. At the end of the reporting period 311 appeals were satisfied positively, 348 appeals were clarified on the fact that it is impossible to provide assistance.

### Principles of the Report preparation

During the preparation of this report, the Company had been following the reporting principles of the GRI Standards, the provisions of the Corporate Governance Code and other internal documents of the Company. In particular, the following principles have been applied in the preparation of this report:

- Consideration of stakeholders' opinions. The Company has a systematic approach to interaction with stakeholders, which makes it possible to reflect the information relevant to them in the report.
- Sustainable development context. The Report provides information about the Company's operations and its impact on the country's economy, society and environment.
- Materiality. The Report specifies material topics, issues and indicators of economic, environmental and social impact of the Company's activities. The materiality of the information in the Report is revealed based on the assessment by the Company's management of its performance for the reporting period and the opinions of stakeholders.
- Completeness. The Report provides information on all areas of Uztransgaz JSC activities in the field of sustainable development for the reporting period in accordance with GRI Standards: Core Option.

## Identification of material topics of the Report

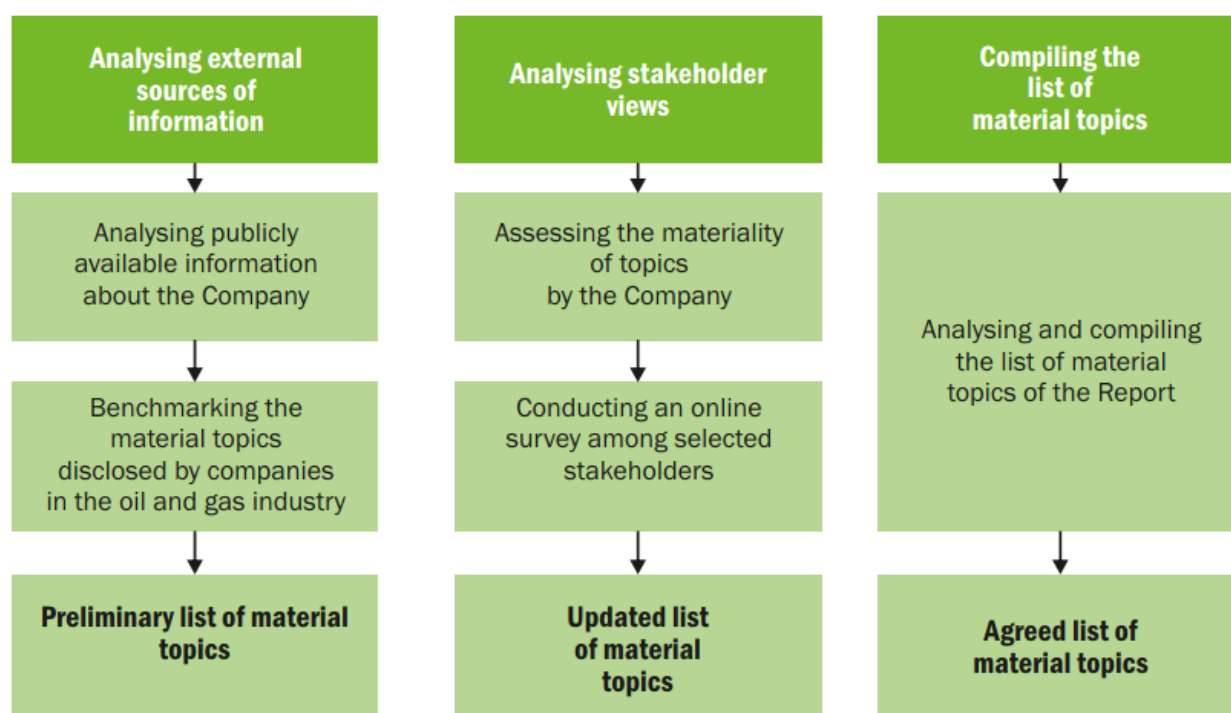
GRI 3-1, 3-2

In order to comply with the GRI Standards, the Company has identified material topics that are most important for the selected stakeholder groups and for the Company.

### Approach to identifying material topics

When drafting the list of material topics, publicly available information about the Company had been analysed and material topics disclosed by the Companies in the field of transportation and the oil and gas industry had been benchmarked. The compiled preliminary list was adjusted by obtaining an assessment of the materiality of each topic from the Company's management and survey responses from stakeholders. An online stakeholder survey was conducted among 7 groups selected by the Company based on the Google Forms digital platform.

The process of compiling a list of material topics is shown below:



The final list of material topics has been reflected in the Materiality Matrix as follows:

Topic grouping	Topic number	Evaluation from respondents	Company Vision	Title of topics
<b>Economic topics</b>	1	3.9	3	Economic performance
	2	3.4	4	Procurement practices
	3	3.9	4	Anti-corruption
<b>Environmental topics</b>	4	4.0	4	Energy
	5	3.5	4	Water and wastewater
	6	4.2	4	Emissions
	7	3.9	4	Waste
	8	3.8	4	Compliance with environmental requirements
<b>Social topics</b>	9	3.5	3	Employment

10	3.5	3	Employee-Management Relations
11	3.9	4	Health & Safety
12	3.9	4	Training and education
13	3.2	3	Diversity and equal opportunity
14	3.5	3	Absence of Discrimination
15	3.9	4	Socio-economic compliance

The Company identified 15 material topics, including topics from each category: economic, environmental, and social, based on an analysis of stakeholder opinions and an assessment of the materiality of the topics.

An agreed list of material topics is given below:

No	Index GRI	Index name
<b>Economic topics</b>		
1	GRI 201	Economic performance (2016)
2	GRI 204	Procurement activities (2016)
3	GRI 205	Anti-Corruption (2016)
<b>Environmental topics</b>		
4	GRI 302	Energy (2016)
5	GRI 303	Water and Effluents (2018)
6	GRI 305	Emissions (2016)
7	GRI 306	Discharges and waste (2020)
8	GRI 307	Compliance with environmental legislation (2016)
<b>Social topics</b>		
9	GRI 401	Employment (2016)
10	GRI 402	Relationships in labor management (2016)
11	GRI 403	Health and safety in the workplace (2018)
12	GRI 404	Training and education (2016)
13	GRI 405	Diversity and Equal Opportunity (2016)
14	GRI 406	Non- discrimination (2016)
15	GRI 419	Socioeconomic compliance (2016)

## Report scope and boundaries

### GRI 2-2, 2-4

This integrated Annual Report discloses the activities of Uztransgaz JSC and all its structural units and organizations.



The operational and financial performance of the Company are reflected in the section "Economic performance". The Consolidated Financial Statements of the Company for the current reporting period include the financial performance of the Head Office and all structural divisions of the Company, Transgasinginiering LLC and Urgenchtransgaz UE.

When making disclosures for 2022, the Company implemented the practice of disclosing indicators over three-year dynamics. In addition, for a more complete presentation of information, the Report reflects events that occurred before the reporting period and Development Plans after 2022 for a various area of the Company.

In this Integrated Annual Report for 2022, the boundaries of the topics individual GRI standard indicators are defined for the completeness of disclosure in the relevant sections. Certain indicators have their own boundaries due to the specific nature of the activities of certain subsidiaries. For example, subsidiaries whose activities are not directly related to the production process may have no data on such an indicator as "Natural gas consumption for process blowdowns". However, those indicators which may be called "common" for all subdivisions of the Company, its subsidiaries and affiliates, imply a uniform approach to the collection and consolidation of data. Such indicators include the number of personnel, the number of newly hired/retired employees and the number of occupational injuries.

In case of changes in the organizational structure of the Company (acquisition, alienation, liquidation or formation of new structural units), the approach provides for introduction or reversal of a structural unit in the consolidated reporting, familiarization with the regulatory documents adopted by the Company, regulating the reporting cycle and the procedure for collecting initial data, obligations in bringing the reporting to the end of the quarter in which the alienation/liquidation took place.

The Report is the third in the Company's practice, so there are no significant changes in the list of material topics and topic boundaries as compared to the previous reporting period.

#### *Feedback*

The Appendices section of this Report includes a feedback form for the reader. The feedback form is aimed at developing the reports of subsequent periods by obtaining assessments and suggestions from stakeholders. Uztransgaz JSC would appreciate filling out the feedback form in order to develop the Sustainability Report for subsequent periods.

## **Independent assurance**

### **GRI 2-5**

The 2022 Consolidated Annual Report has undergone an independent external assurance procedure for sustainability information. The opinion of the auditing company is presented in Appendix No 1.

The selection process of the independent verifier was initiated by the Executive Body of the Company. Such indicators as the independence of the organization conducting the verification, its competence in sustainable development issues, the availability of experience in assurance of non-financial reporting and international image were taken into account in the selection process. In the Company's practice, the assurance of the Sustainability Report was initiated for the first time, but in the future this trend will be consolidated on a permanent basis.

# **The corporate governance**

## **Corporate governance structure**

### **GRI 2-9,2-14, 2-16, 2-19**

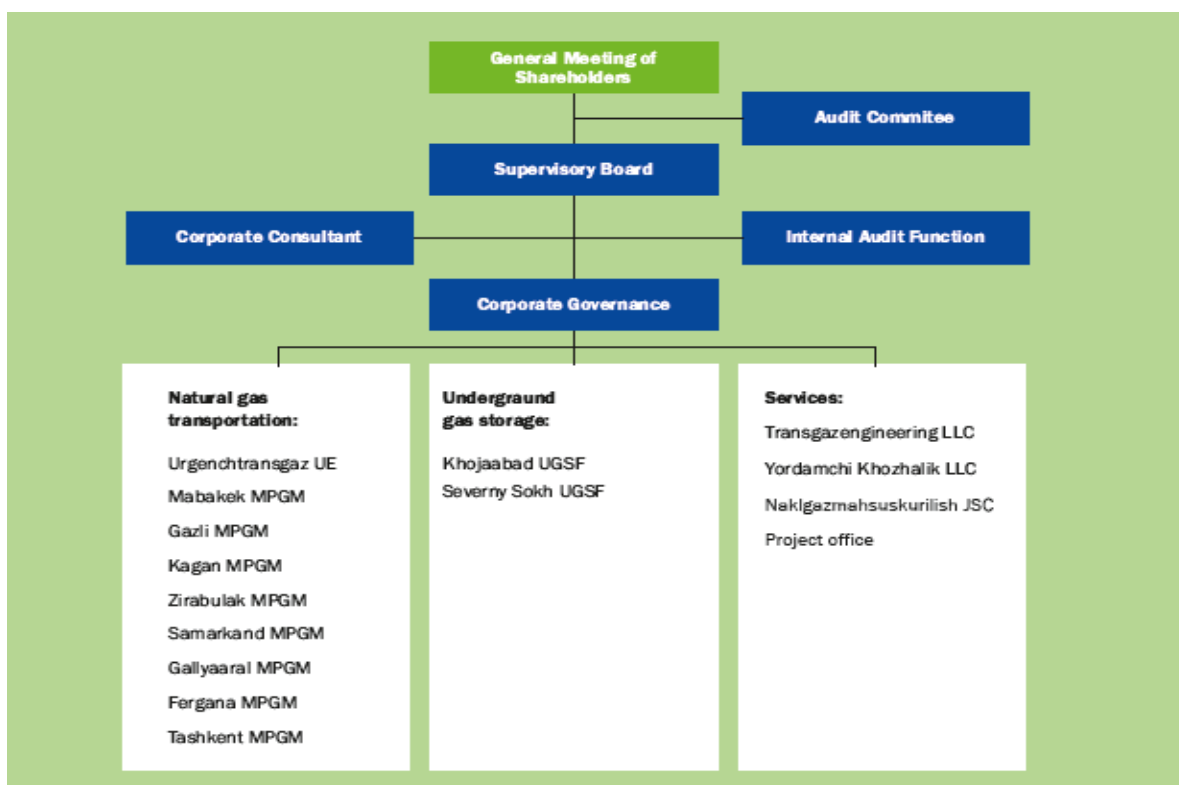
Uztransgaz JSC views corporate governance as a key factor in the growth of the Company's value, its competitiveness, and investment attractiveness. In this respect, continuous improvement of the corporate governance system and observance of the interests and rights of shareholders is a top priority for the Company.

The major tasks of the corporate governance system of the Company are to increase the transparency of activities, draw up a long-term Strategic Plan, compile internal regulations, address the issues related to quality assurance, industrial safety, compliance with the principles of environmental friendliness and energy efficiency.

Uztransgaz JSC builds the corporate governance system of the Company in accordance with the laws of the Republic of Uzbekistan, the corporate Governance Code of the Company and the Corporate Governance Rules for state-owned enterprises.

The highest governing body of Uztransgaz JSC is the General Meeting of shareholders. The Supervisory Board, elected at the General Meeting of shareholders, conducts general management of the Company's activities, sets the strategy and development prospects, devises tactics and medium-term tasks for the Company.

The corporate governance structure of Uztransgaz JSC is as follows:



### General Meeting of Shareholders

The General Meeting of Shareholders is the highest governing body of the Company acting in accordance with the Law of the Republic of Uzbekistan “On Joint Stock Companies and Protection of Shareholders Rights”, the Charter of the Company and the Regulations “On the General Meeting of Shareholders of Uztransgaz JSC.

The Company endeavors to ensure equal and fair treatment of all shareholders when they exercise their right to participate in the corporate governance. The primary way for shareholders to exercise their rights is to participate in the Annual General Meeting of Shareholders and in the Extraordinary General Meetings of Shareholders.

The procedure for holding the General Meeting of Shareholders is aimed at ensuring the compliance with the shareholder rights and meets all the requirements of the current legislation, as well as the world's best corporate governance practices.

The Revision Commission and the Internal Audit Service, which are the Company's supervisory bodies, may also apply to an ordinary shareholders' meeting. All appeals and comments are included in the agenda of the annual or extraordinary meeting. In the reporting period, there were no appeals reporting critical problems.

### Extraordinary General Meetings of Shareholders

Also, 3 extraordinary meetings of shareholders were held, at the meetings, 11 issues were considered in the areas as follows:

- financial and economic activities;
- conclusion of loan agreements

- execution of the Decree of the President of the Republic of Uzbekistan No. 168 dated March 18, 2022.
- selection of an independent auditing organization to audit the Company's financial and business activities for 2021.

#### *Dividend policy*

The dividend policy of Uztransgaz JSC approved on June 29, 2021, is aimed at ensuring growth of the Company capitalization and is based on the balance of interests of the Company and its shareholders, on increasing investment attractiveness of the Company, on the respect and strict observance of the shareholders rights provided for by the current legislation of the Republic of Uzbekistan, the Company Charter and its internal documents.

The Dividend Policy sets out the payout amount on ordinary shares up to 10% of the Company's net profit, and on preferred shares at the rate of 25% to the par value per share. The Supervisory Board of the Company submits recommendations to the General Meeting of Shareholders on the payout amount on shares and the payout procedure. The amount of dividends cannot exceed the payout amount recommended by the Supervisory Board.

*The Supervisory Board determines the payout amount on shares based on the factors below:*

- Net profit amount according to the data of the financial statements, the fairness of which is confirmed by the auditor's report;
- The amount of the reserve fund and other funds stipulated by the Articles of Association of the Company;
- Approved Business Plan and Development Strategy of the Company.

#### *The Executive Body*

Collective Executive Body of the Company (hereinafter referred to as the "Management Board") is a body under the Supervisory Board that provides support, control and implementation of decisions made by the Supervisory Board. The Management Board reports to the Supervisory Board for the activities performed to achieve the goals of the Company. The Chairman of the Management Board leads the Management Board, and is elected at the General Meeting of Shareholders.

The primary objectives of the Management Board are to manage all financial and economic activities of the Company and implement the Development Strategy. While making efforts to achieve the goals, the Management Board is guided by the following basic principles: transparency, good faith, consistency, reasonableness as well as observance of the rights and interests of the Company's shareholders and accountability to the General Meeting of Shareholders and the Supervisory Board of the Company.

The Company's Executive Body is the initiator of the annual cycle of sustainability reporting and acts as a guarantor of the information provided in the Report. The practice provides for approval of the Report by the "Decision of the Management Board" and designation of further actions in the direction of sustainable development.

In accordance with the organizational structure of the Company, the Management Board consists of 4 persons.

<b>№</b>	<b>Full name</b>	<b>Position</b>
1	Narmatov Bekhzot Rakhmatullaevich	Chairman of the Management Board
2	Nuriddinov Utkir Toshniyozovich	Acting First Deputy Chairman of the Management Board for Production - Chief Engineer
3	Ismoilov Tuhtamurod Abdurasulovich	Acting Deputy Chairman of the Management Board for Construction and Transportation

4	Mamatkarimov Bakhtiyor Rustamovich	Deputy Chairman of the Management Board for Finance and Marketing
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During 2022, 43 meetings in person and in absentia were held by the Company's Management Board.

Attendance at the Management Board Meetings in 2022 is given below:

Member of the Management Board	Meeting attendance		Term of office in the Management Board during the reporting period
	Number of meetings attended	Meetings attended %	
Narmatov Bekhzot Rakhmatullaevich	17 from 43	40%	01.01.2022 – 31.12.2022
Nuriddinov Utkir Toshniyozovich	34 from 43	86%	01.01.2022 – 31.12.2022
Ismoilov Tuhtamurod Abdurasulovich	34 from 43	86%	01.01.2022 – 31.12.2022
Mamatkarimov Bakhtiyor Rustamovich	18 from 33	55%	01.01.2022 – 24.10.2022

The following key areas, among others, were considered and decisions were taken during the meetings held:

- upgrading of the gas pipeline system of the Republic of Uzbekistan;
- results of financial and economic activities;
- Issues related to the activities of the Youth Union;
- control and enforcement of government instructions.

The remuneration policy for the Supervisory Board members takes into account the following indicators:

Remuneration of the members of the Management Board shall be paid in accordance with the Regulations on the Executive Body of the Company.

*Basic (fixed) part of remuneration*, according to the contract of employment, which is concluded between the Board Member and the chairman of the Supervisory Board, and is paid for the proper performance of job duties.

*The variable part of remuneration*, which involves quarterly remuneration based on the results of the company's activities and its financial capabilities, compensation for length of service, compensation in honor of public holidays, reimbursement of travel expenses. Variable part of remuneration of labor is stipulated by the regulation on the Executive Body of Uztransgaz JSC.

Dismissal and retirement payments are made in accordance with the labor legislation of the Republic of Uzbekistan and the collective agreement of Uztransgaz JSC. Other types of payments not provided for by internal provisions of the Company are made in accordance with the labor legislation of the Republic of Uzbekistan.

In order to determine remuneration of Executive Body by results of activity annual plan of indicators with breakdown by quarters is made. Based on the results of the work done each quarter, the performance of indicators is assessed. On the basis of fulfillment/non-fulfillment of indicators the decision on payment and amount of remuneration provided by the order of payments is made.

#### *Audit commission*

The Audit Committee is the in-house control body of the Company performing the functions of internal legal, financial and economic control over the activities of the Company, its business units and organizations recorded on the Company balance sheet. The Audit Committee's activities are aimed at ensuring the legitimate interests and rights of all shareholders.

The activities of the Audit Committee are regulated by the legislation of the Republic of Uzbekistan, by Government authorities, the Company's regulations on the Audit Committee and other internal documents.

The Audit Committee consists of three members and is elected for a period of one year by the decision of the General Meeting of Shareholders. All members of the Audit Committee of the Company have higher legal and economic education and a background related to financial reporting and accounting.

All major issues are resolved at meetings of the Audit Commission, which are held in accordance with the approved plan.

#### *Corporate Governance plans for 2022*

Pursuant to the Decree of the President of the Republic of Uzbekistan № UP-101 dated April 8, 2022 "On the next reforms to create conditions for stable economic growth by improving the business environment and development of the private sector" in the Company:

- A unified policy of incentives for the members of the Supervisory Board and remuneration for the members of the Company's Executive Body is being implemented;

- Qualified international specialists, including from among compatriots attracted to the Supervisory Board and the Management Board of the Company.

## **Supervisory board**

GRI 2-11, 2-14, 2-19

The Supervisory Board has overall authority over the activities of the Company, except for the matters that fall exclusively within the competence of the General Meeting of Shareholders in line with the Law and the Charter. In its activities, it is guided by the Law, recommendations of the Corporate Governance Code, the Charter of the Company, and other internal documents.

The main tasks of the Supervisory Board are as follows:

- Ensuring the implementation of the medium- and long-term Development Strategy;
- Control over the activities of the Management Board and implementation of the annual business plans
- Ensuring information transparency, completeness, reliability and unbiased public information, and oversight over the implementation of the Company's information policy
- Monitoring over the organization of the internal control and risk management system
- Ensuring the implementation of the dividend policy, clearing of conflict of interest
- Protection of the rights and legitimate interests of the Company's shareholders.

In line with the Law and the Charter of the Company, members of the Supervisory Board are elected by weighted voting at the General Meeting of Shareholders. The total number is 9 members for a one-year term. Candidates who have received the highest number of votes are deemed elected to the Supervisory Board of the Company, and persons elected to the Supervisory Board of the Company may be re-elected an unlimited number of times. Members of the Supervisory Board shall not be members of the Audit Committee of the Company. The head and members of the Executive Body of the Company shall not be elected to the Supervisory Board of the Company. The Chairman of the Supervisory Board of the Society is elected by members of the Supervisory Board from among its members by a simple majority of votes from the total number of members of the Supervisory Board. The Chairman of the Supervisory Board shall not be a head of the Company.

#### *Composition of the Supervisory Board:*

By decision of the General Meeting of Shareholders of the Company a new Supervisory Board consisting of 7 persons was elected from January 17, 2022.

Chairman of the Supervisory board is Ishmetov Timur Aminjanovich - the Minister of Finance of the Republic of Uzbekistan.

All members of the Supervisory Board of the Company have a high professional reputation, significant experience in various industries and have the necessary knowledge and competencies in the field of financial reporting, asset management, law, project management, business planning and strategic planning.

Composition of the Supervisory Board is given below:

<b>№</b>	<b>Full name</b>	<b>Position</b>	<b>Role in the Supervisory Board</b>
1	Ishmetov Timur Aminjanovich	Minister of Finance	Chairman of the Supervisory Board
2	Akhmedkhadjaev Azzim Азим Israilovich	First Deputy Minister of Energy	Member of the Supervisory Board
3	Ismailov Shukhrat Yakhyaevich	A member of the Presidential Administration	Member of the Supervisory Board
4	Isakov Odilbek Rustamovich	-	Member of the Supervisory Board
5	Jumanazarov Akmal Ruzikulovich	Head of Department of the Cabinet of Ministers of the Republic of Uzbekistan	Member of the Supervisory Board
6	Sharakhmetov Shakhrukh Shaturgunovich	Chairman of the Antimonopoly Committee	Member of the Supervisory Board
7	Sharipov Otabek Bekmurodovich	Administration Director of Economic Development and Poverty Reduction	Member of the Supervisory Board

#### *Supervisory Board performance results*

The Chairman of the Supervisory Board convenes a meeting of the Supervisory Board of the Company on his own initiative, at the request of a member of the Supervisory Board and Audit Committee, the Executive Body of the Company, a shareholder holding a minimum of one percent of the voting shares of the Company, as well as other persons specified in the Charter of the Company.

The Company understands importance of approval of the information provided in the Report by the Supervisory Board, however at the moment of the reporting period the above mentioned is not mandatorily provided by the Regulation on activity of the Supervisory Board.

Attendance of meetings of the Supervisory board in 2022 is given below:

<b>Member of the Supervisory Board</b>	<b>Meeting attendance</b>		<b>Period of service on the Supervisory Board during the reporting period</b>
	<b>Number of meetings attended</b>	<b>Percentage of meetings attended</b>	
Ishmetov Timur Aminjanovich	6 from 6	100%	01.01.2022 – 31.12.2022
Akhmedkhadjaev Azzim Азим Israilovich	6 from 6	100%	01.01.2022 – 31.12.2022
Ismailov Shukhrat Yakhyaevich	0 from 6	0%	01.01.2022 – 31.12.2022
Isakov Odilbek Rustamovich	6 from 6	100%	01.01.2022 – 31.12.2022
Jumanazarov Akmal Ruzikulovich	6 from 6	100%	01.01.2022 – 31.12.2022
Sharakhmetov Shakhrukh Shaturgunovich	6 from 6	100%	01.01.2022 – 31.12.2022
Sharipov Otabek Bekmurodovich	6 from 6	100%	01.01.2022 – 31.12.2022

In 2022, the Supervisory Board held 6 in-person meetings, at which it considered and passed resolutions on 23 issues, including the following key areas of the Company's activities:

- financial and economic activities;
- strategic development.

#### *Remuneration of Supervisory Board members*

Members of the Supervisory Board shall receive remuneration and/or reimbursement for the expenses incurred in the performance of their duties during their term of office. The following types of remuneration are paid to the members of the Supervisory Board of the Company:

- Basic (fixed) remuneration. This remuneration is paid to the members of the Supervisory Board for the proper performance of their duties in managing the Company and achieving the financial results set out in the annual business plan.
- Additional (bonus) remuneration. This remuneration is paid to members of the Supervisory Board for the effective management of the Company in the reporting year, based on the results of an independent assessment of the corporate governance system and financial results of the Company.

Members of the supervisory board are not paid bonuses at their admission to the supervisory board. In the event of early termination of the powers of a member of the Supervisory Board during the year, additional remuneration is paid for the actual period of performance of the duties of a member of the Supervisory Board of the Company. Payments to members of the Supervisory Board are made based on the results of their activities, so the return of the additional remuneration is not provided by the procedure of remuneration/compensation. Also, the procedure for remuneration/compensation does not provide for the payment of pension benefits.

To assess the effectiveness of the Company's management, an independent assessment of corporate governance is carried out. Selection of the independent organization is carried out on the basis of competition. Activity of the supervisory board can be estimated as unsatisfactory, low, satisfactory and high. At recognition of activity of the supervisory board as unsatisfactory or low additional (bonus) remuneration is not paid.

## **Integrated management system**

### **GRI 2-23**

To ensure an adequate level of control and sustainable development, the Company has introduced and operates an Integrated management system (hereinafter - the "IMS").

IMS is an integral part of the Corporate Governance system and meets the requirements of the following international standards:

- ISO 9001 :2015 – Quality management system;
- ISO 14001:2015 – Environmental management system;
- ISO 45001:2018 – Occupational Health and Safety System;
- ISO 50001:2018 – Energy management system.

The IMS is based on the following procedures:

- Documented information Management;
- Management of internal audits of the management system;
- Management of Nonconformities and Corrective Actions;
- Infrastructure management;
- Hazard identification and Risk Assessment;
- Personnel Management;
- Identification of Environmental Aspects;
- Interaction with Contractors;

- Emergency preparedness;
- Energy planning and Energy Efficiency Analysis.

The Company pays particular attention to further improvement of the IMS. Every year, departments and divisions formulate and set goals and activities, which should be approved by the Chairman of the Management Board. Apart from that, in line with the provisions of international standards, the Technical Policy Division annually reviews the IMS. Based on the results, relevant decisions are made to improve the IMS.

Also, the Company annually conducts an internal audit of the IMS. The working groups comprising members of Permanent Commissions (hereinafter - the "PC") of the Central Office and business units of the Company perform the internal audit activities. To carry out its operational responsibilities, the PC is guided by the orders of Uztransgaz JSC and business units, in line with the Procedure for Managing Internal Audits of the Company's Management System.

In 2022 the second supervisory audit of IMS for compliance with the requirements of international certificates ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018 was conducted in Uztransgaz JSC from 16 to 20 May. As part of the implementation of projects to meet the requirements of international standards, the Company has been working in close collaboration with "CERT International", a certification body whose independent auditors confirming compliance of the Company's IMS with the requirements of the selected ISO standards.

According to the results of the review, the auditors of the Certification Body found no critical and non-critical comments and gave 18 recommendations, based on which the Action Plan for implementation of the auditors' recommendations was drawn up.

The certificate and annex on compliance of the Company's management system with the requirements of ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018 standards are given below:



Also, in 2022, 89 employees of the Company who are members of the PC on IMS in the structural units had a training course on IMS. The training was conducted by the State Institution "Research Institute for Standardization, Certification system and Technical Regulation" (Standards Institute).

The Company is steadily advancing towards achieving its goals in the field of compliance with international standards in various areas. The core areas of the activities to improve the IMS for 2023, in addition to maintaining the IMS in full compliance with the standards, are as follows:

- Conducting seminars, training of 85 personnel of the central office in order to raise employees' awareness and competencies in the field of IMS.
- Conducting re-certification audit by certification body.



- Preparation for receiving other ISO certifications.

## Service of internal audit

### GRI 2-16

The Company's Internal Audit Service was established in 2015 pursuant to RCM No. 215 dated October 16, 2006 and is a structural unit directly subordinate and accountable to the Supervisory Board.

The main objectives of the Service's activities are to provide the Supervisory Board with independent and objective information designed to ensure effective management of the Company by bringing a systematic approach to the improvement of risk management, internal control and corporate governance systems, as well as to promptly make recommendations to the management bodies to eliminate identified deficiencies.

In carrying out its functional duties, the Internal Audit Service is guided by the Regulation "On the Internal Audit Service of Uztransgaz JSC", legislation of the Republic of Uzbekistan and internal documents of the Company.

Based on the results of the audits, the corresponding quarterly summary reports are prepared, which include analytical and final parts. The Internal Audit Service is responsible for assessing the measures taken to eliminate violations and improve the efficiency of the Company's financial and economic activities.

In 2022, 8 audits were performed in accordance with the Annual Audit Plan of the Internal Audit Service for 2022. In particular, an audit of production, operational and financial processes at MGPM and UGSF of the Company was performed.

In total, in 2022, based on the results of the audits conducted, the Internal Audit Service identified more than 10 findings and issued more than 20 recommendations in the areas of revenue and receivables recognition, tax calculation, disposal of the Company's assets, asset inventory, etc. For all recommendations of the Internal Audit Service issued in 2022, the audit objects developed and approved action plans to eliminate the identified non-compliances.

### *Plans for 2023*

In 2023, as part of the activities of the Internal Audit Service planned the followings:

- Internal audit (on a quarterly basis and based on the results of the reporting year) by conducting appropriate audits in the areas specified in RCM No. 215 of 16.10.2006;
- Examination of business contracts for their compliance with legal requirements;
- Consulting and methodological assistance in accounting and taxation, seminars on implementation of the International Financial Reporting Standard.

## Anti - Corruption

### GRI 3-3, 205-3

In its day-to-day activities, the Company is guided by the principles of transparent and ethical business behavior with good faith, also it works systematically to identify and combat corruption and fraud in all forms and manifestations. Corruption risk assessment is the basis for the adoption and implementation of the Company's anti-corruption policy.

The main internal documents regulating anti-corruption issues in the Company are as follows:

- Code of Corporate Ethics of Uztransgaz JSC;
- Anti-corruption policy of Uztransgaz JSC.

Anti-corruption policy of Uztransgaz JSC was approved on September 30, 2020 and was developed in accordance with the requirements of anti-corruption legislation of the Republic of Uzbekistan, the Code of Corporate Ethics. This policy uses principles and norms of:

- The United Nations Conventions against Corruption (adopted by Resolution No. 58/4 of 31.10.2003 at the 51st plenary meeting of the 58th General Assembly of the United Nations in New York);

- The Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (adopted in Istanbul on January 21, 1997);
- The Criminal Law Convention on Corruption (signed at Strasbourg, September 27, 1999, ETS No. 173);
- Criminal Code of the Republic of Uzbekistan;
- The Code of Administrative Responsibility of the Republic of Uzbekistan;
- Law of the Republic of Uzbekistan "On Combating Corruption" No. URK-419 dated January 3, 2017.

This policy presents the Company's position in the fight against corruption and defines a single set of principles supported by the Company and business units and enterprises in the course of their activities. As part of the implementation of the Anti-Corruption Policy of the Company, Uztransgaz JSC has been working to create an anti-corruption culture, prevent corruption, resolve and prevent conflicts of interest. In particular, the main tools and mechanisms used by the Company in order to combat corruption are as follows:

- anti-corruption monitoring;
- corruption risks identification, assessment and management;
- promoting of an anti-corruption culture;
- Prevention of conflicts of interest;
- informing employees and contractors;
- functioning of channels for feedback and informing about the facts of corruption;
- preparing information boards to raise awareness of corruption;

The Compliance Control Division is in charge of the implementation of the Anti-Corruption policy in the Company. The Division includes employees with an extensive professional background, expertise, skills, and competencies. In line with the Anti-Corruption Policy, the heads of the Compliance Control Division and heads of business units are responsible for preventing corruption and other violations.

The Company has a well-developed system of internal communications enabling the Company's management to receive up-to-date information from any employee and other stakeholders about alleged facts of corruption, as well as other abuses and violations. The Company assures the confidentiality of information related to all employees and other entities who report corruption offenses.

The Company has the following channels for receiving reports:

- company web portal: [WWW.UTG.UZ](http://WWW.UTG.UZ);
- Hotline (+99871) 202-10-60 (internal 399);
- Telegram-channel @UztransgazAnticorruptionBot
- E-mail: [compliance@utg.uz](mailto:compliance@utg.uz)
- Official webpage in a social network [www.facebook.com/UztransgazAnticorruption](http://www.facebook.com/UztransgazAnticorruption)

All inquiries and complaints received are immediately accepted for consideration and handling in line with the effective laws.

Also, in accordance with the Anti-Corruption Policy, the Company does not directly provide charitable assistance and sponsorship to government authorities, commercial and non-commercial organizations, their representatives, as well as other entities. Charitable assistance and sponsorship can be provided by the Company only in agreement with the Compliance Control Division.

## **Corporate ethics, resolution of corporate conflicts and conflicts of interest**

Uztransgaz JSC has a Code of Conduct, which was introduced on April 13, 2020 to ensure compliance with the principles of professional conduct and the basic rules of professional behavior of employees of the Central Office and business units of the Company. The Code sets out the most important rules for business conduct and

stakeholder relations, as well as defines the responsibilities of officials and employees of the Company to prevent conflicts of interest.

In line with the approved Code, an employee of the Company should perform his/her professional activities on the basis of the principles as follows:

Legitimacy	Fairness
Precedence of the rights, freedoms and legitimate interests of citizens	Integrity
Patriotism and loyalty to duty	Avoiding conflicts of interest
Commitment to the interests of the state and the society	Impartiality

When introducing the Code of Ethics, the HR Department organized work to familiarize each employee with the Code of Ethics and their responsibilities. Also, this department controls compliance with the Code by employees of the central office and structural subdivisions of the Company.

In turn, the heads of the business units of the Company are responsible for ensuring that employees comply with the Code, in particular, their functions include:

- getting every employee familiarized with the Code;
- ensuring that all employees of business units on-site perform their work activities in the special clothing allocated to them to comply with safety measures;
- informing about taking measures in the manner prescribed by the Labour laws and regulations in relation to managers and employees failing to comply with the Ethics Code.

Violations of the Code norms are considered by the Ethics Commission, which is established from among responsible employees of the Company's central office in the number of at least 5 persons. In its activities, the Commission is guided by the legislation of the Republic of Uzbekistan, the Charter of Uztransgaz JSC and the Regulation "On the Ethics Commission of Uztransgaz JSC"

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The main tasks of the Committee are as follows:

- monitoring of compliance by the Central Office of the Company with the laws of the Republic of Uzbekistan, the Charter of the Company and the Ethics Code;
- assisting employees with issues related to ethical rules;
- taking preventive actions in line with the ethical rules to prevent conflicts of interest;
- taking measures to resolve conflicts of interest in the rules of conduct through a trade-off;
- organizing a preliminary investigation to prevent the use of disciplinary measures against employees in case of non-compliance with the rules of conduct;
- development of proposals to amend and supplement the Code of Ethics.

The basis for convening a meeting of the Committee is a written complaint of the employee (regardless of position held) to the Committee about any case of violation of the rules of conduct. The Committee examines the complaint filed by the employee about the violation of ethics standards and makes a decision in line with the rules of the Code of Conduct. The Committee performs its activities in accordance with the current laws and regulations. The minutes of the meetings of the Committee are stored in the archive of Uztransgaz JSC as a separate document.

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# Economic performance

## Management Approach

### GRI 3-3

The oil and gas industry of Uzbekistan is the largest segment of the economy and is of fundamental strategic importance for the development of the whole economy of the country. Being a guaranteed provider of natural gas for the Republic, Uztransgaz JSC annually makes a considerable contribution to increasing the socioeconomic capacity of the country and to the development of the regions within its footprint:

- ensuring significant regional budget revenues by paying taxes;
- providing jobs to local people and providing social support;
- supporting domestic manufacturers and increasing local content share in procurement.

Following the results of 2022, the Company paid UZS 2 876,11 billion of taxes and other mandatory payments to the budget of the country. The Company, as well as enterprises within the Company's structure, also employs more than 8 thousand people country wide, providing not only stable wages, but also social support for employees and their families. Funds allocated by the Company to the salaries of employees in 2022 amounted to UZS 526 985 million.

When performing its activities, the Company is guided by the annually approved natural gas resource and distribution balance (hereinafter "Balance Sheet") approved by the Government of the Republic of Uzbekistan to manage its economic performance. The Company monitors and consolidates its annual natural gas requirements and participates in the development of the annual Balance Sheet.

Prior to August of the reporting period, the Company's core business was the purchase and sale of natural gas (trading) and the Company's net revenues from gas sales did not cover production costs, resulting in negative gross revenues.

Since August 1, 2022, the Company's business model has been changed in accordance with the Decree of the President of the Republic of Uzbekistan dated June 16, 2022 "On Additional Measures for Reforming the Natural Gas Market" No. PP-280 according to which the Company is determined as a single operator specialized in transportation, storage and transit of natural gas and the functions of natural gas purchase and sale are transferred to "UzGasTrade" JSC. This, in turn, had a positive impact on the Company's financial position, in particular, the growth rate of production costs decreased significantly.

The Company has little influence on the formation of economic performance due to high administrative regulation of prices by the state.

### ***Plans for the mid-term perspective***

The initial stages of the industry reform, consisting in the optimization of the business model aimed at financial recovery, had a positive impact on the Company's economic condition, in particular, the growth rate of production costs in the second half of the reporting period decreased significantly.

As part of the next steps in the potential transformation of the industry, which will be carried out by the government, it is expected that prices will be liberalized step-by-step with the introduction of market pricing mechanisms in order to develop and modernize the gas transmission system and create a healthy competitive environment in the industry.

According to the developed Strategy of transformation of Uztransgaz JSC in 2023-2024, the following steps on transformation of the Company are outlined:

1. Partial liberalization of prices. application of regulated and market prices for relevant categories of consumers.

2. Full liberalization. Market prices for all consumers

## Direct economic value generated and distributed

GRI 201-1

No	Indicators, UZS mln.	2021	2022
1	Net revenue (exclusive of commodity tax)	18 381 444	16 588 381
2	Total costs	23 638 692	22 865 926
3	Production cost, including:	20 828 258	17 223 969,
3.1	Production material costs, including:	19 866 790	16 176 961
3.1.1	purchase of raw materials	17 567 657	13 842 467
3.1.2	materials (purchased)	66 088	55 486
3.1.3	production work and services	1 345 418	1 251 708
3.1.4	natural raw materials	0	2 897
3.1.5	all types of fuel purchased from third party	15 082	16 047
3.1.6	Purchased energy of all types	267 220	299 654
3.1.7	gas consumption for own needs and losses	605 326	708 702
3.2	Production labor costs	248 916	298 700
3.3	Single social payment	29 819	35 834
3.4	Depreciation of fixed assets of production type	544 982	541 593
3.5	Other expenses of production nature	137 751	170 879
4	Gross profit (loss) from sales	-2 446 814	-635 587
5	Expenses for the period, including:	789 894	719 903
5.1	Sells costs, including:	0	0

5.1.1	product transportation costs	0	0
5.1.2	other selling expenses	0	0
5.2	Administrative expenses, including:	88 625	102 698
5.2.1	expenses for labor remuneration of management personnel	47 807	61 956
5.2.2	single social payment	5 730	7 235
5.2.3	depreciation of fixed assets of administrative purposes	4 395	5 443
5.2.4	other administrative expenses	30 692	28 063
5.3	other operating expenses, including:	701 270	617 205
5.3.1	mandatory payments to the budget, taxes and fees	196 213	96 772
5.3.2	tax for the use of subsoil resources	0	0
5.3.3	water consumption tax	732	2 058
5.3.4	property tax	12 241	18 824
5.3.5	land use tax	59 576	16 110
5.3.6	other taxes	123 664	59 778
5.3.7	payments for intangible services and bank services	38 625	60 848
5.3.8	benefits and payments of compensatory and incentive character	130 480	189 010
5.3.9	sponsorship	38 494	551
5.3.10	other operating expenses	297 458	270 023
6	Other income from core activities	2 032 277	921 811
7	Profit (loss) from core activities	-1 204 431	-433 679

8	Income from financing activities, including:	709 220	3 187 357
8.1	income in the form of dividends		1
8.2	income in the form of interest	627	0
8.3	Income from long term leasing	529	420
8.4	Income from currency exchange differences	708 064	3 186 870
8.5	Other income from financial activities	0	65
9	Expenses from financing activities, including:	2 020 540	4 922 053
9.1	interest on bank loans and loans and from other financial organizations	290 416	572 316
9.2	interest expenses on financial leasing of property	0	0
9.3	foreign exchange losses from foreign currency transactions	1 730 123	4 349 738
9.4	other finance costs	0	0
10	Profit before tax, including	-2 515 750	-2 168 376
10.1	income tax	0	0
11	Net profit (loss)	-2 515 750	-2 168 376

The above economic indicators reflect the data for 8 MGPM, 2 UGSF, the Central Administration of Uztransgaz JSC.

The wages and salaries of the Company are based on the sum of items of salaries of the process staff, executive staff, as well as benefits and incentives. The Company's operating expenses include:

- taxes;
- compensatory and incentive allowances and payments;
- non-material services and bank services;
- sponsorships;
- fees of the Bureau of Enforcement under the General Prosecutor's Office of the Republic of Uzbekistan.

## Procurement system and local content development

GRI 3-3, 2-6, 204-1

One of the procurement principles is to provide all potential suppliers with equal opportunities to participate in the procurement process. The procurement system of Uztransgaz JSC is based on the principles of openness, competitiveness and reasonableness. An important aspect in selecting a supplier of goods, works and services

is to conduct procurement procedures in strict compliance with the Company's procurement methodology without any violations affecting the results.

The Company's procurement process includes the following main stages:

- formulating an annual demand;
- Selection a supplier;
- Concluding and implementing a procurement contract.

When making procuring decisions, the Company give a priority attention and provides support for the purchase of the products (raw materials, materials, resources and services) that:

- have qualitative characteristics meeting the relevant requirements, and are the best in comparison to alternative options (similar);
- have higher efficiency levels in terms of energy and/or energy consumption;
- are more environmentally friendly goods, i.e., those that have been produced with the least negative impact on the environment;
- have the lowest risks to public health and damage to the property of the Company during their transportation, storage, and consumption.

The Department of Procurement and Cooperative Ties oversees the procurement processes of all business units of the Company. All procurement procedures of Uztransgaz JSC are regulated by the Law of the Republic of Uzbekistan "On Public Procurement" No.ZRU-684 dated April 22, 2021 and by the Decree of the President of the Republic of Uzbekistan No. PP-3953 dated September 27, 2018 "On Measures to Implement the Law of the Republic of Uzbekistan "On public procurement". In addition, in 2021-2022, the Company performed procurement activities in line with the three orders as follows:

1. The Order No. 109 dated May 24, 2021
2. The Order No. 40 dated April 4, 2022.

Suppliers for Uztransgaz JSC and its business units and enterprises are selected in an open tender, bidding, auctions and by a request for quotation processes, in line with the method for the procurement of goods.

Procurement and Cooperative Liaison Departments are procured through:

1. E-commerce stores:

- goods with a value under one contract of up to twenty-five thousand basic calculation units (hereinafter referred to as "BCU");

- works, services with the value under one contract up to one hundred BCU.

2. Auctions to lower the starting price:

- goods with a value per contract of up to twenty-five thousand BCU.

3. Selections of the best proposals:

- goods (works, services) under one contract up to twenty-five thousand BCU amounts.

4. Tenders:

- goods (works, services) under one contract in excess of twenty-five thousand BCU amounts.

In line with the Order No.40 dated April 4, 2022, all departments of the Company can formalize contracts in the due manner for services, for an amount not exceeding the equivalent of 2,500 BCU under one contract, except for import contracts. Goods, works and services in the amount exceeding the equivalent of 5,000 times reference calculation value under one contract, and all import contracts are should be procured by the Department for Procurement and Cooperative Ties of Uztransgaz JSC in accordance with the established procedures, except for construction activities, which should be procured by the Department of Design and Construction. The heads



of business units and enterprises are responsible for ensuring legal compliance when entering into contracts. Also, they are responsible for the reasonableness of demand for material and technical resources and the procurement scope.

Goods, works and services in the amount exceeding the equivalent of 2 500 BCU under one contract, and all import contracts are should be procured by the Department for Procurement and Cooperative Ties of Uztransgaz JSC in accordance with the established procedures, except for construction activities, which should be procured by the Department of Design and Construction. The heads of business units and enterprises are responsible for ensuring legal compliance when entering into contracts. Also, they are responsible for the reasonableness of demand for material and technical resources and the procurement scope.

Having realized the impact of procurement processes on the performance of the Entity, the Company automated its procurement processes. The procurement system provides for the use of 4 main platforms to select suppliers for Uztransgaz JSC and its enterprises under direct control by an open tender and request for quotations. As of the reporting period, the Company uses the following electronic platforms:

- 1) Cooperation.uz platform is designed to implement procurement procedures relating to the locally-based producers. This platform was implemented in line with the Decree of the President No. DP-4812 dated August 21, 2020 to support locally-based producers.
- 2) The platform "Etender.uzex.uz" is designed for tenders and selection of the best offers with various suppliers.
- 3) The platform "xarid.uzex.uz" is designed for procurement through auctions and e-shops with various suppliers
- 4) Spot platform is used for the procurement of highly liquid goods specified by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 90 dated May 7, 2008.

The company supports domestic commodity producers by increasing the proportion of purchased goods from locally-based producers and works (services) done by local people.

Since the end of 2020, the Company has been implementing an initiative to localize purchased products, which is being implemented as part of the Decree of the President No. DP-4812 dated August 21, 2020 and the Resolution № 41 of the Cabinet of Ministers dated January 29, 2021. The objective of this initiative is to support domestic commodity producers in increasing the volume and range of domestic industrial products and to expand the involvement of domestic commodity producers in the public procurement system. In line with this initiative, when evaluating bidder proposals, a 15% preference is given to goods of local origin, subject to the participation of two or more domestic commodity producers in the tender.

In general, in 2022, 4 371 contracts were signed for the purchase of goods, works and services, for a total of UZS 313,1 billion.

Company	Total, UZS bln.	Goods, UZS bln.	Works and Services, UZS bln.
Uztransgaz JSC	313,1	160,8	152,3

The amount of goods, works and services purchased from companies being tax residents of the Republic of Uzbekistan, regardless of the citizenship of their employees and the country of origin of goods, in 2022 had been to UZS 230,9 billion. The Company's procurement indicators presented below enable it to measure this support effort from local suppliers:

Company	Total, UZS bln.	LS proportion, %	Goods		Works and services	
			Amount, UZS bln.	LS proportion, %	Amount, UZS bln.	LS proportion, %
Uztransgaz JSC	313,1	73,7	160,8	80,5	152,3	66,6

At the end of 2022 the proportion of local content in procurements of Uztransgaz JSC: goods – 80,5%: works and services – 66,6%. The above figures reflect the consolidated data for all business units and organizations of the Company, excluding the data of Subsidiary Farming LLC "

### Plans for the medium term

In 2023, the Company intends to continue its procurement practice in accordance with corporate principles and standards. In addition, it will continue monitoring the proportion of local content in the procurement of goods, works and services in accordance with the above-mentioned Decree of the President and Resolution of the Cabinet of Ministers of the Republic of Uzbekistan.

## Socioeconomic compliance

GRI 2-27,3-3, 419-1

Compliance with social and economic laws and regulations is a rigorous requirement that aims to protect the rights of employees and to conduct transparent business operations of the Company. Compliance with social and economic laws is reflected in the financial result of the Company's activities and can be quantified in direct economic value for complying companies.

In terms of socioeconomic area, when performing its activities, the Company follows the requirements of the Tax Code and the Code of Administrative Responsibility and other laws.

In 2022, the total monetary value of fines for non-compliance with the socioeconomic requirement amounted to UZS 233 billion, where more of the fines were issued for non-compliance with the requirements of Tax Law. For example, the tax penalties included late payment of excise tax and others. The number of monetary fines for the last three years are presented below:

Category	2020, UZS mln	2021, UZS mln	2022, UZS mln	Reasons/Circumstances
Penalties on taxes, total	8 938,5	44 771,4	232 285,2	Fines and penalties for violation of tax laws
Other fines	6 269,4	4 091,2	752,2	
Total monetary amount of significant fines	15 207,9	48 862,6	233 037,4	

The above figures reflect data on the Central Office, 8 MGPMs and 2 UGSFs

Other types of fines shown in the table include:

- acknowledged fines, penalties, forfeits and other types of sanctions for non-compliance with the terms of business contracts;
- penalties for past-due debts;
- fines for gas quality;
- financial sanctions by inspection bodies when receiving large income from consumers and losing a case;
- idle time charges for delayed rail cars.

It should be noted, that owing to the fact that Uztransgaz JSC has accounts payable in the result of sales of natural gas to consumers at low approved prices compared to the procurement price, other fines in the above table include charges for overdue accounts payable and other penalties in 2022.

As of the reporting period, there were no non-monetary sanctions or cases brought through dispute resolution mechanisms in the social and economic areas.

*Plans for the medium term*

The Company seeks to reduce the adverse impact of fines and penalties for non-compliance with laws and regulations in the social and economic area on the financial performance of the Company.

# Environmental responsibility and work area safety

## Management Approach

GRI 3-3

Part of Uztransgaz JSC strategy in the field of environmental safety management is adherence to six principles of UN SDC - 3, 6, 7, 8,12, 13.

Ensuring environmental safety is regulated by provisions of legislation of the Republic of Uzbekistan, as well as internal regulatory documents of Uztransgaz JSC, developed in accordance with international practices and standards. Priority areas for the Company in terms of environmental protection include rational use of natural resources, including water, reduction of greenhouse gas emissions, improvement of waste management methods, and increasing energy efficiency.

The main directions for the implementation of measures to minimize the negative impact from the activities of Uztransgaz JSC and mitigate the effects of climate change include the following tasks:

- reduction of losses during transportation and distribution of gas;
- reduction of losses during gas transportation and distribution;
- efficient use of energy resources;
- upgrading of compressor stations;
- upgrading of the gas pipeline system;
- implementing modern technologies for gas supply distribution and metering.

At the time of the reporting period, Uztransgaz JSC is implementing projects aimed at mitigating climate change. One of such projects is a project to upgrade the gas pipeline system with implementation of effective technologies to control losses of hydrocarbon resources during transportation, which allows to increase the throughput of gas pipelines and provide densely populated areas of the republic with a sufficient quantity of natural gas.

### *Health, safety and environmental management system*

In Uztransgaz JSC, the health, safety and environmental management system has been developed on the basis of the best international practices and is based on the following standards: ISO 14001, ISO 45001. Since 2020, the Company has implemented a quality, health, safety and environmental management system as per ISO 9001, ISO 14001 and OHSAS 18001. Enterprises with a significant level of energy consumption will be certified for compliance with the ISO 50001 standard from 2023. The effectiveness of management systems is regularly confirmed by external auditors

As required by international standard ISO 14001:2015 - Environmental management systems, when determining the aspects and impacts on the environment in all business units of the Company included in the scope of the IMS, as well as in the direct interaction of third-party organizations with the Company, the management system is applicable in identifying impacts and planning their management.

At enterprises, environmental safety is managed by environmental engineers. General control is carried out by the Health, Safety and Environment Division of the Company.

The health, safety and environment reports are submitted to the heads of business units at least once a year, where a further analysis of the identification of all aspects of impacts, the accuracy of their assessment is carried out, and the necessary measures for environmental management are identified.

## Energy Consumption and Energy Saving

GRI 3-3, 302-1, 302-3, 302-4

The main goal of the Company in the area of energy management is to increase energy efficiency through the rational use of energy resources, the implementation and application of energy-saving technologies, great attention is paid to renewable energy sources.

The structure of energy consumption of Uztransgaz JSC includes various types of energy resources, such primary sources are electricity and fuel. Production processes of Uztransgaz JSC are rather energy-intensive, in this connection, search and implementation of solutions on reduction of energy resources consumption is an urgent task for the Company.

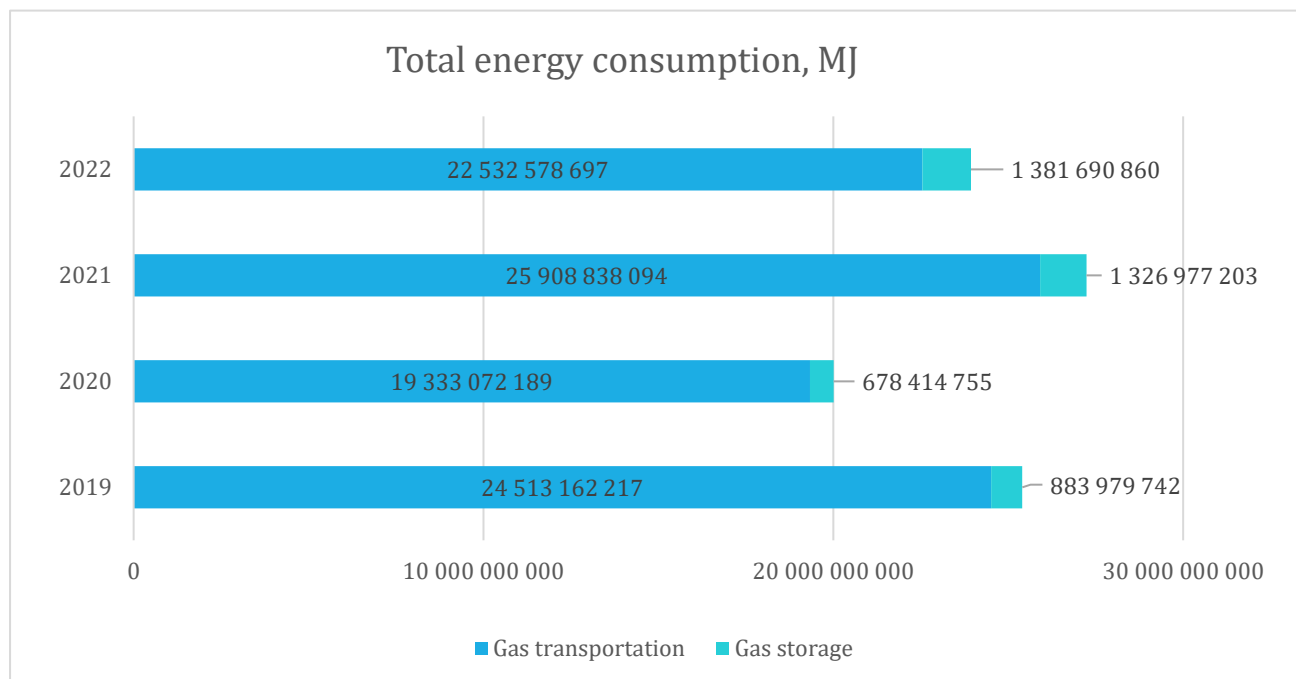
As of reporting period, the Company has a procedure approved on February 15, 2021, for energy planning and energy efficiency analysis, which defines a unified procedure for conducting the energy analysis, determining methods for controlling energy consumption and improving energy performance indicators within the Energy Management System in compliance with international standard ISO 50001, and based on the existing integrated management system of the Company, operating as per the requirements of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System). As per this document, the analysis of energy use and consumption is carried out at the level of the organization, at the level of business units, processes and subprocesses and will be updated at least once a year, and in case of significant changes in equipment, systems and processes.

Further, the analysis determines the base values of the energy characteristics, the calculation of the forecast values and the plan for collecting information along with the development of measures to improve energy efficiency. The baseline level of energy consumption is set for 3 years and is coordinated with the relevant departments, divisions and business units of the Company.

Based on the baseline level of energy consumption, the values of energy consumption are calculated as per the production plans for the upcoming period. In case of any changes in equipment, systems and processes, the analysis of energy use and consumption is revised.

This procedure is mandatory for all business units within the scope and distribution lines of the energy management system and is based on the international standard ISO 50001:2018, the IMS guidance and other instructions.

Energy consumption occurs during transport and underground storage of gas. In 2022, only 23 914 million MJ of energy was consumed, where 95% of the energy is consumed during the transportation of natural gas. Total energy consumption figures for 2022 were 12% lower than in 2021.



\* Source conversion factor: 1 kWh = 3,6 MJ; 1 Gcal/h = 4184 MJ. Fuel (liquid): 1 ton of oil equivalent (toe) = 41.868 GJ. Energy carriers: 1 ton of diesel fuel = 1,02 toe; 1 ton of gasoline = 1,04 toe; 1 thousand m3 of LNG = 0,8225 toe; 1 ton of LPG = 1,1 toe. Natural gas: 1 thousand m3 = 37000 MJ.

Electricity consumption for 2022 was 2 496 million MJ, while heat consumption was 118,4 million MJ. The reduction of heat energy consumption by more than 20% is due to 2 factors:

1. In 2022, due to the repair work in the Kagansky UMG, the consumption of thermal energy was equal to 0.
2. Reduction of thermal energy consumption in connection with the implementation of Organizational and technical measures to save electricity and heat at production facilities of Uztransgaz JSC for 2022.

The data on consumption of electricity and data for 2020-2022 are listed below:

Indicator	2020	2021	2022
Electricity, MJ	2 315 947 150	2 550 201 142	2 496 356 887
Heating, MJ	44 814 113	148 791 609	118 382 175

Diesel fuel, gasoline, fuel and process gases, liquefied petroleum gas (hereinafter - LPG), and compressed natural gas (hereinafter - LNG) are used as energy carriers from non-renewable energy sources. The above-mentioned fuels are used in vehicle refueling processes, equipment blowdowns and applications in power generation units.

In 2022, fuel consumption decreased by an average of 13,2% compared to the previous year.

Consumption of non-renewable types of fuel for 2020-2022 is shown below:

Type of fuel	2020	2021	2022	Change, %
Diesel fuel, MJ	66 815 824	80 105 422	65 496 996	▽-18,2
Gasoline, MJ	6 906 311	8 044 512	6 433 169	▽-20
Gas fuel, MJ	17 514 394 000	24 384 272 097	21 173 462 750	▽-13,2
fuel	17 109 947 000	23 298 171 433	20 387 728 826	▽-12,5
technological	404 447 000	1 086 100 664	785 733 924	▽-27,7
LPG, MJ	22 525 541	20 386 912	17 684 048	▽-13,3
LNG, MJ	40 084 005	44 013 602	36 453 531	▽-17,2

In order to increase the energy efficiency of technological processes, a need arises to reduce the consumption of natural gas for own needs and technological losses. It should be noted that these costs are directly dependent on the goods-and transportation work and the flow of natural gas into the gas pipeline system, as well as the availability of materials and equipment.

Being aware of the environmental value and efficiency of using renewable energy sources, the Company has drawn up an action plan that focuses on the installation solar water heaters and the installation LED lamps equipped with photovoltaic panels and motion sensors for 2023.

#### *Intensity of energy consumption*

The types of energy considered when calculating the intensity of energy consumption within the organization are electricity, heating and fuel. To calculate this ratio, the Company uses one indicator covering all types of activities.

Intensity of energy consumption\* for 2020-2022 is shown below:

Indicator name	2020	2021	2022
Intensity of energy consumption, MJ/cu.m.	0,39	0,49	0,51

\*The 2020-2021 values have been adjusted from the 2021 Sustainability Report due to a refinement of the calculation

In 2022, the energy consumption intensity was 0,51 MJ/cubic meter, 0,02 MJ/cubic meter more compared to the previous year.

#### Reduction of energy consumption

The main strategic directions for the development of energy saving and energy efficiency of the group are the upgrading of technological equipment, the implementation of energy-saving technologies, the optimization of the generation and consumption of thermal energy, and the development of its own sources of energy generation. The relevance of the implementation of projects to improve the energy efficiency of technological processes is associated with the need to reduce the consumption of natural gas for own needs and technological losses, reduce the energy intensity of production and reduce greenhouse gas emissions into the environment.

The Company has a schedule for the implementation of organizational and technical measures to reduce energy losses at production facilities for 2022-2024. The document reflects the total cost of the implementation of measures and sources of financing. Sources of financing are foreign investments, loans and own funds.

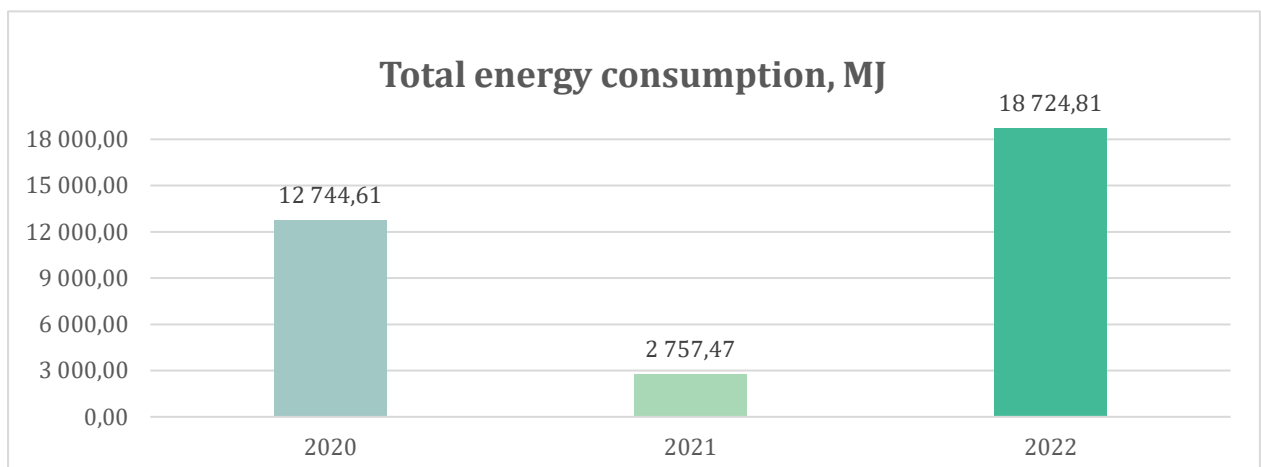
Based on the energy analysis conducted, measures are being developed aimed at reducing energy consumption, their rational use and increasing energy efficiency. When developing the measures, government decrees and industry programs in the area of energy saving, internal documents of the Company such as №29-SEE-01 "Temporary manual for the development and implementation of organizational and technical measures to save electricity and thermal energy" are considered. This internal document reflects the methodology for calculating the savings in electricity and thermal energy for production needs. Further, at all levels of implementation of measures, control of their implementation is ensured - on a quarterly basis, the Company's business units submit a report on the actual amount of savings in electricity and thermal energy, with calculations confirming the achieved savings for each item of the measures.

In 2022, 25 energy saving measures were implemented, which are planned to continue in the future. It should be noted that the implementation of the relevant measures is applicable to business units such as the main gas pipeline administrations and underground gas storage enterprises. The implemented measures are listed below:

№	Measures
1	Installation of modern pulse cathodic protection stations of IPKZ-M-RA-3 type, instead of transformer cathodic protection stations
2	Replacement of compressor station site and gas distribution station lighting fixtures with LEDs
3	Replacement of transformers
4	Replacement of high capacity pumps with low capacity pumps
5	Installation of solar water heaters
6	Implementation of photovoltaic batteries
7	Implementation of photovoltaic power plants
8	Replacement of outdated exciters of synchronous electric motors with digital microprocessor-based exciters
9	Reduction of electricity consumption after upgrading of the boiler house with the installation of Urgench and Akchalok MGPM under Urgenchtransgaz UE.
10	Use of variable frequency drive on GCU auxiliary equipment and water pumps

- 11 Modernization of the Sarymay WOS pumping station with replacement of obsolete pumps using energy-saving technologies
- 12 Modernization of the dormitory boiler house
- 13 Shutting down the emergency low-load transformers in the dormitory and the 2\*160 kVA water intake
- 14 Shutting down the emergency low-load transformers in administrative building "KS-Ahangaran" - 250 kVA
- 15 Reduction of electricity consumption after modernization of the heating system in Gazli with installation of BMK-3.0 on Uchkyrskaya St.
- 16 Reduction of electricity consumption through decreased operation time of compressed air compressor (air withdrawal from DU-80-L1 engine for auxiliaries of blowers TKA-100,200,500 of booster station DKS-5B) of Gazli UGM
- 17 Pumping water from artesian wells and reservoirs for irrigation of green areas
- 18 Reduction of electricity consumption through decreased operation time of compressed air compressor (air withdrawal from DU-80-L1 engine for own needs of blowers TKA-100,200,500 of booster station DKS-5B) of Gazli UGM
- 19 Optimization of hydraulic operation mode of pumps of the 3rd lift of the Kungrad UTVS, low-pressure pumps, capacity 2000 kW by 800 kW with frequency converter
- 20 Rehabilitation and additional installation of static capacitors to reduce active energy losses in grids
- 21 Optimization of compressor stations with electric drive by increasing the power factor of synchronous engines
- 22 Installation of motion sensors in lighting systems
- 23 Application of gas-turbine units instead of electric-driven units for gas transportation system mode
- 24 Reduction of electricity consumption by reducing the operating time of the compressed air compressor at KS-Ahangaran
- 25 Optimization of compressor stations operation by changing the gas transportation system mode and stopping units

Since, 2018, the Company has been reducing energy consumption. Thus, in 2022 the reduction in energy consumption amounted to 18724,812 thousand kW of electricity in physical terms, which is 5 times more than in 2021 and 47% higher than 2020





In 2022, the reduction in energy consumption was achieved as a result of the reduction in electricity consumption.

#### *Objectives for the mid-term*

In order to improve energy efficiency of gas transmission facilities for 2023 a package of measures was developed and approved to reduce energy consumption "Organizational and technical measures to save electricity and heat at production facilities of Uztransgaz JSC for 2023".

The Company plans to reduce electricity consumption by decreasing operation time of a compressed air compressor (air intake from DU-80-L1 engine for own needs of blowers TKA-100,200,500 of DKS-5B shop) of Gazli UMP. Company plans also include the reduction of electric power consumption after modernization of Gazli heat supply system with installation of BMK-3.0 in st. Uchkyrskaya, the use of variable frequency drives on auxiliary equipment and water pumps in Zirabulak MGPM, KS-3B Yangir and Khodjaabad, and the replacement of high-capacity pumps with low-capacity pumps in Severny Sokh, Replacement of obsolete synchronous motor exciters with digital microprocessor-based exciters in Kagan, Zirabulak and Gallaoral MGPMs. Much attention is paid to renewable energy sources. Thus, for 2023 it is planned to introduce solar photovoltaic stations at all the Company's facilities, increase the number of LED lights with photovoltaic panels and batteries, as well as solar water heaters at the subordinate facilities of Uztransgaz JSC. The Company plans to reduce electricity consumption by optimizing the production process, through modernization and reconstruction of production technology and heating and cooling systems. The Company's plans also include other measures such as installation of motion sensors in lighting systems at all subordinate facilities, replacement of outdated exciters of synchronous electric motors with digital microprocessor exciters in Kagan, Zirabulak, Gallyaoral MGPM, replacement of oil-gas differential pump motor with a small capacity electric motor in Gallyaoral MGPM...

## Environment protection

### GRI 3-3

The gas transportation industry is one of the energy-intensive industries inextricably linked to the performance of complex and hazardous work, as well as permanent environmental impacts. The Company's main objectives in the field of environmental protection are prevention or reduction of negative environmental impacts, rational use of natural resources, identification and implementation of measures to improve the environment in the vicinity of and at the Company's facilities.

Uztransgaz's operations and maintenance of gas transportation system facilities include 13 343 km of gas trunklines, 2 underground gas storage facilities, 20 compressor stations and 426 gas distribution stations. The Company's gas transportation system covers all regions of the Republic of Uzbekistan, each of which has unique fauna and flora, being a valuable component of the biodiversity of the Central Asian region. However, there are no gas transportation and underground storage facilities in protected natural and adjacent areas.



Uztransgaz JSC has developed an Action Plan on environmental protection and rational use of natural resources for 2020-2025. This plan contains 133 measures with description of planned costs for all structural enterprises of the Company in 4 following areas:

- protection of atmospheric air;
- protection of land and mineral resources, waste disposal and recycling;
- protection of flora and fauna.
- protection of water resources;

The Company has an environmental aspects identification procedure, which was developed in accordance with the requirements of the international standard ISO 14001:2015 to describe the procedure for identifying aspects, assessing impacts and developing further mitigation measures, as well as for planning and managing them during interaction with third-party organizations and in all structural subdivisions of the Company, including 8 MGPM and 2 UGSF.

According to this procedure, in each subdivision the manager organizes the work on identification of environmental aspects and controls the results of this work together with engineering and technical workers and the rest of the working staff. The identification of environmental aspects and impacts is carried out in several stages. First, the departments of the enterprise identify aspects and impacts on the environment, which are related to input materials, used resources, results of intermediate operations and finished products, generation of all kinds of waste, emissions into the air, discharges into water and ground. Secondly, environmental impact

assessment is performed by determining the significance of the aspect, measuring the probability of impact occurrence and assessing the impact ranking.

Further, all data on the results of environmental aspects identification and impact assessment are recorded and stored in the Company's divisions. Upon completion of the identification of environmental aspects and impacts, the assessment results are communicated to the personnel through individual familiarization with the work done, explanation of the need to comply with legal and regulatory requirements and other actions that are measures to control risks associated with environmental aspects. Consistently, department heads analyze the relevance of hazard identification and risk assessment at least once a year.

When designing new facilities and upgrading existing facilities, an environmental impact assessment of the planned activity is carried out, in which appropriate measures are developed and implemented to prevent and minimize the identified potentially negative impact.

The Company follows international environmental initiatives to reduce greenhouse gas emissions, introduce energy-saving technologies and utilize renewable energy sources. Environmental services actively cooperate with the State Ecology Committee of the Republic of Uzbekistan and other specialized organizations on environmental protection issues.

The Company allocates significant funds for environmental protection measures. In 2022, the total expenditures across the Company amounted to UZS 2 172 662 thousand.

Indicator	2020	2021	2022
Costs of activities, UZS thousand	277 026,879	597 620,651	2 172 662

A significant increase in costs is associated with overhaul of the main gas pipeline to prevent emergency shutdowns and venting of natural gas to the atmosphere.

In 2022, important environmental contribution activities were:

- Greening of territories by planting flowers, fruit and ornamental saplings;
- Conclusion of contracts for waste disposal (car tires, fluorescent lamps, used oil, ferrous and non-ferrous metal scrap);
- Reduction of the amount of odorant released into the atmosphere in case of malfunction of odorization units;
- Reduction of the amount of vented gas during repair works on gas pipelines;
- Implementation of the project "Program for Modernization and Efficiency Improvement of the Main Gas Transmission System of the Republic of Uzbekistan in 2021-2022";
- Strict metering of water consumption.

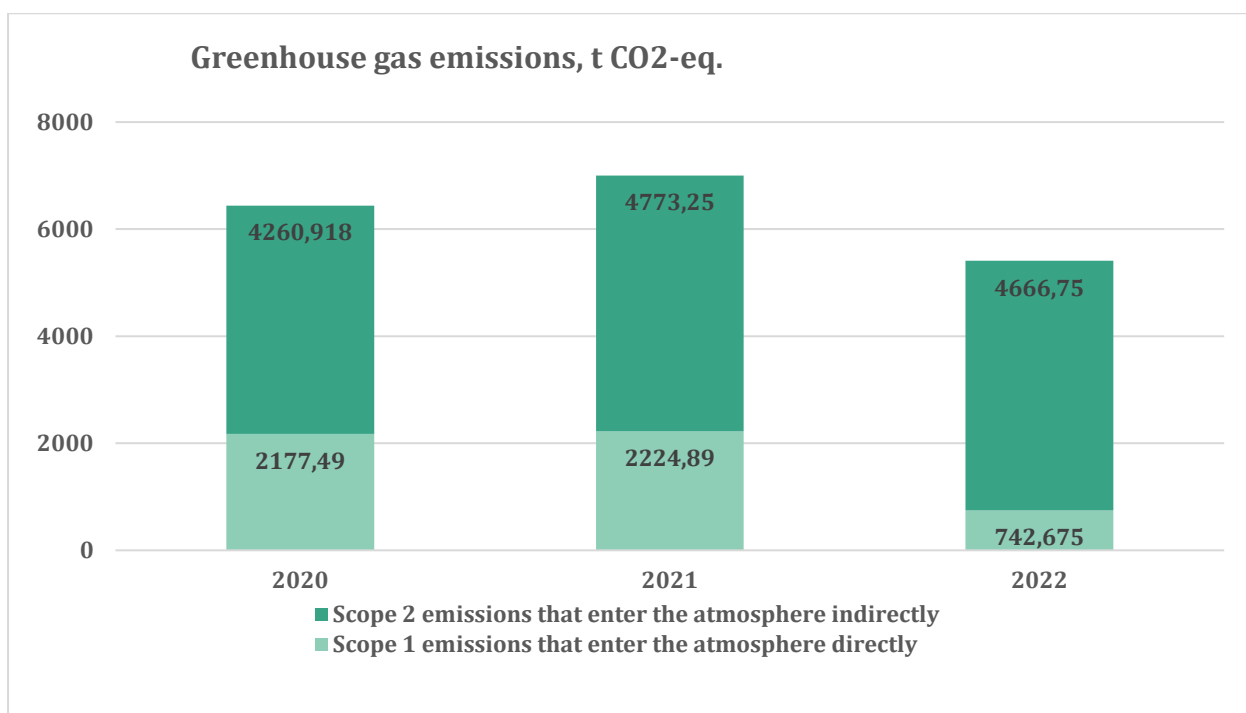
#### *Emissions of direct greenhouse gases Scope-1*

##### **GRI 3-3, 305-1, 305-2**

Without reducing its obligations to supply gas to consumers, the Company strives to minimize environmental risks in the process of gas transportation and underground storage. Achievement of environmental goals is facilitated by reduction of specific consumption of fuel and energy resources for own process needs, reduction of greenhouse gas emissions, and reduction of significant emissions.

Emissions of direct greenhouse gases (Scope 1) from stationary sources at Uztransgaz JSC facilities are realized during purging and venting of natural gas from gas pipelines and process equipment, as well as as a result of leaks from flange connections of pipeline fittings. Methane, carbon dioxide and nitrous oxide are directly discharged into the atmosphere. The CH<sub>4</sub> fraction in the gas is up to 96 %; CO<sub>2</sub> - 1 %; N<sub>2</sub>O – 0,5 %.

The Company uses energy processing units: gas compressor units, boiler houses, reheating furnaces and fire regenerators. As a result of chemical incompleteness of hydrocarbon fuel combustion, methane and carbon dioxide are released into the atmosphere.



The Company's indirect energy emissions (Scope 2) are due to the generation of electricity and heat purchased by the organization.

The Company's facilities do not produce ozone-depleting substances and do not generate CO<sub>2</sub> emissions from combustion or decomposition of biomass.

The reduction of emissions of Scope 1, which enter the atmosphere directly, is connected with the implementation of the "Program of modernization and efficiency improvement of the main gas transmission system of the Republic of Uzbekistan in 2021-2022". The repair work and the elimination of "bottlenecks" on the main gas pipeline allowed to reduce the volume of technological losses of natural gas, which, in turn, affected the volume of direct greenhouse emissions.

The base year for calculation of greenhouse gas volumes in the Company was set as 2020 according to the Decree of the President of the Republic of Uzbekistan dated July 9, 2019 No. PP-4388 item.12. Regarding the consolidation method, the emission statistics are shown for facilities directly controlled by the Company on the basis of ownership right.

The Company conducts an annual inventory and internal assessment of greenhouse gas emissions and other atmospheric emissions, where the most significant emission sources are identified. When calculating emissions, the Company takes into account the Global Warming Potential coefficient, which establishes the degree of impact of the emissivity of one unit of methane mass relative to the corresponding unit of carbon dioxide over a certain period of time. In particular, the Company uses the following Global Warming Potential factors

- conversion coefficient of methane to t. CO<sub>2</sub>-eq., - 21
- conversion factor of nitrous oxide to t CO<sub>2</sub>-eq. - 310.

The following methodologies are used to calculate emissions: RH39.0-140:2012 "Methodology for calculating pollutant emissions for oil and gas production and oil and gas processing enterprises" O'ZLITINEFTGAZ and Gazprom organization standard 102-2011 "Inventory of greenhouse gas emissions"

Uztransgaz JSC strives to reduce greenhouse gas emissions by 10 percent in 2030 compared to the 2010 level, and continues efforts to build adaptive capacity and reduce the risks of adverse impacts of climate change.

#### *Other significant atmospheric emissions*

#### **GRI 305-7**

Air pollution in the area where the Company's facilities are located is caused by emissions of 8 elements into the atmosphere. The key category is a mixture of extreme hydrocarbons of the C<sub>n</sub>H<sub>2n+2</sub> type, accounting for 96%

of the total emissions. Marginal hydrocarbons are emitted into the atmosphere as a result of process blowdowns of equipment and gas combustion in power generation units.

Gas consumption for process blowdowns of equipment and for operation of power generation units is defined as gas consumption for own needs. In addition, operational losses are taken into account at the Company's facilities, i.e. leaks through flanged elements of shut-off valves and other equipment. Natural gas consumption rates for auxiliary needs are determined by calculation according to industry-specific methods. Data from process equipment passports and process regulations for plant operation are used in the calculation. Actual natural gas consumption for auxiliary needs and operational losses is determined by the system of automated dispatch control of the gas pipeline.

The gas transportation process emits the largest amount of pollutants into the atmosphere, compared to the underground gas storage process, where the amount of pollutants is only 1-2% of total emissions.

RH 39.0-140:2012 methodology for oil and gas producing and oil and gas refining enterprises of "O'ZLITINEFTGAZ" JSC is used to calculate emissions of pollutants that have an impact on global warming.

The Company's pollutants that enter the atmosphere are nitrogen oxide (NOx), sulfur oxide (SOx), CO emissions, solid emissions, volatile organic compounds and Hazard Class 1 substances.

Air pollutant emissions in tons are given below:

<b>Emissions</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Nitrogen oxide (NOx)	788,73	1 315,074	769,99
Sulfur oxide (SOx)	0,52	0,44	340,89
CO emissions	2 861,64	2 972,74	4 972,01
Volatile organic compounds	95 613,65	88 632,12	43 167,75
Hazardous air pollutants	0,69	0,83	0,83
Emissions of solids	0,15	78,75	92,84
Other emissions*	6,59	8 737,14	791,42
<b>Total</b>	<b>99 271, 97</b>	<b>101 737,09</b>	<b>50 135,72</b>

Volatile organic compounds include methane, propane and SPM odorant added to gas to give it a specific odor that warns of leaks to prevent it in time. Hazardous air pollutants are represented by such substances as sulfur dioxide, nitrogen oxides and hydrogen sulfide. Of the solid substances, there are emissions from mechanical processing of metals, welding aerosol and minor inorganic dust impurities. The reduction in pollutant emissions in 2022 is directly related to the reconstruction of the gas transmission system. There are no persistent organic pollutants at the facilities of Uztransgaz JSC

Expenditures and investments on environmental protection consist of the costs of general measures developed annually by each business entity of Uztransgaz JSC and costs for the implementation of major projects. For example, one of the regularly conducted measures of general nature is to ensure personnel training for transportation of toxic types of cargo to manage the risk of air pollution during transportation of toxic substances. The main project, whose implementation continues in 2022, is the "Program for Modernization and Efficiency Improvement of the Main Gas Transmission System of the Republic of Uzbekistan in 2021-2022", which in turn will have a significant impact on climate change mitigation.

## Water resources

GRI 3-3, 303-1, 303-2, 303-3, 303-4

Uzbekistan is one of the countries with limited water resources. Two thirds of the Company's gas transportation system facilities are located in areas with a complete lack of water sources, particularly in the Kyzyl-Kum desert and the Ustyurt plateau. Although transportation and underground gas storage are not water-intensive operations, the above two factors make water management an important topic for the Company.

The Company mainly uses water resources for domestic needs (household and drinking needs, filling fire extinguishing systems). In production activities, water is used in small volumes.

Water consumption volumes are managed by energy services of structural enterprises. As of the reporting period, there is no specially established commission for water resources management. In carrying out its activities, the Company strictly complies with all requirements of the Law of the Republic of Uzbekistan "On Water and Water Use", norms on water consumption and water disposal of the Company and requirements of sanitary rules and norms of the Republic of Uzbekistan №0318-15 "Hygienic and anti-epidemic requirements for the protection of water bodies on the territory of the Republic of Uzbekistan".

Water consumption of Uztransgaz facilities is from surface sources (canals), underground sources (artesian wells) and municipal sources. Surface sources are water supply through "Raish" canal in Andijan province and through canals of local importance in Khorezm province. These canals are used for irrigation.

Within the framework of its activities, the Company carries out water withdrawal in accordance with concluded contracts, as well as permits for special water use. Based on the calculations of the required water consumption, the Company enters into a contract with the branch of the structural water supply management – "Suvokova" State Unitary Enterprise. The establishment of forecast values of water consumption indicators is calculated upon requests from water management services based on water consumption norms or based on actual values of water consumption in the previous period. The Company's facilities do not have a significant impact on these water sources.

Industrial wastewater is discharged to the terrain, evaporation ponds and underground horizons by burial through wells. Also, domestic wastewater is discharged into cesspools and sewers. Water is not discharged into water bodies.

In 2022, wastewater discharges amounted to 439, 1655 thousand cubic meters.

The volume of wastewater discharges by discharge facility in megaliters is given below:

Indicator	2020	2021	2022
Planned total volume of water discharges	2 713,10	1 597,751	796,205
Actual total volume of water discharges, including for:	442,72	391,38	439,1655
terrain	311,73	191,28	259,821
evaporation ponds	58,92	67,01	54,911
underground horizons	13,05	22,49	15,312
sewers	52,32	103,90	101,485
cesspools	6,7	6,7	7,636

In 2022, the primary sites of discharge were terrain (59,2%) and sewers (23,10%).

The increase in the volume of wastewater discharge is explained by the fact that the amount of land in need of irrigation has increased after planting tree seedlings for landscaping and their resistance to sand and dust storms.

The entire volume of water discharged to all water stressed areas over the past three years consisted of freshwater only as shown in the following table in megaliters:

Indicator	2020	2021	2022
Total volume of water discharge, including:	442,71	391,38	439,1655
fresh water	442,71	391,38	439,1655
other water	0	0	0

When discharging water, the Company is guided by the sanitary rules and regulations of the Republic of Uzbekistan No. 0318-15 "Hygienic and anti-epidemic requirements for the protection of water and water reservoirs on the territory of the Republic of Uzbekistan", which reflect the conditions of discharge and quality of discharged water. Over the last three years, the Company has not exceeded the established norm for the volume of water discharge.

The priority substances of concern for wastewater treatment are petroleum products. There is a unified approach to setting discharge limits for priority substances of concern in the country. This approach is developed in accordance with the RCM No. 14 "Regulations on the Procedure for Development and Approval of Draft Environmental Standards" dated January 21, 2014. Table 1 of Annex 3 shows the permissible concentration for each substance of concern.

The Company takes care of water resources and strives to reduce the amount of water consumed through strict control and elimination of leaks. To control the Company's environmental impact, the Company monitors ground, surface and municipal water with laboratory tests of water, and monitors the degree of discharge treatment.

At the beginning of each year all structural units approve a set of measures. Every three years, an inventory of water consumption and wastewater disposal sources is conducted in accordance with RCM No. 14 "Regulations on the Procedure for Developing and Approving Draft Environmental Standards" dated January 21, 2014. Also, the Company's environmental performance is assessed annually, including the sections "Water" and "Discharges and Waste" by collecting and analyzing baseline data and applying visual inspection.

Recognizing the importance of efficient water management, in 2023 the Company plans to further reduce water consumption by increasing the share of air-cooled equipment.

Additionally, the implementation of the project "Program for Modernization and Efficiency Improvement of the Main Gas Transmission System of the Republic of Uzbekistan in 2021-2022", which continues in 2022, will help achieve the Company's water management targets in the short term.

#### *Waste generation*

#### **GRI 3-3, 306-1, 306-2, 306-3**

The economic activities of Uztransgaz JSC are inevitably associated with waste generation. In order to prevent the negative impact of waste on the environment, the Company plans and implements the following measures on an ongoing basis: waste minimization at its own production sites and transfer of waste to licensed organizations for neutralization and disposal.

According to the legislation of the Republic of Uzbekistan, the degree of waste hazard is assessed by five classes. During transportation and underground storage of gas at UGSF, wastes of all five hazard classes are generated and the predominant hazard class 5 waste is non-toxic waste. In particular, during transportation, wastes are generated during the transit of natural gas from Turkmenistan and Kazakhstan. In addition, an increase in the number of repair works and reconstruction of the linear part of gas main pipelines, which results in the formation of ferrous and non-ferrous scrap, led to intensive waste generation. Also, a significant part of waste includes used turbine oils, which belong to the second class of hazard and are generated as a result of oil replacement at compressor stations.

In 2022, the total volume of generated waste amounted to 3 868,83 tons, which is 24% higher compared to the previous year. The dynamics of waste volume growth is associated with the modernization of the gas transmission system, in the process of which repair and replacement of process equipment and pipelines is carried out

The volume of waste generated by class in tons is given below:

<b>Waste generated</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Toxic waste generated, including in tons	206,49	528,67	1000,15
hazard class 1	0,48	3,87	0,20
hazard class 2	304,23	357,55	142,10
hazard class 3	56,85	53,19	28,74
hazard class 4	184,65	114,06	829,11
Generated non-toxic waste (hazard class 5), tonnes	1827,03	2 585,72	2 868,68
<b>Total volume of waste generated, tons</b>	<b>2 656,663</b>	<b>3 114,39</b>	<b>3 868,83</b>

The increase in hazard class 5 waste generation is related to the modernization of the gas transmission system, as the replacement of pipelines and metal structures continues for the period, which generates a large amount of ferrous and non-ferrous scrap.

Waste generated is transferred to specialized licensed organizations for disposal and neutralization. Most of the waste of Uztransgaz JSC belongs to the categories of low-hazardous and practically non-hazardous waste - this is black and non-ferrous scrap sent for remelting in accordance with the RCM of the Republic of Uzbekistan No. 425 "On measures to improve the procedure for handling scrap, non-ferrous and ferrous metal waste" dated July 06, 2018.

In addition, waste of the 2nd hazard class - waste turbine oils are transferred for regeneration according to RCM of the Republic of Uzbekistan No. 258 "On Approval of the Regulations on the Procedure of Delivery, Collection, Settlement, Storage and Transportation of Waste Technical Oils" dated September 04, 2012. These rules regulate the whole cycle of waste management, starting from collection, sorting and finishing with transfer of waste for further disposal, utilization, recycling.

The Company takes a responsible approach to monitoring waste management procedures. Collection and monitoring of waste data and identification of the most significant sources of waste is performed on a regular basis by the ecologist of the executive office and structural divisions. The processes used to collect and monitor waste-related data are as follows:

- Conducting an inventory of waste generation and disposal once every five years;
- Compilation of quarterly unified statistical report 1-ECO.

Plans for 2023 to reduce waste generation include the continuation of the gas transmission system modernization program in the Republic of Uzbekistan, which will have a positive impact on the Company's waste reduction targets.

#### *Compliance with the requirements of environmental legislation*

##### **GRI 3-3**

Compliance with environmental legislation is an important topic for Uztransgaz JSC, as the Company's production activities have a significant impact on the environment. The Company strives to conduct its operations within the framework of the legislation of the Republic of Uzbekistan and to take appropriate measures to prevent environmental damage through assessments by internal and external parties. Such assessments include

monitoring of the management approach and assessment of compliance with environmental legislation, which are carried out on an annual basis.

All structural units of the Company within the scope of IMS comply with the requirements of international standards in the field of quality management system, environmental management system, occupational health and safety system and energy management system. Compliance with environmental legislation and international standards is managed by environmental engineers and the Occupational Health and Safety Department, and general control is carried out by a standing IMS commission.

The Company has a procedure for identifying environmental aspects, which helps the enterprise understand the impact of its activities on the environment and contributes to the continuous improvement of its operations. The procedure takes into account both routine and non-routine situations, including man-made and natural emergencies. This procedure covers the monitoring of all impacts related to input materials, resources used (electricity, gas, fuel, water, etc.), results of intermediate operations and finished products, generation of all types of waste and emissions.

Further, once the identification of environmental aspects and impacts is completed, a Register of Significant Environmental Impacts is prepared based on the assessment results and updated at least once a year. The results of the assessment are communicated to the staff and the staff is familiarized with the work done and the need to comply with legal and regulatory requirements is explained to them.

In 2022, the Company did not record any cases of violation of the requirements of the Law "On Nature Protection of the Republic of Uzbekistan" and regulatory requirements of international standards ISO 14001:2015 - "Environmental Management System", ISO 50001:2018 - "Energy Management System", ISO 45001:2018 - "Occupational Health and Safety System".

In the long term, the Executive Office and all structural divisions of the Company aim to continue work on identification of non-compliance with environmental legislation of the Republic of Uzbekistan, on identification of aspects and risk management to take measures to prevent any non-compliance with the requirements of environmental legislation.



## Workplace safety

GRI 3-3, 2-23

The main goals of the Company in the area of occupational health and safety management (hereinafter - OH&S) are to create safe and healthy working conditions, prevent injuries and diseases associated with professional activities, as well as prevent damage to the health of people in the workplace under management of Uztransgaz JSC. In order to achieve the strategic goal in the area of OH&S, the Company implements modern technologies, techniques and conducts OH&S training to improve occupational safety on a regular basis in all business units and organizations.

In connection with the transportation of natural gas, which can lead to accidents and mishaps in the presence of any source of fire or other risk factors, effective OH&S management is a significant topic in the Company's operations

OH&S management in the Company is carried out by the Occupational Health and Safety Department (hereinafter referred to as the OH&S Department), which consists of 10 full-time employees: 1 head of the Department, 3 heads of departments, 3 chief specialists and 3 leading engineers. The Department provides organizational and methodological guidance to the Company's structural subdivisions and subordinate enterprises; it also conducts OH&S audits, training and briefings for employees throughout the Company. The activity of the Department is based on the Labor Law of the Republic of Uzbekistan (the Law of the Republic of Uzbekistan on Labor Protection and resolutions of the Cabinet of Ministers of the Republic of Uzbekistan), Labor Protection and Industrial Safety Policy of the Company, Regulations "On Labor Protection and Industrial Safety Department", personal responsibility of employees for proper performance of their job duties and instructions of the management. In addition, each structural enterprise has labor protection and industrial safety services/departments that are directly involved in OH&S management at the facilities. The Company has also entered into an agreement with SERT International LLC, whose consultants conduct HSE audits together with the HSE



Department.

Department.

The Company has approved an industry program for the prevention of industrial injuries, increasing the level of industrial safety, labour safety, environmental safety and occupational safety for 2020-2023. And the golden rules of labor protection and industrial safety were also approved and enforced. At the time of the reporting period, the HSE Department completed the implementation of all goals and objectives that were assigned for 2022.

The implementation of OH&S processes is regulated by the Constitution and the laws of the Republic of Uzbekistan "On Industrial Safety of Hazardous Production Facilities," "On Labour Protection," "On Road Safety", "On Environmental Control," "Regulation on Road Safety in the Oil and Gas Industry" and the requirements of international standards ISO 9001, ISO 14001, OHSAS 18001.

Also, OH&S issues in the Company are regulated by the following local and international agreements:

- Convention No. 98 dated 1949 "On the Application of the Principles of the Right of Organize and Collective Bargaining". Ratified on August 30, 1997;
- Convention No. 100 of 1951 concerning Equal Remuneration for Men and Women to Work of Equal Value. Ratified on 30 August 1997;
- Convention No. 103 "On the protection of Maternity" (as revised in 1952). Ratified on May 6, 1995;
- Convention No. 105 of 1957 "On abolition of Forced Labour. Ratified on August 30, 1997;
- Convention No. 111 of 1958 "On Discrimination in Respect of Employment and Occupation. Ratified on August 30, 1997;
- Convention No. 122 of 1964 "On Employment Policy". Ratified on May 6, 1995;
- Convention No. 135 of 1971 " On the Protection of the Rights of Employees' Representatives in the Enterprise and the Opportunities Provided to Them". Ratified on August 30, 1997;

- Convention No. 138 of 1973 "On the Minimum Age for Admission to Employment". Ratified on April 4, 2008;
- Convention No. 154 of 1981 "On the Promotion of Collective Bargaining. Ratified on April 4, 2008;
- Convention No. 182 of 1999 "On the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor". Ratified on April 8, 2008;
- Convention No. 144 of 1976 on "Tripartite Consultations for the Promotion of the Implementation of International Labor Standards of the ILO". Ratified on March 4, 2019;
- Convention No. 129 of 1969 "On Inspection of Labor in Agriculture. Ratified on August 27, 2019.

In order to effectively manage the approach in the area of management, the Company has introduced a feedback system, which uses several channels: confidential hotline, corporate portal of the Company, an appeal to the HSE Department and the trade union committee.

#### *Objectives for the mid-term*

The Company is well on the way to achieving its OH&S management improvement goals. Based on the strategic goals, the Company has identified the following tasks for 2023:

- Conducting control and monitoring of the sanitary and hygienic state of facilities as well as creating conditions for employees of enterprises and departments, in compliance with the requirements of the OH&S of Uztransgaz JSC.
- Control over the medical examination of employees of the Company's business units.
- Monitoring the provision of dairy products for employees and storage of dairy products at industrial facilities and developing measures to eliminate identified deficiencies.
- Control over the condition of workplaces and workplace certification at the Company's enterprises and departments. The approximate cost of certification per one workplace is about UZS 500 thousand.
- Continuing implementation of ISO 45001:2018, ISO 14001:2015 standards in the Company's facilities and departments.
- Carrying out the 4<sup>th</sup> stage of control and monitoring in the field of industrial safety, environmental safety and labor protection in accordance with the schedule of the Standing Committee Order No. 188 dated November 30, 2021.
- Training and qualification upgrading of personnel, including training in occupations and types of work, training in foreign companies.
- Carrying out joint work with scientific organizations, which includes work on the development of instructions, handbooks, etc.

Further, in 2023, the HSE Department plans to create an occupational safety fund in order to finance targeted programs and other measures focused at improving the working conditions and occupational safety of employees as per RCM No. 267 of July 12, 2000. The fund will be formed from the Company's profit after all taxes are paid, as well as from voluntary contributions from individuals and legal entities and other receipts.

Also, this Department plans in 2023, to develop briefings in the form of animated videos in order to simplify the delivery of OH&S information to new employees of the Company and will update the Company's Regulation on warning signs as per international standards.

#### *Occupational health and safety management system*

##### **GRI 403-1**

The Company has an OH&S management system, which was developed based on the IMS.

In 2022, this management system was implemented by the decision of the Company's management and based on the requirements of British standard OHSAS 18001:2007, the application of which allows the organization to manage risks in the management system and improve the efficiency of its functioning.

In 2022, the Company continues to carry out OHSAS activities in accordance with the requirements of the international standard ISO 45001:2018 and the national standard O'zDSt ISO 45001:2020.

These standards are a single set of local and international requirements intended to help organizations protect employees from accidents.

The OH&S management system covers 5199 employees which are involved in administrative and production activities, central office, 8 MGPMs and 2 UGSFs of Uztransgaz JSC.

*The number of workplaces covered by the OH&S management system is given below:*

Group segment	Number of workplaces
In the area of transportation, storage, distribution and sale of natural gas	
Central Office	246
In the area of transportation and distribution of natural gas	
Mubarek MGPM	530
Gazli MGPM	1046
Kagan and Gazli MGPM	378
Zirabulak MGPM	531
Samarkand MGPM	199
Gallyaaral MGPM	598
Fergana MGPM	496
Tashkent MGPM	506
In the area of natural gas storage	
Khojaabad underground gas storage station	339
In the area of natural gas transportation	
"Severny Sokh" underground gas storage station	330

Full-time specialists are responsible for the functioning of the OH&S management system. At the Company level, coordination and management is carried out by the HSE Department, and the Emergency Preparedness and Security Division is responsible for the coordination and organization of emergency preparedness activities. Also, at the level of business units, the HSE divisions / functions and specialists in mobilization and civil protection are responsible for the functioning of OH&S.

Being aware of the need for continuous improvement of the management system, the Company improves OH&S by means of:

- improvement of OH&S indicators through the involvement of personnel and the development of a culture of compliance with health and safety requirements, support for the employees' participation in improving working conditions;
- update and upgrade of equipment, improvement of technologies;
- determining and implementing corrective actions for incidents, communicating information to personnel to prevent repeated incidents.
- The Company annually allocates significant financial resources for the development of the OH&S system. In 2022, the total financial resources for this area amounted to UZS 5 947 million.

*Hazard identification, risk assessment and incident investigation*

**GRI 403-2, 403-7**

The implementation of the hazard identification and risk assessment processes is regulated by the internal document "Procedure for hazard identification and risk assessment" developed as per international standard ISO 45001:2018. This document was developed in order to determine the process of hazard identification, the procedure for calculating the category of risks and further measures to reduce their degree of occurrence, as well as planning and managing them. This procedure is applied in all business units of the Company within the scope of IMS to identify, assess and manage risks in relation to employees of the Company and employees of subcontractors and visitors.

As per this procedure for hazard identification, assessing risks and opportunities in the area of OH&S, the analysis of the relevance and applicability of the results of hazard identification and risk assessment is conducted at least once a year, as well as randomly in case of changes in technology, equipment used, methods of work and if other factors are identified that may affect hazards and risks. Hazard identification is conducted using the "Hazard Matrix," in which information about a hazard, risk, probability level, risk level, control method and persons at risk for each type of activity is filled in electronically. The form of this matrix is presented in Table 4 of Appendix 3. If there were no changes in the hazards and risks, and the matrix can be applied without changes, then a protocol on the relevance of the matrix is processed. In 2021, the Hazard Matrix was not updated due to the relevance of the data reflected in the matrix and the lack of changes in the risks and hazards.

This procedure requires the mandatory participation of common employees in identifying and describing the hazards and risks associated with work performance. When identifying hazards and assessing risks, the results of an assessment of the impact of harmful production factors such as dust, noise, illumination, gas pollution, etc., which is conducted by an independent specialized external organization such as SERT International LLC in accordance with the legislative requirements of the Republic of Uzbekistan on certification and profiling of workplaces.

In addition, the Company has introduced and operates a Uniform Occupational Safety Management System (hereinafter-UOSMS). UOSMS, which is part of the IMS of the Company, was developed and implemented to manage risks in the area of labor protection, industrial and fire safety, achieve goals and fulfill the obligations assumed by the Company in the OH&S Policy

The main stages of OH&S risk assessment, applied in the Company, are as follows:

1. determination of activities, including areas of activity, types of work, operations;
2. identification of the dangers associated with the performance of professional activities;
3. identification of health risks associated with exposure to hazards;
4. identification of workers exposed to a specific hazard;
5. assessment of the severity of possible health damage;
6. assessment of the likelihood that a deviation from the requirements will occur, which could lead to a deterioration in health;
7. assessment of the risk rating as a combination of the severity of the possible damage to health and the likelihood of a work-related event that could result in damage to health.

As part of the OH&S management, the Company applies 4 stages of control (monitoring) to prevent and/or reduce risk, described below:

- 1) First level of control. When performing the first level of control, a senior operator, who is located within the facility, conducts monitoring during his working hours. Information about detected violations is reflected in the control log by the operator manually.
- 2) Second level of control. This level of control is conducted by engineers in the following four areas at least once every 14 days: fire safety, ecology, energy and industrial safety. Upon completion of the control, the conclusions are recorded in the log manually.
- 3) Third level of control. This level of control is conducted on the basis of an order developed in accordance with UOSMS. This order is approved by the Permanent Commission, which includes engineers of various fields such as metrologists, electricians, mechanics, compressor operators, ecologists. The commission thoroughly checks all facilities once a quarter and records the conclusions in the log.
- 4) Fourth level of control. This level of control is conducted by the OH&S department of the Administrative office of the Company twice a year. As per RCM on OH&S management, the Department develops an order with an attachment and a schedule for monitoring. The attachment of the order reflects all the necessary directions in which the facilities are checked. The commission consists of more than 10 persons and one external consultant from SERT International LLC.

Also, the Company uses the following hierarchy of control application to prevent and minimize the identified risks when monitoring facilities:

- elimination of danger if possible;
- changing the technology for performing work, changing materials used and tools or equipment used to safer ones;
- the use of technical controls to identify hazards, or to prevent critical deviations in work or in technological processes;
- training in safe methods of performing work, OH&S requirements, testing OH&S knowledge;
- the use of personal protective equipment.

The quality of hazard identification and risk assessment processes is ensured by:

- participation in these processes of employees, including engineers and technicians and common employees, as well as employees of contractors associated with the activity in question;
- conducting trainings and clarifications on the methods of hazard identification and risk assessment;
- periodic analysis of the relevance and applicability of the results of hazard identification and risk assessment, considering the actual results of monitoring and control over compliance with OH&S requirements, industrial and fire safety.

The results of the risk assessment, as well as the identified comments in the field of OH&S during the inspection of facilities, are used when determining measures to improve working conditions, increase occupational safety by adjusting instructions for performing work, conducting additional briefings on OH&S, including those related to incidents, to change requirements on the provision of personal protective equipment.

In 2022, 346 inspections of facilities of 11 business units were conducted.

<b>Group segment</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Urgenchtransgaz UE	262	45	43
Mubarek MGPM	38	19	43
Kagan MGPM	21	15	17
Gazli MGPM	82	105	11
Zirabulak MGPM	47	10	13

Samarkand MGPM	16	22	12
Gallyaoral MGPM	11	8	6
Tashkent MGPM	8	13	50
Fergana MGPM	33	27	6
Severny Sokh UGSF	18	26	25
Khodjaobod UGSF	34	37	20
<b>Total inspections of facilities performed</b>	<b>570</b>	<b>327</b>	<b>246</b>

During the 2022 inspections, 7502 observations were made. Observations were made in compliance with health and safety rules and requirements, industrial, fire and road safety

The results of inspections are one of the main tools through which the HSE Department identifies the need for such measures as staff training, the use of new methodologies to improve the OH&S system.

Every six months, briefing is conducted among employees about responsibility for violation of safety rules and damage caused by accidents at work as per the requirements of the Laws of the Republic of Uzbekistan "On Industrial Safety of Hazardous Production Facilities," "On Occupational Safety," "On Road Safety," "On Environmental Control" and "Regulation on Road Safety in the Oil and Gas Industry."

Under the legislation of the Republic of Uzbekistan, an employee has the right to refuse to perform work associated with a danger to his life and health, if all the required safety measures are not provided at the workplace. In this case, the employee should not be persecuted by his immediate supervisor or management of the Company.

If the employee has a feeling that his/her rights have been violated by the employer, then, under the current legislation, the employee can contact management of the Company, the Trade Union Committee or external state bodies with an appeal, including labor and social complaints. Employees of contractors and subcontractors working in the area of responsibility of the Company can also contact management of the Company. This provision is documented in the IMS Policy of the Company.

Incidents that did not result in accidents are considered by the services involved with the participation of both managers, engineers and technicians and common workers and engineers, and OH&S specialists. Depending on the significance of the incident, representatives of the Trade Union, government departments and other services may be involved.

If a safety accident occurs as a result of the incident, the investigation is conducted as per the Regulation on investigation and recording of accidents at work and other injuries to the health of workers associated with the performance of their labor duties, which was approved by Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 286 dated 6 June 1997.

#### *Health care services and healthy lifestyles*

##### **GRI 403-2, 403-3, 403-6**

The Company pays special attention to the preservation and maintenance of the health of its employees. As per the requirements of the legislation of the Republic of Uzbekistan, as well as Regulation No. 200 of the Minister of Healthcare "On Approval of the Regulation on the Procedure for Medical Examination of Employees" dated 10 June 2012, employees of Uztransgaz JSC are provided with a mandatory medical examination, including daily and annual periodic medical services. Also, the Company is carrying out additional work to prevent infectious and non-infectious diseases and injuries.

The Company has a Health Care Service whose functions include:

1. direct control over employees' compliance with occupational health and safety rules and regulations;
2. analysis of the state and causes of industrial injuries and occupational disease incidence;
3. introduction of experience in health care management of leading foreign companies;
4. participation in the development of labor safety standards, occupational safety rules and regulations;
5. organization of certification of workplaces for working conditions;
6. Provision training and examination of knowledge in occupational safety and health;
7. provision of the enterprise with normative and guiding documents on occupational safety and health issues.

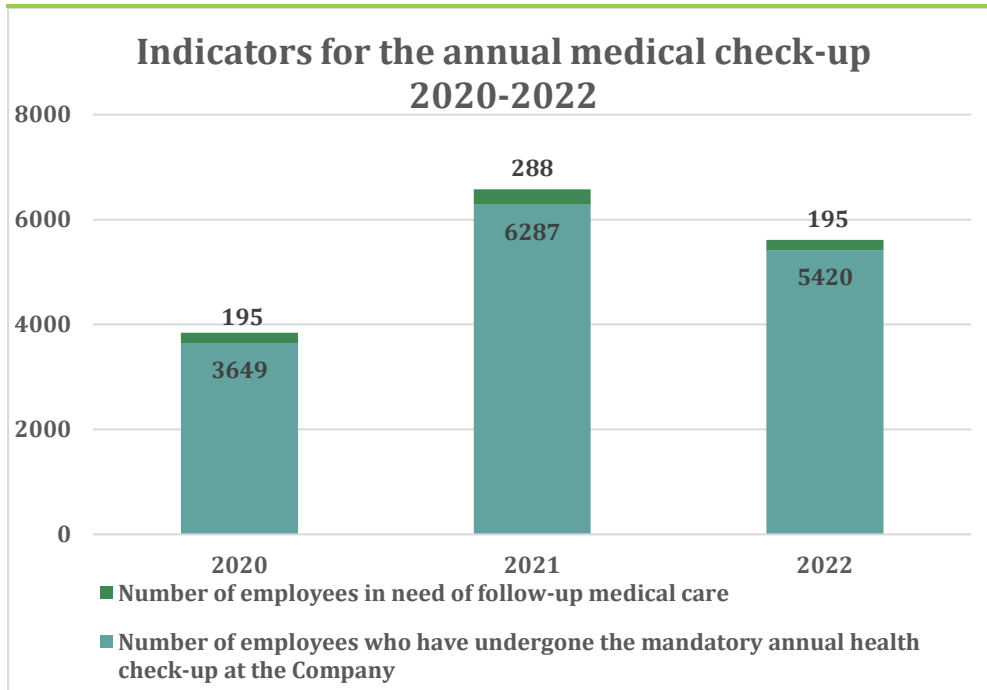
The organization ensures the quality of medical services and facilitates employees' access to these services by following all the requirements of the Collective Agreement, whereby the Company's employees are entitled to the following medical services:

- annual and periodic free medical examinations;
- financial assistance in case of illness;
- Free tickets to medical and health centers;
- free dairy products when working in hazardous conditions.
- provision of subscriptions to sports and fitness facilities, swimming pools.

The number of employees who underwent a mandatory annual medical examination in the Company in 2022 was 5 420 people, according to the results of which 195 employees were identified as needing of dispensary observation. As a percentage ratio, the number of employees needing dispensary observation decreased by 1% in 2022 compared to 2021.

Indicators for annual medical examinations of employees of the central office and all business units are given below:

Indications	2020	2021	2022
Number of employees underwent compulsory annual medical observation in the Company	3 649	6 287	5 420
Number of employees requiring dispensary observation	195	288	195



Based on the results of medical examinations, the trade union committee issues vouchers to sanatoriums and resorts for the Company's employees according to the rules of the Collective Agreement. In case of detection serious illnesses among employees, the Company sends them to medical institutions for treatment.

Also, in order to minimize risks in facilities, facility employees undergo basic health checks by medical personnel every day. During the check, a test is made for the presence of alcohol in the body of an employee and blood pressure.

The Company annually undertakes medical and preventive measures. In the reporting period, UZS 792,82 million were allocated for medical and preventive and sanitary and epidemiological measures, which is almost 20,6 % less than in 2021.

Expenses for sanitary-epidemiological and therapeutic-preventive measures in sums are given below:

Indicators	2020	2021	2022
Expenses for sanitary and epidemiological and therapeutic and preventive measures, total	200 384 200	999 765 753	792 820 000

The Company takes a responsible approach to the choice of a medical institution where health insurance services will be provided to employees. As of the reporting period, the Company did not enter into agreements with medical institutions for the provision of health insurance services.

The Company provides employees with the opportunity to use voluntary health promotion services and programs during paid work hours, subject to an appropriate leave order, and during non-working hours. Uztransgaz JSC, together with the Joint Trade Union Committee, makes a work schedule at the beginning of the year on joint work to improve the health of workers. The schedule without fail includes sports and sports events such as chess, checkers, table tennis and futsal. The business units have sports grounds where employees are able to engage in active sports.

Also, the Company provides services and programs for health promotion and programs for family members of employees. The United Trade Union Committee of Uztransgaz JSC provides vouchers to recreation centers for employees and their families to improve their health, as well as vouchers to children's health camps for employees' children from 7 to 13 years old. Access to these voluntary programs available for employees in accordance with the rules of the Collective Agreement.

#### *Data Confidentiality*

The results of medical examinations are considered as the medical secret and are given personally to the employee who passed medical examination or to official representatives of employees. Uztransgaz JSC maintains confidentiality of personal information related to the health of employees on the basis of the Law of the Republic of Uzbekistan No. 547 of July 02, 2019 "On Personal Data". In the Company, the results of medical examinations are provided to the trade union committee of the Company and the HSE department in order to carry out therapeutic and preventive work

## **Industrial safety**

### **GRI 403-7, 403-9**

Creating safe working conditions, preserving the life and health of employees, ensuring the reliable operation of hazardous production facilities, ensuring fire safety and road safety are one of the priorities of the Company's activities.

Hazardous areas in the Company are gas compressor stations, main gas pipelines and gas distribution points, since these areas have a high noise level and work with a chemically hazardous substance - an odorizing compound, which is added to the gas to give it a distinctive odor.

Additionally, the descent and ascent of pump-compressor and drill tubes during workover of wells and all operations performed in a gas-hazardous, electrically hazardous and fire-hazardous environment bear a high risk



to human health. During such work, there is a high risk of gas poisoning, electric trauma, falling from height, chemical and thermal injuries, insect bites, sun stroke, harm due to vibration, noise and dust.

Occupational health and safety issues in the Company are regulated by the internal document "Unified Systems of Occupational Health, Industrial Safety and Ecology", which was developed on the basis of the Regulation on the Organization of Occupational Health and Safety Work No. 273.

There was 1 work-related accident in the Company in 2022. A Company employee was traveling on an official assignment to inspect instrumentation and control devices in the compressor repair shop, on his way back due to strong winds a mast, which was intended for night lighting located next to the shop and on which a lightning rod was installed, fell on him. The victim died in the medical department as a result of his injuries.

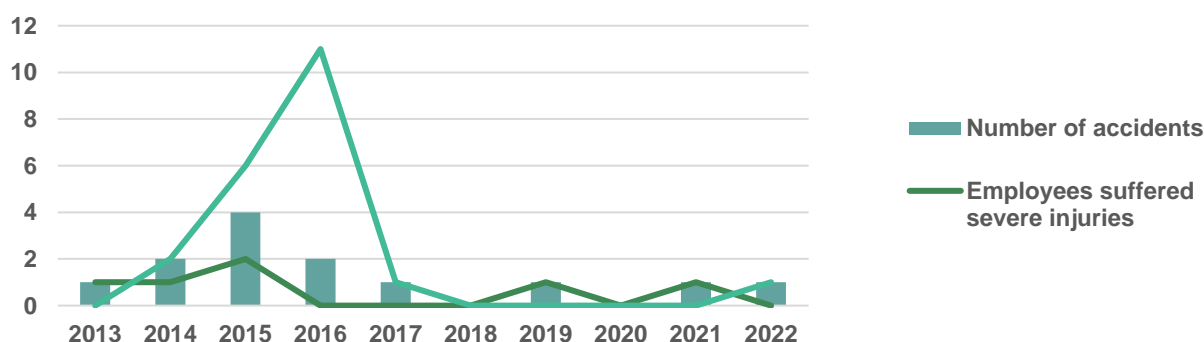


Consequently, the occupational injury rate in 2022 was 0,056, the rate of severe injuries was 0 and the rate of fatalities was 0,056. (The number of hours worked in the reporting period was 17 849 thousand hours).

Analytical information on the status of occupational injuries from 2013 to 2022, which covers data on all Company employees, is given below:

Indication	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Number of accidents</b>										
Uztransgas JSC	1	2	4	2	1	0	1	0	1	1
<b>Number of victims with a severe outcome</b>										
Uztransgas JSC	1	1	2	0	0	0	1	0	1	0
<b>Number of victims with fatal outcome</b>										
Uztransgas JSC	0	2	6	11	1	0	0	0	0	1

**Analytical information on the work-related incidents status, 2013-2022**



According to the legislation of the Republic of Uzbekistan, an investigation was conducted to investigate an accident while performing labor duties and the N-1 Act was drawn up, which identified the causes of the accident and defined measures to prevent it:

1. Developed a set of measures to prevent accidents;
2. Unscheduled briefing on safety among employees of Tuley MGPM was held, knowledge test was held for MPC of Tuley MGPM;
3. Measures were taken to improve safety knowledge of employees
4. Additional demonstration materials (posters) on occupational health and safety at workplaces were provided at workplaces (workshops)
5. Mandatory audit of occupational safety rules observance at Tuley MGPM was carried out.

The Company interacts closely with various contractors in its activities. The relationships of Uztransgaz JSC with contractors and other organizations performing work in the area of responsibility and within the territory of the Company are built on their mutual interest in ensuring the safety of people, including employees of contractors and state inspection authorities, visitors and the public. As per the IMS Policy, employees of other organizations performing work in the area of responsibility of the Company must consistently perform the necessary OH&S procedures to ensure the safety of people, preserve their life and health, before starting work and manage the risks associated with activities and actions of employees of organizations. Employees of contractors are subject to the same requirements in the area of industrial and occupational safety, as the employees of the Company.

At the time of the reporting period, Uztransgaz JSC does not keep records of occupational injuries to employees of other organizations due to the fact that the responsibility for maintaining safety measures is imposed on the employees of contractors themselves. Accordingly, in the event of occupational injuries among employees of contractors, the investigation is conducted by the State Industrial Safety Committee of the Republic of Uzbekistan.

## Training and information on labor protection and occupational safety

GRI 403-2, 403-4, 403-5

Uztransgaz JSC follows the principle of “Employee Engagement” in management of OH&S issues. The Company has implemented a mechanism for consultation and participation in OH&S issues with personnel, including common employees. Consulting on OH&S issues is conducted by providing an opportunity to review information and exchange views before making decisions to employees, including common employees whose professional activities are affected by the issues in terms of health and safety. The practical implementation of this principle, for example, is the mandatory participation of common employees or their representatives when agreeing the documents establishing OH&S requirements.

All processes of employee participation in the development, implementation and assessment of the OH&S management system are regulated by the collective agreement. Powers and responsibilities are allocated between the employer and the trade union. The participation of employees in the development and implementation of processes is regulated in writing and verbally. However, the Company does not have formal joint health and safety committees between management and employees at the time of the reporting period.

The collective agreement provides for chapter No. 8 on occupational safety, where the duties and powers of the employer and the trade union are recorded. The trade union organizes the work of public control on occupational safety; and persons in charge of OH&S are elected by voting. The chairmen of trade union committees and the persons in charge of OH&S take an active part in the OH&S Permanent Commissions organized jointly with employers and the trade union committee.



Occupational safety training for employees is a priority for improving the OH&S management system in the Company. Upon admission of a new employee who will work in the facilities of Uztransgaz JSC, the Company organizes a one-month training, after which the employee will take an exam to test knowledge of OH&S rules for the safe performance of functions. Only after successfully passing the exam, the employee can start his work in the Company.

Thus, in 2022, 320 engineers from 11 business units and the central office and subsidiaries of the Company underwent training. Training was conducted in 4 large areas of HSE and the average number of training hours among employees was 40 hours.

Group segment	Number of trained employees							
	On industrial safety		Labor protection		On fire safety		On environmental protection	
	Number of hours	Number of employees	Number of hours	Number of employees	Number of hours	Number of employees	Number of hours	Number of employees
Central Office	120	3	72	2	0	0	36	1
Urgenchtransgaz UE	960	24	324	9	3000	50	252	7
Mubarek MGPM	240	6	180	5	180	3	144	4
Kagan MGPM	280	7	180	5	2220	37	36	1
Gazli MGPM	280	7	288	8	0	0	72	2
Zirabulak MGPM	320	8	216	6	120	2	72	2
Samarkand MGPM	160	4	108	3	120	2	72	2
Gallyaaral MGPM	240	6	324	9	180	3	36	1
Tashkent MGPM	440	11	252	7	600	10	36	1
Fergana MGPM	160	4	180	5	180	3	36	1
UGSF Severny Sokh	160	4	144	4	1500	25	36	1
UGSF Khodjaobod	160	4	108	3	60	1	36	1
Transgazengineering LLC	160	4	36	1	60	1	0	0
<b>Total:</b>	<b>3680</b>	<b>92</b>	<b>2412</b>	<b>67</b>	<b>8220</b>	<b>137</b>	<b>864</b>	<b>24</b>

Industrial safety training was conducted at the State Unitary Enterprise "Kontehnazorato'quv",

on occupational safety - at the Center of Professional Development under the Ministry of Employment and Labor Relations of the Republic of Uzbekistan,

fire safety - at the Higher Technical School of Fire Safety under the Ministry of Emergency Situations,

on environmental protection - at the Center for retraining and advanced training of employees working in the field of environmental protection.

Also, in the central office and in all business units of the Company, fire tactical drills and medical drills are conducted. In 2022, the Company held 347 fire drills and medical drills.

Indication	2022
Number of training alarms	347
Number of training and tactical alarms	347

The need for certain training courses for engineers and other employees is determined by analyzing the current HSE indicators and per the requirements of the international standards that the Company follows as per the IMS.

As per the internal policy of the Company, the HSE department conducts training for the management team, which includes chief engineers, the chairman of the Company and heads of departments, and the induction for newly hired employees. In 2022, the Company conducted 4007 induction training sessions separately for each newly hired employee

Indicators	2020	2021	2022
Number of induction briefings	4 467	3541	3767
Number of employees who received induction training	4,467	3541	3767

# Social responsibility

## Management approach

### GRI 3-3, 2-25

As a major employer operating in 7 regions of the Republic of Uzbekistan, Uztransgaz JSC purports to increase the professionalism and efficiency of its employees, strengthen and develop human resources, create conditions for social protection and stability in the team and regions of presence. Being aware of the importance of effective human resource management, the Company is constantly improving the remuneration system and working conditions, and contributing to an increase in the level of social support and the development of training of its employees.

The main goal of personnel management is the formation, development and most effective accomplishment of the personnel potential of the Company. The concept of development of the personnel management system includes a list of tasks that represent the key areas of personnel policy. The key priorities of the personnel policy of Uztransgaz JSC are as follows:

- improving the professionalism of employees by career boosting;
- introduction of advanced methods of personnel management of the Company;
- personnel development not only along the vertical scale of professional growth, but also taking into account the growth and quality of performance indicators;
- management of the talent pool of the Company;
- social protection of employees, full observance of their rights and interests, ensuring safety at work.

In its approach, the Personnel Management Department is guided by the Personnel Management Policy and internal regulations of the Company. Social and labor relations between the Company and employees are regulated in accordance with labor legislation and the collective agreement.

The Personnel Policy was adopted in 2022. The main objectives of this policy are the development of professional human resources potential, introduction of modern methods of human resources management, formation of a personnel reserve from qualified specialists.

At the same time, in order to achieve its goals, the Company adheres to such corporate values as:

- orientation to the end result rather than the training process itself;
- self-development, professionalism, communication skills;
- adherence to professional standards and ethics.

Principles of the Company's HR policy:

- recruitment and placement;

- development and training (training, retraining, professional development);
- implementation of motivation and efficiency improvement systems;
- formation of corporate culture and management.

This document establishes the employer's responsibility to the employees for their safety and, accordingly, for the safety of the Company as a whole.

Also, the Company adheres to the trend of staffing managerial positions at the expense of internal resources by forming a personnel reserve, applying the principles of rotation, identifying management potential in employees and further career advancement. To this end, the "Regulations on Personnel Rotation in Uztransgaz JSC and structural subdivisions" have been developed.

The Company regularly carries out activities aimed at achieving HR management objectives and implements a mechanism for monitoring the social conditions of employees of the central office, subdivisions and contractors within the Company's area of responsibility. For example, in 2021, the Company set several objectives in the field of HR management, for each of which activities were carried out. These tasks included preparation of a report and documents on personnel promotion, professional development and incentives for personnel. More detailed information on these tasks is provided in Table 6 of Appendix 4

The Company has a developed feedback system. In cases of complaints, each employee has the opportunity to contact their immediate supervisor, the HR Department, as well as through the official website, confidential hotline, or use the corporate portal of the Company. In addition, depending on the issue and topic of the problem, employees can contact the Trade Union Committee and the Women's Council of the Republic of Uzbekistan.

The Company works closely with the Trade Union Committee. The Company interacts with the Trade Union within the framework of social partnership established by the labor legislation of the Republic of Uzbekistan. The main parameters of interaction are issues related to the implementation of the Collective Agreement, including issues of the state of work discipline, consideration of complaints from the work collective, health and safety, provision of social benefits and compensations, etc.

## Employment

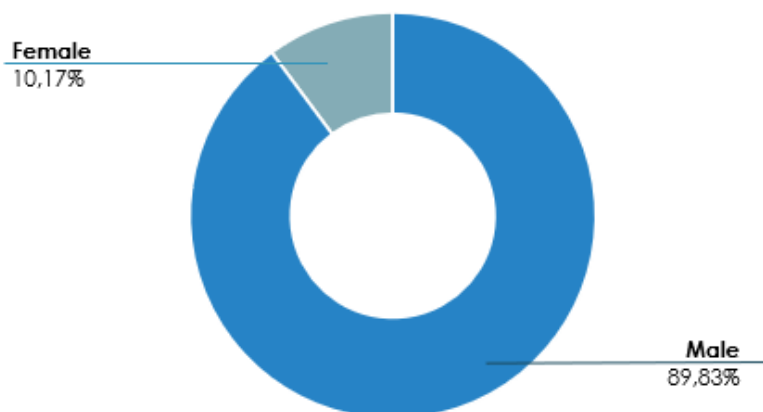
GRI 2-7, 401-1, 401-2, 401-3, 402-1

The actual number of the Company's employees at the end of 2022 amounted to 8,190 people.

The largest number of employees works in Urgenchtransgaz UE, the share of which is 33% of the total number of employees of the Company. All employees of the Company have full-time employment, of which 40 persons work under fixed-term labor contracts, which is 0.5 percent of the total number of employees, and 8,150 persons work under permanent labor contracts. Listed number of employees in the reporting period broken down by structural subdivisions and by gender is shown in Table 3 of Appendix 4.

Due to the production specifics of the Company's activities, the number of men among employee makes up the majority. Thus, at the time of reporting period, the share of men is 89,83%, and women is 10,17%.

UTG employees by gender for the reporting period, %



The share of production personnel prevails in the Company as compared to administrative and management personnel. In 2022, the share of production personnel in the total headcount was 76,4%, while the share of administrative and management personnel was 23,6%.

The breakdown of female and male employees is approximately the same for each category of employees. However, all senior managers are represented only by male personnel, while the share of female specialists is higher than that of male specialists.

Employees by gender and category for the reporting period, %

Employee category	Male	Female	Share of employees of each category of total headcount, %
Senior managers	0,13	0	0,12
Managers of business units	2,42	1,56	2,33
Specialists	20,75	24,49	21,14
Employees	76,69	73,95	76,41

By age category, the main share of employees is represented in the group from 30 to 50 years old -64,8%, while the share of young people under the 30 years old is 13,7 %, the share of employees over 50 years old is 21,5% of the total number of personnel.

Number of employees by age category for the reporting period

Employee category	Under 30 years old	30 – 50 years old	over 50 years old
Senior managers	2	5	3
Head of business units	6	137	48
Specialists	280	976	475
Employees	838	4189	1231

The number of newly hired employees in 2022 is 686 people, or 8,4% of the total headcount. In 2021, this figure was 663 people or 7,9% of the total headcount.

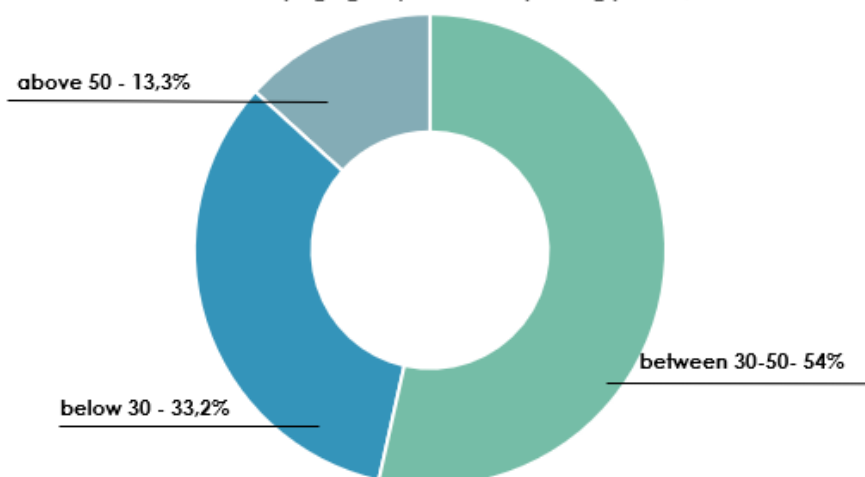
Newly hired employees in 2021-2022, %

Years	2021	2022
% of hired employees	7,9	8,4

When implementing the personnel policy, the focus is on hiring young specialists to the sphere of the Company's production activities. The Company works on the training, selection and placement of personnel among young specialists. The main suppliers of young subject matter specialists are the higher education institutions of the republic.

Thus, the share of young people under 30 years old among the newly hired employees was 33,2%. Also, the number of newly hired workers from 30 to 50 years old was 53,5%, and over 50 years old was 13,3%.

New hires by age group for the reporting period, %



The number of employees with whom labor relations were terminated during the reporting period amounted to 785 people, including by age category: under 30 years old – 9,4%, 30 to 50 years old – 57,7%, over 50 years old – 32,9%. Also, employees with whom employment relations were terminated during the reporting period, broken down by gender, have the following indicators: the share of female employees – 9,4%, the share of male employees – 90,6%.

The employee turnover rate was 9 % in 2022. This coefficient is calculated as a ratio of the number of all dismissed employees to the headcount.

*Turnover rate, %*

Year	2020	2021	2022
Turnover rate per calculation procedure adopted by the Company	19	8,7	9,6

HR data is collected by the HR Department from all business units of Uztransgaz JSC.

*Collective agreement*

**GRI 2-30**

The Collective Agreement, which was developed for a three-year period and is subject to regular renewal, is the key to protecting labor rights, economic and social guarantees of employees, as well as to regulating employment relations and effective dialogue between the Company and employees.

The Collective Agreement of the Company is applicable to all employees of the executive office and directly reporting business units that are part of the Company, regardless of membership in the trade union.

Subsidiaries and affiliated organizations that are legal entities have their own collective agreements, respectively:

- in Urgenchtransgaz UE - collective agreement of Urgenchtransgaz UE;
- in Transgazengineering LLC - collective agreement of Transgazengineering LLC;
- in Naklgazmahsuskurilish JSC - collective agreement of Naklgazmahsuskurilish JSC;
- in Subsidiary Farm LLC - collective agreement of Subsidiary Farm LLC;

In 2022, the share of employees of Uztransgaz JSC and its subsidiaries and affiliated organizations covered by collective bargaining agreements was 100% or 8,190 people.

Under the Collective Agreement, the minimum period for prior notification of employees and their elected representatives about the implementation of significant changes in the business of the Company, which may significantly affect them, is 2 months. Meanwhile, in 2022 there were, no cases of filing claims by the Company's

employees for non-compliance with this requirement of the labor legislation. Any amendments to the Collective Agreement shall be made only by agreement of the parties in the manner required by the Labor Code of the Republic of Uzbekistan.

### *Social support*

The personnel are the main potential of the Company, and in this regard, Uztransgaz JSC pays special attention to creating favorable working conditions and ensuring labor guarantees, benefits and compensations.

The Collective Agreement of the Company provides for more than 30 types of social benefits and guarantees for employees and their families, as well as for young people and non-working pensioners.

The social package provided to the Company's employees includes various types of social compensations, benefits and guarantees: insurance products, non-state pension programs, additional benefits and guarantees for young people and women, reimbursement of travel expenses to employees, reimbursement to non-working pensioners for the cost of potatoes and vegetables purchased for the winter period, provision of full or partial payment of the cost of medical and sanatorium-resort treatment or surgical operation, targeted assistance to the Company's employees and other social benefits. The Company's ability to provide social benefits is directly dependent on the financial condition of the Company.

Also, the Company, through the Collective Agreement, has programs for further employment and end-of-career management, implemented when employees retire or leave the Company. These programs include:

- Regulations for determining and paying supplement pensions to retirees in the oil and gas industry. Supplement payments are calculated applying a coefficient based on the subsistence wage established in the territory of the Republic of Uzbekistan. The coefficient is determined based on the total length of service in the oil and gas industry: from 15 to 20 years inclusive – 0,24, over 20 to 25 years inclusive – 0,28, over 25 to 30 years inclusive – 0,32, over 30 to 35 years inclusive – 0,36, over 35 years inclusive – 0,40.
- Payment of a lump-sum allowance of 20% and 50% of the official salary for each year worked in the oil and gas industry upon dismissal of an employee due to retirement. This allowance is paid to an employee only once upon dismissal of a pensioner for a well-earned rest by age.

In 2022, 21 061 social benefits and guarantees were provided to employees of the central office and all business unit.

The number of benefits and guarantees provided to full-time employees of Uztransgaz JSC is shown below:

Description of benefits	2021	2022
Insurance products	1 369	0
Health insurance programs	8	0
Non-state pension programs	476	253
Ownership of company shares	40	0
Temporary disability benefits for employees registered for socially significant diseases, World War II veterans, disabled employees, etc.	354	874
Benefits for young people provided in line with the Collective Agreement	50	72
Provision of monthly material assistance to women on leave to care for children up to 2 and up to 3 years of age	62	54
Reduced working day and breaks with appropriate pay during working hours for women with children and pregnant women	19	25



Free treatment for pregnant women at medical sanatoriums and resorts or health resorts of the Republic	108	0
Compensation to employees of travel expenses (per diem), in the amount of 35% of the basic calculation value established in the Republic of Uzbekistan	3 172	2 642
Compensation to non-working pensioners who do not receive additional payments for the cost of potatoes and vegetables purchased for the winter period equal to 1 subsistence wage	89	0
Full or partial payment of the cost of medical and health resort treatment or surgery to employees, as well as single unemployed pensioners, war and industrial invalids, peacekeeping soldiers and chronically ill	459	265
Targeted assistance to families with school-age children by 1 September delivery of New Year gifts for employees' children	7 098	6 691
One-time financial assistance to employees in various life situations	1 565	1 803
Other social benefits	10 032	8 382
<b>Total:</b>	<b>24 901</b>	<b>21 061</b>

In this table, the provision of one-time financial assistance to employees in various life situations includes benefits to employees when starting a family, the birth of the first child, the death of an employee or a family member, in case of damage as a result of natural disasters and emergencies, and financial assistance to non-working pensioners, war and labor veterans who retired from the Company on the Independence Day, Day of Remembrance and Honors.

The number of employees on parental leave at the end of the reporting period was 31, with the share of women being 100%. When calculating the number of employees who took parental leave, data from the central office, all business units and liquidated enterprises were taken into account

The total number of employees who took parental leave in the reporting period is as follows:

Category of employees	2021	2022
Eligible to take maternity/paternity leave	45	39
Took maternity/paternity leave	40	33
Should have returned from maternity/paternity leave	20	10
Returned from maternity/paternity leave	15	13
Total number of employees who returned to work at the end of maternity/paternity leave in the previous reporting period	14	23
Returned from maternity/paternity leave and continue working for 12 months after returning to work	7	6

Under GRI standards, the return-to-work rate reflects the ratio of the total number of employees who returned to work at the end of maternity/paternity leave to the total number of employees who should have returned to work after the end of maternity/paternity leave. Also, the retention rate reflects the ratio of the total number of

employees retained 12 months after returning to work at the end of maternity/paternity leave to the total number of employees who returned after the end of maternity/paternity leave in the previous reporting period.

In 2022, the return-to-work rate was 130%, which shows that all employees required to return after their leave ended returned to work. Also, the retention rate was 50% in 2021 and 26% in 2022.

The return and retention rates in 2021-2022 is shown below:

years	2021	2022
Return-to-work rate (share of employees who returned to work after maternity/paternity leave), %	75	130
Retention rate (share of those remaining in the organization after returning from maternity/paternity leave), %	50	26

For 2022, expenses for social support of Uztransgaz JSC employees amounted to UZS 119,425,856.7 million. The amount of directed financial resources for social support of employees in thousand UZS is given below:

Employee social support, UZS thousand	2021	2022
Uztransgaz JSC	75 924 599,9	119 425 856,7

## Equal opportunities

GRI 3-3, 405-1, 405-2, 406-1

Effective HR policy is the most important condition for successful work of Uztransgaz JSC personnel. The Company's approach to personnel motivation is based on the principles of ensuring a decent level of remuneration, transparency, gender equality, and respect for the rights and interests of employees. In implementing its personnel and social policy, the Company strictly complies with the requirements of labor legislation and does not violate its norms, according to which no one may be discriminated against or receive any advantages depending on sex, race, nationality, language, origin, as well as property, social, family, official status and other circumstances unrelated to the professional qualities of the employee.

When introducing the remuneration system, Uztransgaz JSC adheres to the laws of the Republic of Uzbekistan, in particular Article 46 of the Constitution of the Republic of Uzbekistan, the Law "On Guarantees of Equal Rights and Opportunities for Women and Men" No. LRU-562 dated September 2, 2019, which regulate relations in the field of equal rights and opportunities for women and men. According to the Collective Agreement, the terms and conditions of which apply to all employees, labor remuneration is determined depending on the profession, qualifications of the employee, complexity and conditions of the work performed and is based on a unified wage scale. Thus, the Company has no distinctions in the labor remuneration and remuneration system depending on gender differences

The Company complies with the requirements of the following legislative documents and conventions of the International Labor Organization ratified in the Republic of Uzbekistan, while contributing to the prevention of discrimination:

- Collective Agreement: Chapter 3, paragraph 3.1.
- Convention No. 100 of 1951 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value.
- Convention No. 105 of 1957 concerning the Abolition of Forced Labor.
- Convention No. 111 of 1958 concerning Discrimination in Respect of Employment and Occupation.

The Company applies a unified approach to labor relations management and remuneration. All employees of the Company conclude an employment contract upon employment. The staffing table in the Executive Office and in

all structural subdivisions and organizations stipulates the grade and salary of an employee only according to the position.

All changes to the remuneration system are made taking into account the opinions and proposals of government agencies, the trade union committee and employees. Also, the amount of labor remuneration is revised based on the minimum wage established by the Decree of the President and decisions of the Government of the Republic of Uzbekistan.

In 2022, no cases of discrimination were recorded in the Company. In case of disputes in this area and in case of discrimination in any form, the Company's employees can contact the HR Department, trade union committee and use the Company's helpline and corporate portal, where they can report cases of discrimination and resolve such issues.

#### *Diversity of management bodies and employees*

Due to the production specifics of the Company's operations, the share of male personnel in the total number of workers and middle managers was 90%, and the share of female personnel was 10% at the time of the reporting period. All senior managers were male employees in 2021 and 2022.

A significant proportion of employees are between 30 and 50 years old: workers – 66,9% (64,2% in 2021), specialists – 56,38% (67,4% in 2021), functional managers – 71,7% (71,8% in 2021), senior managers – 50% (62,5% in 2021).

Also, in the reporting period the number of employees with disabilities in the professional category was 29 (22 in 2021), in the worker category - 23 (17 in 2021).

More detailed indicators on the diversity of management bodies and employees are given below:

Indicator	2021				2022			
	Senior managers	Heads of business units	Specialists	workers	Senior managers	Heads of business units	Specialists	workers
Listed number of employees, persons	16	195	903	7230	10	191	1731	6258
including by gender:								
Male	16	180	721	6579	10	178	1527	5642
Female	0	15	182	651	0	13	204	616
Including by age								
Under 30 years old	1	9	128	1030	2	6	280	838

30-50 years old	10	140	609	4643	5	137	976	4189
Over 50 years old	5	46	166	1557	3	48	475	1231
Including vulnerable groups of the population:								
People with disabilities	0	0	5	17	0	0	6	23

The above indicators in the table reflect the data of the central office, structural subdivisions of the Company and its subsidiaries and affiliated organizations.

#### *Ratio of basic salary and remuneration of women to male employees*

When calculating the ratio of basic salary and remuneration of women to men, the method was based on the average salary of employees of each gender group within each job grade. Thus, the ratio was identified by dividing the average salary of female employees by the average salary and remuneration of women to men in the same grade and multiplying the resulting indicator by 100. Remuneration included any types of bonuses and other types of incentives to employees.

The ratio of average salary and remuneration of women to men among senior managers was 0, since all senior managers are males. Additionally, in 7 MGPMs and 2 SPCGs this ratio is 0 among the heads of functional subdivisions due to the absence of female employees in this job category.

The tendency to equal average salaries of women and men is observed among specialists of the central office and Urgenchtransgaz UE.

However, the lowest ratio of average wages of female employees to male employees in the official category of workers is observed in the Mubarek MGPM and Severny Sokh UGSF.

#### Ratio of average wages of female employees to male employees by job category, %

Group segment	Salary ratio among senior managers	Salary ratio among the heads of business units	Salary ratio among specialists	Salary ratio among workers
Central Office	0	78,5	98,1	0
Gazlii MGPM	0	0	79,63	84,14
Gallyaaral MGPM	0	0	68,7	80,41
Kagan MGPM	0	91,24	86,0	77,95
Mubarek MGPM	0	0	81,2	57,4
Samarkand MGPM	0	0	66,9	94,9
Tashkent MGPM	0	0	90,94	65,67
Fergana MGPM	0	89,55	89,73	69,24
Zirabulak MGPM	0	0	88,82	79,18
Khojaabad UGSF	0	0	90,0	60,0
Severny Sokh UGSF	0	0	81,23	55,94
Urgenchtransgaz UE	0	0	95,66	87,85
Transgazengineering LLC	0	89	82,6	0

The volume of average remuneration of female employees is higher compared to the volume of remuneration of male employees among the heads of functional units in Fergana MGPM.

Also, a high ratio of the average remuneration among specialists is observed in Central Office, Khojaabad UGSF, Severny Sokh UGSF, Urgenchtransgas UE, Transengineering LLC, Mubarek, Kagan and Fergana MGPM, and a similarly high ratio among workers is noted in Urgenchtransgaz UE, Gazli, Mubarek, Fergana MGPM and Severny Sokh UGSF.

There is no critically low ratio of compensation for female to male employees in 2022.

Ratio of average remuneration of female employees to male by job category, %

Group segment	Ratio of remuneration among senior managers	Ratio of remuneration among heads of business units	Ratio of remuneration among specialists	Ratio of remuneration among workers
Central Office	0	87,9	107,7	0
Gazlii MGPM	0	0	91,79	105,80
Gallyaaral MGPM	0	0	97,30	99,50
Kagan MGPM	0	99,91	101,10	99,14
Mubarek MGPM	0	0	120,20	120,20
Samarkand MGPM	0	0	100	100
Tashkent MGPM	0	0	97,29	84,93
Fergana MGPM	0	111,66	111,44	144,44
Zirabulak MGPM	0	0	94,06	93,33
Khojaabad UGSF	0	0	110	90
Severny Sokh UGSF	0	0	91,28	106,91
Urgenchtransgas UE	0	0	108,65	106,14
Transgazengineering LLC	0	98,00	103,00	0

## Employee development

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

In today's environment, employee training and upgrading skills is relevant for any enterprise. The Company lays special emphasis on the development of its employees, since a good professional education is an important factor in the social protection of employees. The Company has been taking focused efforts to train its employees in line with the Law of the Republic of Uzbekistan "On Education", the National Program for Personnel Training.

The Company applies a specific approach to employee development. An essential element is an assessment of the employee's overall performance to get a big picture of the personal skills of each employee and find an approach for professional growth

The Company's training programs are designed to ensure a high level of work efficiency by increasing the knowledge of employees, developing the required professional skills and creating a value system that aligns with the current realities.

The Company manages employee development on a centralized basis. However, subsidiaries may also manage employee development procedures on a stand-alone basis. Based on the applications submitted by business units and the Central Office, demand is formulated, and, accordingly, this results in the organization of employee training. The level of satisfaction with the training, as well as the effectiveness is assessed by the trained employees after completion of the training course.

At the time of the reporting period, the main trigger for upgrading professional competencies and employee training is the modernization of the gas transportation system and the modernization of gas distribution stations, which in turn creates the need to improve employee qualifications in this area.

In order to improve the training of qualified specialists, the Company develops a Program that provides for training and advanced training of employees by personnel category.

The Company aims to establish international cooperation in the field of business and to train personnel capable of competing in the international market. In this regard, there are intentions to introduce incentives for foreign language skills. In 2022, the Company signed a memorandum with PJSC Gazprom "On Cooperation in the Field of Employee Professional Development".

In order to improve qualification of employees it was signed a contract for training, retraining and advanced training of working personnel and engineers and technicians with the Training and Recreation Center of Urgenchtransgaz UE. The training and rehabilitation center was established in line with the Decree of the President No. PK-4388 dated July 9, 2019 and the order of Uztransgaz JSC No. 86/86 dated September 23, 2019. The Center aims at providing training in the Uztransgaz JSC system, including advanced training, refresher course and advanced professional training. The center conducts activities in several directions:

- training and retraining of personnel for primary qualifications;
- training for second and third qualifications;
- providing methodology-related guidance in training;
- conclusion of contracts for training services with other enterprises and organizations in accordance with the established procedure;
- improvement and coordination of activities.

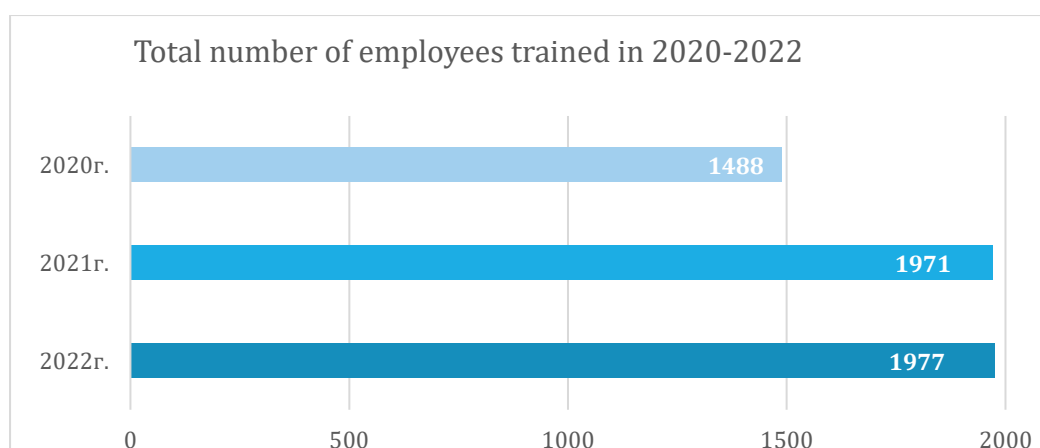
As of the reporting period, the Company has approved and implemented retraining of employees of working professions such as "Electric and Gas Welder of the 4th category", "Technological Compressor Operator of the 3rd category", "Installer of Electrochemical Protection of Underground Pipes of the 3rd category", modular training in "Comparison and Calibration of Heat Measuring Instruments", "Comparison and Calibration of Pressure, Flow and Volume of Liquids and Gases", "Operator of Gas Distribution Stations". These courses include an analysis of all the basics and obtaining a complete theoretical basis, in the amount of knowledge provided by the category for which the specialist is trained on.

On an annual basis, the Company invests more in training and development of its personnel. In 2022, the total expenditure on training of the personnel of the central office and structural enterprises amounted to UZS 1,911.6 million, which is lower by 11% compared to 2021.

Expenses for training of the Company's employees, UZS million.

Training costs for employees	2020	2021	2022
Uztransgaz JSC	2 487,6	2 148,3	1 911,6

In 2022, the total number of employees who passed remained almost the same compared to 2021. In 2022, the Company trained 1,977 employees in 43 educational institutions with which the Company has an agreement on personnel training and retraining. It should be noted that when calculating the number of trained employees, the number of completed trainings is taken into account (e.g., if 1 employee underwent two trainings, the number of trained employees is 2).



The average number of training hours per employee for 2022 among all Company employees was 46,78 hours. More detailed information on trained employees for 2022 is given below

Average number of training hours per employee per year						
The company	Managers		Specialists		Workers	
	Number of trained employees	Number of training hours	Number of trained employees	Number of training hours	Number of trained employees	Number of training hours
Central Office	7	252	76	5 472	0	0
Urgenchtransgaz UE	1	36	191	13 752	293	79 403
Gazli MGPM	0	0	65	4 680	56	15 176
Kagan MGPM	0	0	36	2 592	117	31 707
Mubarek MGPM	0	0	32	2 304	51	13 821
Zirabulak MGPM	2	72	51	3 672	176	47 696
Gallyaaral MGPM	2	72	41	2 952	52	14 092
Fergana MGPM	0	0	27	1 944	63	17 073
Tashkent MGPM	5	180	61	4 392	107	28 997
Samarkand MGPM	0	0	26	1 872	81	21 951
Severny Sokh UGSF	2	72	51	3 672	110	29 810
Khojaabad UGSF	0	0	37	2 664	107	28 997
Transgazengineering LLC	4	144	36	2 592	1	271
Haklgazmahsuskurilish JSC	0	0	10	720	0	0
Subsidiary Farming LLC	0	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>828</b>	<b>740</b>	<b>53 280</b>	<b>1 214</b>	<b>328 994</b>
Average number of training hours per employee trained per year	36		72		271	
Average number of training hours per employee per year	4,1		30,7		52,6	

1% of trained employees are middle and senior managers, 38% are specialists 61% are process staff. A high percentage of trained process staff is associated with mandatory training for employees employed at hazardous industrial facilities.

The number of female employees trained in 2022 was 78 (3,9% of the total number of employees trained) and the number of male employees was 1899 (96,1%, respectively).

In 2022, the number of mentors was 124, while in 2021 the number of mentors was 65. Also, in 2022, 418 trainees completed industrial internships, compared to 125 trainees in 2021. The increase in the number of interns in 2022 is due to the systematic increase in the number of interns following the Covid19 pandemic, which introduced restrictive measures to the implementation of the identified plans in 2020-2021.

#### *Plans for 2023*

In 2023, the HR Department plans to train 1,821 employees of the Company, organize various contests among employees of structural divisions to stimulate work and increase the efficiency of employees. It is also planned to organize foreign internships for employees in the Company's business area. The Company aims to establish international cooperation in the area of its activities and to train personnel capable of competing in the international market. In this regard, there are intentions to introduce incentives for foreign language skills of the personnel



# Appendices

## 1. Independent verification GRI 2-5



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### Independent limited assurance report of an independent practitioner on a sustainability report of Uztransgaz JSC for 2022

To the shareholders of Uztransgaz JSC

#### Introduction

We were engaged by the management of Uztransgaz JSC (the "Management") to provide independent limited assurance report on the selected Non-financial indicators in the Sustainability Report of Uztransgaz JSC (the "Company") for 2022 (hereinafter - "Report") with a limited assurance that, as a result of the procedures performed, nothing has come to our attention that causes us to believe that the selected non-financial indicators are not presented, in all material respects, in accordance with Sustainability Reporting Standards of the Global Reporting Initiative (the "GRI Standards").

Our conclusion applies only to the non-financial indicators in the Report for 2022 listed below (hereinafter referred to as the "Non-financial indicators").

Topic	GRI	Indicator	Sustainability Report Pages
Aspect E	302-1	Energy consumption within the organization	45-49
Aspect E	303-3	Water withdrawal	53-55, 88-90
Aspect E	303-4	Water discharge	53-55, 88-89
Aspect E	305-1	Direct (Scope 1) GHG emissions	51-52, 92
Aspect E	305-2	Energy indirect (Scope 2) GHG emissions	51-52, 93
Aspect E	305-7	Emissions of pollutants	52-53
Aspect E	306-3	Waste generated	55-56

AO "KPMG Audit" LLC, a company incorporated under the Laws of the Republic of Uzbekistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



**Uztransgaz JSC**

*Independent limited assurance report of an independent practitioner on a sustainability report of Uztransgaz JSC for 2022*

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Aspect S	401-1	New employee hires and employee turnover	70-72, 95-99
Aspect S	401-3	Number of employees who took parental leave; Number of employees returning from parental leave	70-72
Aspect S	403-9	Number of work-related injuries; Number of deaths; LTIFR	65
Aspect S	404-1	Average hours of training per year per employee	78-81, 104-106
Aspect S	405-1	Diversity of governance bodies and employees	75-78

**Management's responsibilities**

Management is responsible for the preparation and presentation of the Non-financial indicators in the Report in accordance with GRI Standards and for establishing and maintaining appropriate internal control systems from which the Non-financial indicators in the Report are derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that Company complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the Non-financial indicators of the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

**Our responsibilities**

Our responsibility is to carry out a limited assurance engagement in respect of the reliability of the Non-financial indicators in the Report that are free from material misstatement and prepared in accordance with the GRI Standards and to express a conclusion based on the work performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000), and, in respect of greenhouse gas emissions, in accordance with International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board. ISAE 3000 and ISAE 3410 require that we plan and perform the engagement to obtain limited assurance about whether Non-financial indicators in the Report prepared in accordance with the GRI Standards are free from material misstatement.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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**Uztransgaz JSC**

*Independent limited assurance report of an independent practitioner on a sustainability report of Uztransgaz JSC for 2022*

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We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our conclusion, as an independent practitioner appointed to provide limited assurance regarding the reliability of the Non-financial indicators of the Report in accordance with GRI Standards, without material misstatements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

**Procedures performed**

A limited assurance engagement in respect of the reliability of the Non-financial indicators in the Report in accordance with GRI Standards, without material misstatements, consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, as appropriate. These procedures included:

- Inquiries of Management to gain an understanding of the Company's processes for determining the material issues for the Company's key stakeholder groups.
- Interviews with Senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information on the Non-financial indicators in the Report.
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in Non-financial indicators in the Report.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**Inherent limitations**

Due to the inherent limitations of any internal control structure it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

**Conclusion**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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



**Uztransgaz JSC**

*Independent limited assurance report of an independent practitioner on a sustainability report of Uztransgaz JSC for 2022*

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Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Non-financial indicators in the Report stated in the "Introduction" section of this report is not presented, in all material respects, in accordance with the GRI Standards.

In accordance with the terms of our engagement, this independent limited assurance report on the Non-financial indicators in the Report has been prepared for the Company in connection with reporting to the Company and for no other purpose or in any other context.

**Restriction of use of our report**

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Shareholders of the Company, for any purpose or in any other context. Any party other than the Shareholders of the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Shareholders of the Company for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Shareholders of the Company on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent.

Saidov S.K.  
General Director  
Tashkent, Republic of Uzbekistan

31 August 2023



AD "KPMG Audit" LLC, a company incorporated under the Laws of the Republic of Uzbekistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

## 2. GRI Content Index

Indicator	page number	exception/ exception	reason for	reporting segment
<b>General reporting elements</b>				
<b>GRI 2: General Disclosures 2021</b>				
GRI 2-1: Organizational details	13-16,113			
GRI 2-2: Entities included in the organization's sustainability reporting	24-25			
GRI 2-3: Reporting period, frequency, and contact information	11-12			
GRI 2-4: Restatement of information	24-25			
GRI 2-5: External assurance	25,81-84			
GRI 2-6: Activities, value chain and other business relationships	4-9,13-19,39-42,96			
GRI 2-7: Employees	69-71,97-98			
GRI 2-8: Workers who are not employees		N/A. Non-salaried employees have no significant influence on the Company's operations.		
GRI 2-9: Governance structure and composition	25-29			
GRI 2-11: Chairman of the highest governance body	29-31			
GRI 2-14: Role of the highest governance body in sustainability reporting	25-31			
GRI 2-16: Communication of critical concerns	25-29,33			
GRI 2-19: Remuneration policies	28,31			
GRI 2-22: Statement on sustainable development strategy	10			
GRI 2-23: Political commitments	31-33			
GRI 2-25: The processes for eliminating negative impacts	21-22,68-69			
GRI 2-26: Mechanisms for seeking advice and expressing concerns	21-22			
GRI 2-27: Compliance with Laws and Regulations	42-43	The company did not assess the materiality of non-compliance		
GRI 2-28: Membership associations	19-20			
GRI 2-29: Approach to Stakeholder Engagement	110-112			
GRI 2-30: Collective bargaining agreements	71-73			
<b>Material Topics</b>				
GRI 3-1 Process to determine material topics	21-22,23-24			
GRI 3-2 List of material topics	23-24			
GRI 3-3 Management of material topics	36	The effectiveness of the actions taken is evaluated by the Company's management. The results of the evaluation were satisfactory. Areas of improvement were identified.		
<b>GRI 201: Economic performance 2016</b>				

201-1 Direct economic value generated and distributed	37-39	Disclosure of economic indicators separately at the country, region, or market level is not applicable.	
GRI 3-3 Management of material topics	39-40	The effectiveness of the actions taken is evaluated by the Company's management. The results of the evaluation were satisfactory. Areas of improvement were identified	
<b>GRI 204: Procurement practices 2016</b>			
204-1 Share of spending on local suppliers	41,96-97		
GRI 3-3 Management of material topics	33-34		
<b>GRI 205: Anti-corruption 2016</b>			
205-3 Confirmed incidents of corruption and actions taken	33-34	Disclosure is not applicable	
GRI 3-3 Management of material topics	44-45		
<b>GRI 302: Energy 2016</b>			
302-1 Energy consumption within the organization	45-46	Disclosure of information on the sold cooling energy, and sold steam is not applicable, because according to PR-4249 of 27.03.2019 functions of a single buyer of electricity from enterprises-producers of electricity, as well as the sale of electricity to regional power grid companies is the JSC "National Electric Networks of Uzbekistan". There is no accounting of electricity and heat consumption from renewable energy sources.	
302-3 Energy intensity	46-47		
302-4 Reduction of energy consumption	47-49,92-94	Reductions in energy consumption such as fuel, heating, cooling, and steam are not applicable. A basis for calculating energy reductions, such as a base year or baseline, is not applicable to the Company	
GRI 3-3 Management of material topics	53		
<b>GRI 303: Water and Effluents 2016</b>			
303-1 Interaction with water as a shared resource	53-54		
303-2 Management of impacts associated with water discharge	53-54		
303-3 Water withdrawal	53-54,90-91		
303-4 Water Discharge	53-54,90,91-92		

GRI 3-3 Management of material topics	50	Environmentalists have conducted an assessment	
<b>GRI 305: Emissions 2016</b>			
305-1 Direct greenhouse gas emissions (Scope 1)	51,95	The Company has no biogenic CO2 emissions in metric tons of CO2 equivalent.	
305-2 Indirect energy emissions (Scope 2)	51,95		
305-7 Emissions of nitrogen oxide (NOX), sulfur oxide (SOX) and other significant pollutants into the atmosphere	51-52	There are no persistent organic pollutants at the Company's facilities. Emission factors for this category of emissions are not applicable.	
GRI 3-3 Substantive topic management	54		
<b>GRI 306: Discharges and waste 2020</b>			
306-1 Waste generation and significant waste-related impacts	54-55		
306-2 Management of significant waste-related impacts	54-55		
306-3 Waste generated	54-55		
GRI 3-3 Management of material topics	55-56		
<b>GRI 307: Compliance with Environmental Laws 2016</b>			
307-1 Non-compliance with environmental laws and regulations		No fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations were imposed on the Company during the reporting period.	
GRI 3-3 Management of material topics	68-69		
<b>GRI 401: Employment 2016</b>			
401-1 New employee hires and employee turnover	69-71,97-102	The company does not keep records of the turnover rate by gender and age group.	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	72-73,103-105		
401-3 Maternity/paternity leave	73-74		
GRI 3-3 Management of material topics	68-69		
<b>GRI 402: Labor Management Relations 2016</b>			
402-1 Minimum notice period regarding operational changes	71		
GRI 3-3 Management of material topics	57-58		
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1 Occupational health and safety management system	58-60	The OHSAS system only employees of the Company are covered, employees of other contractors are not covered by this system	

403-2 Hazard identification, risk assessment, and incident investigation	60-62,66-68		
403-3 Occupational health services	62-64	The index is not applicable to employees of other contractors.	
403-4 Participation, consulting and informing employees on HSE issues	66-68	The index is not applicable to employees of other contractors. There are no formal joint management-worker HSE committees	
403-5 Worker training on occupational health and safety	66-68,109	The index is not applicable to employees of other contractors.	
403-6 Promotion of worker health	62-64	The index is not applicable to employees of other contractors.	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	60-62,64-66		
403-9 Work-related injuries	64-66	Occupational injury rates are calculated on the basis of 1,000,000 hours worked. The indicators of occupational injuries cover all employees of Uztransgaz JSC	
GRI 3-3 Management of material topics	77		
<b>GRI 404: Training and Education 2016</b>			
404-1 Average hours of training per year per employee	79,107-108	Accounting for the average number of hours of training per 1 employee by gender is not kept	
404-2 Programs for upgrading employee skills and transition assistance programs	78		
GRI 3-3 Management of material topics	74	The company did not assess the effectiveness of the actions taken in the reporting period.	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
405-1 Diversity of governing bodies and employees	75-76		
405-2 Ratio of basic salary and remuneration of women to men	76-77		
GRI 3-3 Management of material topics	75-76	The company did not assess the effectiveness of the actions taken in the reporting period.	
<b>GRI 406: Non-Discrimination 2016</b>			
406-1 Incidents of discrimination and corrective actions taken		In 2022, the Company did not record any cases of discrimination	
GRI 3-3 Management of material topics	42-43		
GRI 419: Social and Economic Compliance 2016		The effectiveness of the actions taken is evaluated by the Company's management. The results of the evaluation were satisfactory. Areas of improvement were identified.	



419-1 Noncompliance with social and economic laws and regulations 42-43

There were no non-monetary sanctions or cases initiated through dispute resolution mechanisms at the Company.

### 3. Environmental indicators

Table 1

Unified approach to setting discharge limits for priority substances of concern

GRI 303-4

#	Indicators	Permitted concentration, mg/l
1	Suspended solids	30
2	BOD5	6
3	COD	40
4	Nitrate nitrogen	25
5	Nitrite nitrogen	0,5
6	Ammonium nitrogen	2
7	Chromium ( VI)	0,1
8	Chromium ( III)	0,5
9	Iron	0,5
10	Copper	1
11	Zinc	1
12	Dry residue	1
13	Sulphates	500
14	Chlorides	350
15	Phosphates	1
16	Phenols	0,001
17	Petroleum products	0,3

Table 2

GRI 303-3

The approved norms and actual indicators of the Company's water supply:

General indicators \*for water supply of Uztransgaz JSC

Water intake*, thousand m3/year	Period			
	2019	2020	2021	2022
<b>Total:</b>	<b>31306,569</b>	<b>33851,291</b>	<b>29214.418</b>	<b>23292,666</b>
<b>From surface sources</b>	24818,671	24201,819	25083,721	19188,286
<b>From groundwater</b>	3557,919	3455,509	587,131	521,894
<b>Third –party water</b>	2929,979	6193,963	3543,566	3582,486

\*The entire volume of water intake falls on regions with water deficit and belongs to the category "fresh water" ( $\leq 1000$  mg/l of dissolved salts) The values were adjusted compared to the 2020 Sustainability Report due to the refinement of the calculation

For gas transportation\*

Water intake, thousand m3/year	Period			
	2019.	2020.	2021.	2022.
<b>Total:</b>	<b>31113,188</b>	<b>33691,596</b>	<b>29054,878</b>	<b>23128,578</b>
<b>From surface sources</b>	24660,7	24086,1	25083,721	19188,286
<b>From groundwater</b>	3526,618	3414,836	479,078	414,778

<b>Third –party water</b>	2925,87	6190,66	3492,079	3525,514
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For underground gas storage

<b>Water intake, thousand m3/year</b>	<b>Period</b>			
	2019.	2020.	2021.	2022.
<b>Total:</b>	<b>193,381</b>	<b>159,695</b>	<b>159,540</b>	<b>164,088</b>
<b>From surface sources</b>	157,971	115,719	0	0
<b>From groundwater</b>	31,301	40,673	108,053	107,116
<b>Third –party water</b>	4,109	3,303	51,487	56,972

Table 3

GRI 303-4

The approved standards and actual indicators of the Company's on water supply

General indicators for wastewater discharge of Uztransgaz JSC

<b>Period</b>	<b>Breakdown of wastewater discharge volumes, thousand m3</b>						
	Planned	fact	Holding ponds	Terrain	Sewage	Waste pits	Well disposal
<b>2019.</b>	2739,548	614,860	70,928	482,600	31,872	18,700	10,760
<b>2020.</b>	2713,102	442,717	58,92	311,73	52,321	6,700	13,046
<b>2021.</b>	1597,751	391,380	67,01	191,282	103,896	6,7	22,492
<b>2022.</b>	796,205	439,1655	54,911	259,821	101,485	7,636	15,312

For gas transportation

<b>Period</b>	<b>Breakdown of wastewater discharge volumes, thousand m3</b>						
	Planned	fact	Holding ponds	Terrain	Sewage	Waste pits	Well disposal
<b>2019.</b>	2641,650	582,180	49,008	482,600	31,872	18,700	-
<b>2020.</b>	2613,021	407,273	36,442	311,730	52,321	6,700	-
<b>2021.</b>	1524,935	352,470	50,592	191,282	103,896	6,7	-
<b>2022.</b>	589,799	312,529	33,538	169,87	101,485	7,636	-

Undeground gas storage

Breakdown of wastewater discharge volumes, thousand m3							
Period	Planned	actual	Holding ponds	Terrain	Sewage	Waste pits	Well disposal
2019.	97,898	32,680	21,920	-	-	-	10,760
2020.	100,081	35,524	22,478	-	-	-	13,046
2021.	72,816	38,910	16,418	-	-	-	22,492
2022.	206,406	126,636	21,373	89,951	-	-	15,312

Table 4

GRI 403-1

Hazard and Risk Assessment Matrix template

Type of activity	Hazards (object or situation liable to cause damage)	Risk (Possible damage to health)	Persons at risk	Hazard category	Significance category	Risk category	Control method (reference to manual)	Conclusion
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 5

GRI 302-4

Organizational and technical initiatives aimed to save electricity and heat at production facilities of Uztransgaz JSC for 2022r.

№	Name of initiatives	Total	Measurement unit
<b>Section: "Electricity"</b>		<b>18 724,81</b>	<b>Thous. kWh</b>
1	Installation of modern pulse cathodic protection stations of IPKZ-M-RA-3 type, replacing transformer cathodic protection stations.	339,51	Thous. kWh
2	Replacement of lighting fixtures at the compressor station site and lighting of the gas distribution station with LED ones.	569,83	Thous. kWh

3	Replacement of transformers	2,59	Thous. kWh
4	Replacement of high-capacity pumps with low-capacity pumps	253,33	Thous. kWh
5	Installation of solar water heaters"	256,76	Thous. kWh
6	Introduction of LED luminaires with photovoltaic panels	464,09	Thous. kWh
7	Introduction of photovoltaic stations	62,65	Thous. kWh
8	Replacement of obsolete synchronous motor exciters with digital microprocessor exciters	567,36	Thous. kWh
9	Reduction of electricity consumption after modernization of boiler house with installation of Urgench and Akchalok MGPM of Urgenchtransgaz UE	79,00	Thous. kWh
10	Use of variable frequency drive on auxiliary equipment of GPU and water pumps	153,84	Thous. kWh
11	Upgrading of the Sarymai WOS pumping station with replacement of obsolete pumps using energy saving technologies	113,00	Thous. kWh
12	Upgrading of dormitory boiler house	54,33	Thous. kWh
13	Shutdown of redundant low-loaded transformers in the dormitory and water intake 2*160 kVA	4,98	Thous. kWh
14	Disconnection of reserve low-loaded transformers in the administrative building "CS-Ahangaran" - 250 kVA	0,85	Thous. kWh
15	Reduction of electricity consumption after modernization of the heat supply system of Gazli with installation of BMK-3.0 on Uchkyrskaya Street	385,78	Thous. kWh
16	Reduction of electricity consumption by reducing the operating time of the compressed air compressor (air extraction from DU-80-L1 engine for own needs of blowers TKA-100,200,500 of BCS-5B shop) of Gazliyskoye MGPM	657,12	Thous. kWh
17	Pumping water from artesian wells and water reservoirs for irrigation of green areas.	18,21	Thous. kWh
18	Reduction of power consumption at the pumping station of the 1st lift of the Kungrad UTVS by using low-power electric drives of 160 kW instead of 250 kW.	457,50	Thous. kWh
19	Optimization of hydraulic operation mode of pumps of the 3rd lift of the Kungrad UTVS, low-pressure pumps with the capacity of 2000 kW by 800 kW with frequency converter.	3 014,60	Thous. kWh
20	Rehabilitation and additional installation of static capacitors to reduce active energy losses in grids	90,40	Thous. kWh
21	Optimization of compressor stations with electric drive by increasing the power factor of synchronous motors	2599,14	Thous. kWh
22	Installation of motion sensors in lighting systems	14,93	Thous. kWh
23	Application of gas-turbine units instead of electric-driven units for gas transportation system mode	1 043,53	Thous. kWh
24	Reduction of electricity consumption by reducing the operating time of the compressed air compressor at CS-Ahangaran	35,29	Thous. kWh
25	Optimization of compressor stations operation by changing the gas transportation system mode and stopping units	7 486,20	Thous. kWh
<b>Section: "Heating"</b>		<b>3 341,62</b>	<b>Gcal</b>
1	Heat energy saving due to repair of heating mains, air passages	363,16	Gcal
2	Replacement of wooden frames of window openings with fiberglass window frames	642,27	Gcal

3	Heat energy saving due to the use of heat utilizers for GPU exhaust gases	2 336,19	<b>Gcal</b>
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Table 6

GRI 305-1

Scope 1 emissions that enter the atmosphere directly

General indicators of Uztransgaz JSC

Ingredients	Units	Period		
		2020	2021	2022
<b>Methane (CH<sub>4</sub>)</b>	thousand tons CO <sub>2</sub> -eq	1 766,283	1 804,638	600,024
<b>Carbon dioxide (CO<sub>2</sub>)</b>	thousand tons CO <sub>2</sub> -eq	2,630	2,687	1,911
<b>Nitrous oxide (N<sub>2</sub>O)</b>	thousand tons CO <sub>2</sub> -eq	408,580	417,570	140,740
<b>Total</b>	thousand tons CO <sub>2</sub> -eq	<b>2 177,493</b>	<b>2 224,895</b>	<b>742,675</b>

For gas transportation

Ingredients	Units	Period		
		2020	2021	2022
<b>Methane (CH<sub>4</sub>)</b>	thousand tons CO <sub>2</sub> -eq	1 755,810	1 790,210	583,553
<b>Carbon dioxide (CO<sub>2</sub>)</b>	thousand tons CO <sub>2</sub> -eq	2,613	2,664	1,824
<b>Nitrous oxide (N<sub>2</sub>O)</b>	thousand tons CO <sub>2</sub> -eq	405,790	413,850	136,71
<b>Total</b>	thousand tons CO <sub>2</sub> -eq	<b>2 164,213</b>	<b>2 206,724</b>	<b>722,087</b>

For underground gas storage

Ingredients	Units	Period		
		2020	2021	2022
<b>Methane (CH<sub>4</sub>)</b>	thousand tons CO <sub>2</sub> -eq	10,473	14,428	16,471
<b>Carbon dioxide (CO<sub>2</sub>)</b>	thousand tons CO <sub>2</sub> -eq	0,017	0,023	0,087
<b>Nitrous oxide (N<sub>2</sub>O)</b>	thousand tons CO <sub>2</sub> -eq	2,790	3,270	4,03
<b>Total</b>	thousand tons CO <sub>2</sub> -eq	<b>13,280</b>	<b>18,171</b>	<b>20,588</b>

Table 7

GRI 305-2

Scope 2 emissions that enter the atmosphere indirectly

General indicators of Uztransgaz JSC

Ingredients	Units	Period		
		2020	2021	2022
<b>Methane (CH<sub>4</sub>)</b>	thousand tons CO <sub>2</sub> -eq	3459,078	3851,799	3 774,477
<b>Carbon dioxide (CO<sub>2</sub>)</b>	thousand tons CO <sub>2</sub> -eq	5,14	5,724	5,609
<b>Nitrous oxide (N<sub>2</sub>O)</b>	thousand tons CO <sub>2</sub> -eq	796,7	887,22	869,550
<b>Total</b>	thousand tons CO <sub>2</sub> -eq	<b>4260,918</b>	<b>4744,743</b>	<b>4 649,636</b>

For gas transportation

Ingredients	Units	Period		
		2020	2021	2022
<b>Methane (CH<sub>4</sub>)</b>	thousand tons CO <sub>2</sub> -eq	3 447,381	3 686,403	3 606,162
<b>Carbon dioxide (CO<sub>2</sub>)</b>	thousand tons CO <sub>2</sub> -eq	5,122	5,478	5,358
<b>Nitrous oxide (N<sub>2</sub>O)</b>	thousand tons CO <sub>2</sub> -eq	793,91	849,09	830,490
<b>Total</b>	thousand tons CO <sub>2</sub> -eq	<b>4 246,41</b>	<b>4 540,971</b>	<b>4 442,010</b>

For underground gas storage

Ingredients	Units	Period		
		2020	2021	2022
<b>Methane (CH<sub>4</sub>)</b>	thousand tons CO <sub>2</sub> -eq	11,697	165,396	168,315
<b>Carbon dioxide (CO<sub>2</sub>)</b>	thousand tons CO <sub>2</sub> -eq	0,018	0,246	0,251
<b>Nitrous oxide (N<sub>2</sub>O)</b>	thousand tons CO <sub>2</sub> -eq	2,79	38,13	39,060
<b>Total</b>	thousand tons CO <sub>2</sub> -eq	<b>14,505</b>	<b>203,772</b>	<b>207,626</b>

## 4. Social – economic indications

Table 1

Location and types of activities of business units and associates under direct control

GRI 2-6

Detailed information about the geography of the Company's activities is available on the official website

<https://www.utg.uz/ru/about/structure/>

Table 2

a) Total procurement of goods, works and services in cash equivalent (UZS) for 2022

GRI 204-1

Group segment	Total for 2022 UZS	Goods for 2022 UZS	Works and services for 2022 UZS
<b>Uztransgaz JSC</b>	<b>313 163 401 552</b>	<b>160 817 972 785</b>	<b>152 345 428 767</b>
Central Office, of which	178 026 454 400	84 561 664 773	93 464 789 627
in UZS	100 658 500 679	58 130 088 778	42 528 411 901
in US dollars	6 780 715	2 316 527	4 464 187
Gallyaaral MGPM	18 119 723 676	5 916 163 107	12 203 560 569
Gazli MGPM	12 661 749 697	4 985 362 593	7 676 387 104
Zirabulak MGPM	16 828 698 646	5 492 104 237	11 336 594 409
Muborek MGPM	11 406 724 732	3 341 396 145	8 065 328 587
Fergana MGPM	3 814 111 251	2 767 038 032	1 047 073 219
Samarkand MGPM	3 509 188 922	2 263 996 962	1 245 191 960
Tashkent MGPM	10 036 721 703	7 681 652 313	2 355 069 390
Kagan MGPM	4 929 739 886	2 966 094 109	1 963 645 777
Khojaabad UGSF	11 329 129 513	3 648 969 404	7 680 160 109
Severny Sokh UGSF	1 466 505 472	1 010 313 703	456 191 769
Urgenchtransgaz UE	38 709 710 802	34 964 676 206	3 745 034 596
in UZS	33 847 038 632	30 102 004 036	3 745 034 596
in US dollars	426 176	426 176	0
Transgazengineering LLC.	2 324 942 850	1 218 541 200	1 106 401 650

b) The total amount of goods, works and services purchased only from local suppliers (UZS) for 2022

GRI 204-1

Group segment	Total for 2022 UZS	Goods for 2022 UZS	Works and services for 2022 UZS
<b>Uztransgaz JSC</b>	<b>230 932 775 660</b>	<b>129 523 724 619</b>	<b>101 409 051 041</b>
Central Office, of which	100 658 500 679	58 130 088 778	42 528 411 901
<i>In UZS</i>	100 658 500 679	58 130 088 778	42 528 411 901
<i>in US dollars</i>	0	0	0
Gallyaaral MGPM	18 119 723 676	5 916 163 107	12 203 560 569



Gazli MGPM	12 661 749 697	4 985 362 593	7 676 387 104
Zirabulak MGPM	16 828 698 646	5 492 104 237	11 336 594 409
Muborek MGPM	11 406 724 732	3 341 396 145	8 065 328 587
Ferghana MGPM	3 814 111 251	2 767 038 032	1 047 073 219
Samarkand MGPM	3 509 188 922	2 263 996 962	1 245 191 960
Tashkent MGPM	10 036 721 703	7 681 652 313	2 355 069 390
Kagan MGPM	4 929 739 886	2 966 094 109	1 963 645 777
Khojaabad UGSF	11 329 129 513	3 648 969 404	7 680 160 109
Severny Sokh UGSF	1 466 505 472	1 010 313 703	456 191 769
Urgenchtransgaz UE of which	33 847 038 632	30 102 004 036	3 745 034 596
<i>In UZS</i>	33 847 038 632	30 102 004 036	3 745 034 596
<i>in US dollars</i>	0	0	0
Transgazengineering LLC.	2 324 942 850	1 218 541 200	1 106 401 650

Table 3

The number of employees for the year 2022

All employees shown in the table have full-time employment

GRI 2-7,401-1

Group segment	On the contract of employment, people.					
	Male		female		Total	
	Permanent contract	Fixed-term contract	Permanent contract	Fixed-term contract	Permanent contract	Fixed-term contract
Uztransgaz JSC total	7332	29	818	11	8150	40
Central Office	182	5	58	1	240	6
"Urgenchtransgaz" UE	2369	7	326	8	2695	15
Gazli MGPM	896	0	150	0	1046	0
Kagan MGPM	347	3	28	0	375	3
Mubarek MGPM	505	1	24	0	529	1
Zirabulak MGPM	507	0	24	0	531	0
Samarkand MGPM	185	0	14	0	199	0
Gallyaaral MGPM	557	2	39	0	596	2
Fergana MGPM	472	1	23		495	1
Tashkent MGPM	445	10	51	0	496	10
Severny Sokh UGSF	322	0	7	1	329	1
Khojaabad UGSF	320	0	18	1	338	1

Transgazengineering LLC	87	0	21	0	108	0
Subsidiary Farming LLC	42	0	21	0	63	0
JSC "Naklgazmakhsuskurilish	96	0	14	0	110	0

Table 4

a) Number of new employee hires by gender, age group, and region for 2021

GRI 401-1

Group segment	2021						
	New employee hires	New employee hires with disabilities	male	female	under 30 years old	From 30 to 50 years old	over 50 years old
Uztransgaz JSC total	663	1	539	124	251	344	68
Central Office	45	0	38	7	14	29	2
Urgenchtransgaz UE	161	0	80	81	38	110	13
Gazli MGPM	52	1	46	6	34	18	0
Kagan MGPM	39	0	37	2	7	29	3
Mubarek MGPM	27	0	27	0	15	9	3
Zirabulak MGPM	18	0	17	1	8	8	2
Samarkand MGPM	20	0	20	0	13	6	1
Gallyaaral MGPM	31	0	29	2	13	14	4
Fergana MGPM	37	0	37	0	11	23	3
Tashkent MGPM	19	0	19	0	10	9	0
Severny Sokh UGSF	18	0	17	1	9	6	3
Khojaabad UGSF	13	0	11	2	8	5	0
Transgazengineering LLC	39	0	32	7	11	18	10
Subsidiary Farming LLC	21	0	19	2	7	9	5
DCPS Kamchik	10	0	8	2	0	10	0
Naklgazmahsuskurilish JSC	113	0	102	11	53	41	19

b) Number of new employees hired by gender, age group, and region in 2022

GRI 401-1

Group segment	2022						
	New employee hires	New employee hires with disabilities	male	female	under 30 years old	From 30 to 50 years old	over 50 years old
Uztransgaz JSC total	686	1	618	68	228	367	91
Central Office	35	0	32	3	10	23	2
Urgenchtransgaz UE	116	1	99	17	34	80	2
Gazli MGPM	52	0	48	4	33	16	3
Kagan MGPM	40	0	39	1	25	13	2
Mubarek MGPM	28	0	27	1	17	10	1
Zirabulak MGPM	14		14	0	6	8	0
Samarkand MGPM	10	0	9	1	2	7	1
Gallyaaral MGPM	38	0	37	1	18	20	0
Fergana MGPM	24	0	24	0	5	18	1
Tashkent MGPM	6	0	6	0	1	5	0
Severny Sokh UGSF	14	0	13	1	10	2	2
Khojaabad UGSF	14	0	13	1	5	7	2
Transgazengineering LLC	30		28	2	2	26	2
Subsidiary Farming LLC	43	0	24	19	7	27	9
Naklgazmahsuskurilish JSC	222	0	205	17	53	105	64

Table 5

Number of dismissed employees by gender, age group, and region in 2022

GRI 401-1

	2021					
	Total dismissals	male	female	under 30 years old	from 30 to 50	over than 50
<b>Group segment</b>						
Uztransgaz JSC total	785	711	74	74	453	258
Central Office	47	38	9	11	27	9
Urgenchtransgaz UE	140	108	32	15	73	52
Gazli MGPM	104	86	18	7	57	40
Kagan MGPM	16	16	0	2	7	7
Mubarek MGPM	18	18	0	2	11	5
Zirabulak MGPM	11	11	0	0	2	9
Samarkand MGPM	9	9	0	3	0	6
Gallyaaral MGPM	39	36	3	2	22	15
Fergana MGPM	19	19	0	2	8	9
Tashkent MGPM	35	33	2	5	17	13
Severny Sokh UGSF	14	14	0	1	2	11
Khojaabad UGSF	11	11	0	1	0	10
Transgazengineering LLC	17	17	0	2	13	2
Subsidiary Farming LLC	3	3	0	0	2	1
Naklgazmahsuskurilish JSC	302	292	10	21	212	69

Table 6

Human resource management plans for 2022

GRI 401-1

<b>HR policy targets, assigned in 2022</b>	The activities carried out as a part of implementation of these targets
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Work with personnel, paperwork for hiring and dismissal of employees, registration of business trip orders, annual leaves and sick leaves.	Work with the personnel had been performed, papers for employee hiring and dismissal had been prepared, travel order requests had been issued, labor leaves and sick leaves had been processed.
Paperwork on awards for anniversaries and industry-related holidays	Work had been done to prepare documents for giving awards during anniversaries and industry-related holidays.
Preparation of an annual leave schedule. Compliance with the timely release of employees on their annual leave.	Applications had been collected from all departments to make a schedule of annual leaves
Drafting a plan for advanced training of employees and sending them to training	Applications had been collected from all departments to draft a plan for the advanced training of employees.
Preparation and analysis of reports (monthly, quarterly, annual) on staff promotion and upgrading of skills	The required information had been collected, the reports (monthly, quarterly, annual) on the staff movement and upgrading of skills had been compiled and reviewed
Selecting candidates for upgrading of skills and training, admission to universities. Organization of industrial internship for students.	The data required to select candidates for upgrading of skills and training, admission to universities had been analyzed
Preparation of documents for seniority pay, holiday bonuses, etc.	Work had been done to calculate the length of service of employees to prepare documents for seniority pay. Lists of employees for payment of holiday bonus, etc. had been compiled.

Table 7

Social support for Uztransgaz JSC employees, UZS thousand

GRI 401-2

Group segment	2021	2022
<b>Uztransgaz JSC total</b>	<b>75 924 599,91</b>	<b>119 425 856,67</b>
Central Office	1 630 388,78	2 829 929,00
Gazli MGPM	21 922 762,00	26 097 150,00
Tashkent MGPM	4 415 677,09	13 344 010,01
Mubarek MGPM	10 922 973,00	14 506 056,36
Zirabulak MGPM	10 109 145,32	14 811 439,55
Kagan MGPM	652 034,55	9 540 323,84
Gallyaaral MGPM	12 951 558,60	18 711 184,44
Samarkand MGPM	627 225,16	1 718 996,83
Fergana MGPM	938 168,35	1 241 014,63
Khojaabad UGSF	6 307 781,20	9 027 106,60
Severny Sokh UGSF	1 015 585,06	1 340 771,00
Transgazengineering LLC	163 489,70	977 002,40
Urgenchtransgas UE	4 098 715,10	5 087 454,00
Subsidiary Farm LLC.	169 096,00	193 418,00

Table 8

The number of benefits and guarantees provided to the regular employees of Uztransgaz JSC for 2022 год

GRI 401-2

Group segment	Please indicate the number of employees who took advantage of the programs in 2022														
	insurance products	Health insurance program	Non-state pension programs	share ownership	payment of allowances to temporary disability employees registered with socially significant diseases, employees from the Second World War, employees with disabilities, etc.	Provided benefits for young people under the Collective Bargaining Agreement	Providing monthly financial assistance for women on leave to care for a child under 2 and up to 3 years of age	Providing reduced working hours and breaks with appropriate payment during working hours for women with children and pregnant women [3]	Free treatment for pregnant women in medical sanatoriums or health resorts of the Republic.	Compensation of employees' travel expenses (per diem) at the rate of 35% of the basic calculation value (hereinafter, BCV) established in the Republic of Uzbekistan	Compensate non-working pensioners who do not receive additional payments, the cost of potatoes and vegetables purchased for the winter period in the amount of 1 minimum wage	Make full or partial payment of the cost of medical and sanatorium treatment or surgery of the employee, as well as single non-working pensioners, disabled war and labor veterans, soldiers-internationalists and the chronically ill [4]	Targeted assistance to families with children of school age by September 1, delivery of New Year gifts for children of employees [5]	Providing one-time financial assistance to employees in various situations. This item includes benefits that are specified in section 9.12 under "g. Social Security. Social guarantees and benefits".	Other social benefits that are specified in paragraphs 9.13 to 9.33 under "g. Social Insurance. Social guarantees and benefits" of the Collective Agreement
Uztransgaz JSC total	0	0	253	0	874	72	54	25	0	2642	0	265	6691	1803	8382
Gazli MGPM	0	0	253	0	0	0	16	0	0	157	0	0	1541	394	1057
Tashkent MGPM					178	0	1		0	138	0	6	315	198	482
Mubarek MGPM					244					137			323	528	528
Zirabulak MGPM	0	0	0	0	0	0	1	0	0	136	0	0	600	218	531
Kagan MGPM							4			105		2	245	134	376
Gallyaaral MGPM	0	0	0	0	264	16	6	7	0	204	0	1	355	109	615
Samarkand MGPM	0	0	0	0	0	0	0	0	0	94	0	0	204	4	295
Fergana MGPM							2			135			285	66	495
Khojaabad UGSF	0	0	0	0	76	0	2	0	0	69	0	0	184	51	337



Severny Sokh UGSF					112		0	0	0	53	0		356	49	3146
Central Office							8	2		129		7	266	34	517
"Subsidiary farm" LLC													42	3	2
Transgazengineering LLC						5	2			81		11	78	15	1
Urgenchtransgas UE						51	12	16		1204		238	1 897		

Table 9

Total number of employees trained between 2020-2022

GRI 404-1

Group segment	2020	2021			2022		
		Total	Male	Female	Total	Male	Female
Central Office	98	74	56	18	83	76	7
Urgenchtransgaz UE	315	1025	991	34	485	461	24
Gazli MGPM	174	276	271	5	121	114	7
Mubarek MGPM	157	92	89	3	83	82	1
Zirabulak MGPM	122	69	67	2	229	225	4
Gallyaaral main gas pipeline management	125	58	58	0	95	93	2
Fergana MGPM	214	37	35	2	90	90	0
Tashkent MGPM	161	100	99	1	173	165	8
Samarkand MGPM	73	65	63	2	107	102	5
Kagan MGPM	Established on 01.11.2020	43	38	5	153	145	8
Severny Sokh UGSF	25	53	53	0	163	161	2
Khojaabad UGSF	15	36	33	3	144	142	2
Transgazengineering LLC	7	36	28	8	41	33	8
Directorate for the construction of the Kamchik pipeline system	2	6	2	4	10	10	0
Subsidiary Farm LLC		1	1	0	0	0	0
<b>Total:</b>	<b>1488</b>	<b>1971</b>	<b>1884</b>	<b>87</b>	<b>1977</b>	<b>1899</b>	<b>78</b>

Table 10

Information about the training of the Company's employee

GRI 404-1

<b>Name of education institutions</b>	<b>Number of employees</b>
Training and Recreation Center of Urganchtransgaz UE	900
Tashkent State University of Information Technologies	15
Research Institute of Standardization, Certification and Technical Regulation	103
Scientific-technical center of SE "Kontekhnazorat training" "Industrial safety"	105
UzHF Training Center	15
Triple Point injenering" LLC	8
Bukhara non-governmental educational institution	80
Alisher Navoi State University of Uzbek Language and Literature in Tashkent, Center for Training and Professional Development of the Basics of Working in the State Language	19
Center for the Further Training of Legal Professionals under the Ministry of Justice of the Republic of Uzbekistan	21
Training Center of the Ministry of Finance of the Republic of Uzbekistan	38
Institute of Civil Protection under the Academy of the Ministry of Emergency Situations of the Republic of Uzbekistan	17
"MTSFER-U" LLC	58
Republican Scientific Center of Emergency Medical Aid	42
"Autotest" LLC	45
JSC "Gazapparat"	7
Ministry of Emergency Situations of the Republic of Uzbekistan (Khorezm region) Training Center for Emergency Situations Life safety	38
Sapientia Group s.r.o.	1
State Committee of the Republic of Uzbekistan on Ecology and Environmental Protection and the Center for retraining and advanced training of workers in the field of environmental protection.	28
"IDEAL MASTERS SYSTEM" Limited Liability Company	5
Driving School ""Movement of Life"" Ltd.	66
Profesurs LLC	6
Department of Emergency Situations of Kashkadarya region	3
Center "Training of Population and Managers" of the Department of Emergency Situations of Tashkent region	26
Training Center under the Ministry of Employment and Labor Relations of the Republic of Uzbekistan	77
Uztransga" JSC	2
Non-state educational institution "Industrial Control Training".	8
Fergana Regional Training Center for Emergency Management "Life Safety".	43
OLGA "Schlumberger" (SLB: NYSE)	13

'ROSEN' Europe B.V.	<b>1</b>
Center "Retraining of Managers in Construction and Professional Development" at Tashkent Architectural and Construction Institute	<b>15</b>
"Micros Training Center	<b>1</b>
Agency of the Republic of Uzbekistan on Combating Corruption	<b>6</b>
PJSC Gazprom	<b>15</b>
Amir Temur Academy of the State Security Service of the Republic of Uzbekistan	<b>12</b>
"GBS Group LTD Republic of Turkey	<b>1</b>
Non-state educational institution "PROFACADEMY"	<b>25</b>
Non-state educational institution "Life Safety"	<b>23</b>
Center for retraining and advanced training of specialists in the field of architecture and construction	<b>7</b>
Non-State Educational Institution "Amaliy Nur"	<b>4</b>
Bukhara Regional Training Center of Emergency Management on Life Safety	<b>40</b>
Emergency Situations Department of Samarkand region	<b>34</b>
Samarkand Regional Department of the Republican State Committee for Ecology and Environmental Protection	<b>1</b>

Table 11

Number of induction sessions conducted for newly hired employees of the Company

GRI 403-5

<b>Group segment</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Central Office	44	58	31
Urgenchtransgaz UE	3 570	2 090	2381
Muborak MGPM	119	218	57
Kagan MGPM	48	322	310
Gazli MGPM	54	296	270
Zirabulak MGPM	178	40	22
Samarkand MGPM	38	124	24
Gallyaaral MGPM	198	95	251
Khadjaabad UGSF	87	15	14
Severny Sokh UGSF	24	81	106
Tashkent MGPM	56	156	184
Fergana MGPM	51	46	26
<b>Total number of induction sessions</b>	<b>4 467</b>	<b>3 541</b>	<b>3 676</b>

## 5. Stakeholder engagement in 2022

GRI 2-29

### Management and personnel

Stakeholder engagement methods	Requirements and expectations of stakeholders	Frequency of interaction with stakeholders
<ul style="list-style-type: none"> <li>Corporate mail and portal of Uztransgaz JSC</li> <li>Satisfaction survey (surveys)</li> <li>Personnel training and development system</li> <li>Cultural and sporting events</li> <li>Hotline</li> </ul>	<ul style="list-style-type: none"> <li>Workplace safety</li> <li>Providing opportunities for personal and professional growth</li> <li>Provision of social guarantees</li> <li>Fulfillment of the Company's obligations under the Collective Agreement</li> <li>Ensuring a decent standard of living</li> </ul>	On an ongoing basis
<b>Activities implemented in 2022</b>		
<ul style="list-style-type: none"> <li>21,061 benefits and social guarantees were provided to employees.</li> <li>Information exchange between employees and the Company took place through the corporate portal of Uztransgaz JSC.</li> </ul>		

### Shareholders

Methods of stakeholder engagement	Requirements and expectations of stakeholders	Frequency of interaction with stakeholders
General Meeting of Shareholders, Supervisory Board and Management Board of the Company Quarterly and annual financial statements	Compliance with the principles and requirements of the Company's Charter, the Law "On Joint Stock Companies and Protection of Shareholders' Rights", and the Corporate Governance Code of the Republic of Uzbekistan Compliance with the principle of equal treatment of all shareholders	When summarizing the company's performance (quarterly, annually)
<b>Activities implemented in 2022</b>		
<ul style="list-style-type: none"> <li>3 extraordinary general meetings were held, at which 11 issues were heard and decisions were made on all issues</li> </ul>		

### Suppliers of goods, works and services

Methods of stakeholder engagement	Requirements and expectations of stakeholders	Frequency of interaction with stakeholders
Drawing up relevant documentation for uninterrupted natural gas supply to consumers Meetings, negotiations	Impartial and efficient selection of suppliers and contractors through tender procedures in key areas of the Company's activities Stability and financial stability of the Company Compliance with contractual obligations	On a regular basis
<b>Activities implemented in 2022</b>		
<ul style="list-style-type: none"> <li>43.551 billion cubic meters of natural gas were transported as operator of the gas transportation network of the Republic of Uzbekistan.</li> </ul>		

## State authorities

Methods of stakeholder engagement	Requirements and expectations of stakeholders	Frequency of interaction with stakeholders
Regular reporting Participation in the development of legal acts, programs, industry documents and in the work of advisory groups and expert platforms, where topical issues of the oil and gas industry of the Republic of Uzbekistan are discussed Conclusion of business contracts, agreements and cooperation agreements	Upgrading of the Company's production facilities Compliance with applicable laws Payment of taxes and mandatory payments Information openness and transparency Minimization of negative environmental impact of the Company's operations Economic and social stability in the regions where the Company operates	Upon request by one of the two parties and on an ongoing basis

### Activities implemented in 2022

- Implementation of items of Presidential Decree No. PP-280 of June 15, 2022 "On additional measures to reform the natural gas market" were worked out
- Items of Presidential Decree No. UP-101 dated April 8, 2022 "On the next reforms to create conditions for stable economic growth by improving the business environment and developing the private sector" were worked out

## Subsidiaries and affiliated organizations

Methods of stakeholder engagement	Requirements and expectations of stakeholders	Frequency of interaction with stakeholders
Reporting on the Company's activities Cultural sports events organized by the Company Audits Negotiations, meetings	Regular monitoring of the activities of structural subdivisions, paying attention to the peculiarities of the work process	On an ongoing basis (reporting period)

### Activities implemented in 2022

- Decision-making on key issues related to the activities of structural subdivisions and organizations.
- Taking part in general meetings of shareholders.

## Trade Unions

Methods of stakeholder engagement	Requirements and expectations of stakeholders	Frequency of interaction with stakeholders
Conclusion of agreements Regular meetings of employees, representatives of Uztransgaz JSC management and trade unions Jointly organized sports, recreational and cultural activities	Compliance with labor legislation of the Republic of Uzbekistan, including ensuring social and labor rights and interests of trade union members Fulfillment of the Company's obligations under the Collective Agreement	On an ongoing basis

### Activities implemented in 2021 rody

- The trade union organized 30 events jointly with the Women's Council and Youth Union of Uztransgaz JSC
- 2 times a year Uztransgaz JSC subdivisions reported on the work done in the field and financial activities to the joint trade union committee.

## Energy industry

Methods of stakeholder engagement	Requirements and expectations of stakeholders	Frequency of interaction with stakeholders
Development of road maps Formation of regulatory documents in the gas transportation sector	Timely delivery of natural gas to consumers	Upon request by one of the two parties, on an ongoing basis
<b>Activities implemented in 2022</b>		
<ul style="list-style-type: none"> <li>• . Transfer of functions on purchase of natural gas and its further realization from Uztransgaz JSC to Uzgastrade JSC</li> </ul>		



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