



INNOVATIONS FOR SUSTAINABLE DEVELOPMENT

2023

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OLMALIQ TOG-METALLURGIYA KOVBINATI
АЛМАЛЫКСКИЙ ГОРНО-МЕТАЛЛУРГИЧЕСКИЙ КОМБИНАТ

MESSAGE FROM THE CHAIRMAN OF THE BOARD

GRI 2-22

Dear Stakeholders,

Every year, interest in the activities of Almalıy Mining and Metallurgical Plant Joint Stock Company, as one of the leading enterprises in Central Asia, continues to grow. More and more business representatives and financial institutions see our company as a partner in a variety of areas - from investing in existing projects to creating joint ventures. Such a trusting atmosphere is largely formed due to openness and transparency, compliance with international quality standards, labor protection, industrial and environmental safety.

We remain true to our principles and present to you the Report on the Company's activities in the field of sustainable development for 2023. It provides information on the approaches, achievements and plans of AMMC in the field of social and environmental responsibility. AMMC actively supports the ESG agenda and operates in accordance with the UN Sustainable Development Goals adopted in 2015, relying on the best international and national practices. This approach is clearly visible on all pages of our report for 2023.

During the reporting period, AMMC continued to develop its practices to improve the risk management system. A risk assessment and management department were created, complementing the existing compliance control service and the Anti-Corruption Committee.

In addition, AMMC adheres to the course of improving the well-being of employees and the population of the country, creating a solid foundation for future generations. This is achieved by increasing production volumes, expanding the geography of sales markets, developing new deposits, increasing the range of products and responsible environmental management.



Abdulla Khursanov
Chairman of the Board
of the JSC "Almalıy MMC"

Particular attention is paid to the “Yoshlik- I” project, including the development of a new quarry and the launch of a third Copper Processing Plant. At the end of the reporting year, with a projected investment volume of \$1,106.7 million, \$1,128.2 million has been spent, which confirms the stable and effective implementation of the investment program.

In 2023, AMMC achieved high production and financial results, maintaining a reputation as a responsible manufacturer. Thanks to the well-coordinated work of employees, the net profit amounted to 6.7 trillion som.

Improving employee competence

The achievements and further development of our enterprise directly depend on the knowledge, experience and qualifications of the team, which numbers more than 35 thousand employees. The management of AMMC pays special attention to the motivation of employees - our main asset, implementing various training and professional development programs, as well as a flexible remuneration system, which includes regular payments. We provide a wide range of social support, which is enshrined in the Collective Agreement between the employer and the Trade Union Council, which protects the rights of employees.

Training and retraining of employees are one of the Company’s priorities. At its own expense, AMMC trains specialists both in national and in leading foreign universities in bachelor and postgraduate programs. Caring for employees also extends to their families, for whom a significant social package is provided.

In 2023, AMMC began large-scale work to transform the management system.

We understand that changing attitudes towards work is an important reserve for the Company, so leading specialists are actively involved in this process. Thanks to such measures, we retain the key asset of the Company - our employees, which is confirmed by the low level of staff turnover and the high efficiency of our HR policy.

Ensuring safe working conditions

Realizing the importance of creating a safe working environment, we are constantly improving the occu-

pational health and safety management system. AMMC uses various educational tools to improve the occupational safety culture among employees. The effectiveness of these measures is confirmed by a decrease in the labor injury rate (LTIFR) - in 2023 it was 0.29 compared to 0.33 in 2022.

In 2023, the occupational health and safety management system was successfully implemented according to the international standard ISO 45001:2018. Within the framework of this system, the «Occupational Health and Safety Policy» was approved, and employee training was conducted jointly with consulting partners.

Total funding for ensuring safe working conditions in 2023 amounted to 148.2 billion som, including comprehensive measures to maintain the health and well-being of employees.

Social support for local regions

The structural divisions of Almalyk MMC JSC are located in five regions of the Republic of Uzbekistan. For the city of Almalyk, where the bulk of our production is located, the Company is a city-forming enterprise.

Being a stable enterprise with a responsible attitude not only to its employees, but also to the residents of the regions of its presence, Almalyk MMC JSC makes a significant contribution to their socio-economic development. In 2023, 315 billion som were allocated for the implementation of programs and initiatives aimed at improving the quality of life in these regions.

The main areas of investment include the development of social infrastructure, healthcare, public education and the support of sports for children and the masses.

Responsible nature management and environmental protection

Mining and processing production inevitably has an impact on the environment, and the main task of the Company is to minimize this impact. For this purpose, a large-scale program is being implemented, which is constantly being improved.

Firstly, when implementing investment projects, technologies and equipment that meet modern



requirements for minimal impact on the environment and high energy efficiency are used.

Secondly, the environmental situation is improved through the modernization and reconstruction of the main existing production facilities.

Thirdly, the implementation of the environmental management system in accordance with the requirements of the international standard ISO 14001 continues.

Rational use of natural resources and the transition to a green economy remain the most important aspects of the activities of Almalıy MMC JSC. In 2023, the Company installed two photovoltaic stations with a total capacity of 500 kW and planted more than 328 thousand tree seedlings.

Issues of environmental safety and responsible attitude to the environment are priority tasks that are under the constant control of the Company's management and its structural divisions. We intend to further improve the sustainable development management system, continue the implementation of social and environmental projects, improve the mechanisms of interaction with stakeholders and develop partnerships in the interests of ESG.

I would like to thank our shareholders and business partners for many years of fruitful cooperation and constructive solutions, and I also express my sincere gratitude to our workforce for their high professionalism and conscientious work, readiness to accept and solve problems of any complexity. With confidence, I present to you the Sustainable Development Report of Almalıy MMC JSC for 2023.

Sincerely,
Abdulla Khursanov
Chairman of the Board
of the JSC "Almalıy MMC"

ABOUT THE REPORT

THE COMPANY'S APPROACH TO REPORTING

GRI 2-3, 2-4

The Sustainability Report for 2023 (hereinafter referred to as the Report) is the fourth annual non-financial report prepared by Almalyk MMC JSC (hereinafter referred to as AMMC) and addressed to a wide range of stakeholders.

The Report covers the key results of AMMC's activities in the field of sustainable development, including financial indicators for the period from January 1, 2023 to December 31, 2023, as well as plans for 2024 and the medium term.

The Report has been prepared in accordance with the GRI Standards for Sustainability Reporting (hereinafter referred to as the GRI Standards) and reflects the progress achieved in contributing to the realization of the UN Sustainable Development Goals for the period up to 2030..



The Report has been published by the Company on the corporate website.

Unless otherwise stated, the terms «Company», «AMMC» or «Plant» mean Joint Stock Company «Almalyk Mining and Metallurgical Plant» together with a set of structural divisions that are part of it.

When preparing the Report, there were no significant changes in the reporting boundaries and the list of material topics compared to a similar report for 2022. The text of the Report contains a few clarifications of data from previous years, reservations about this are included in the text.

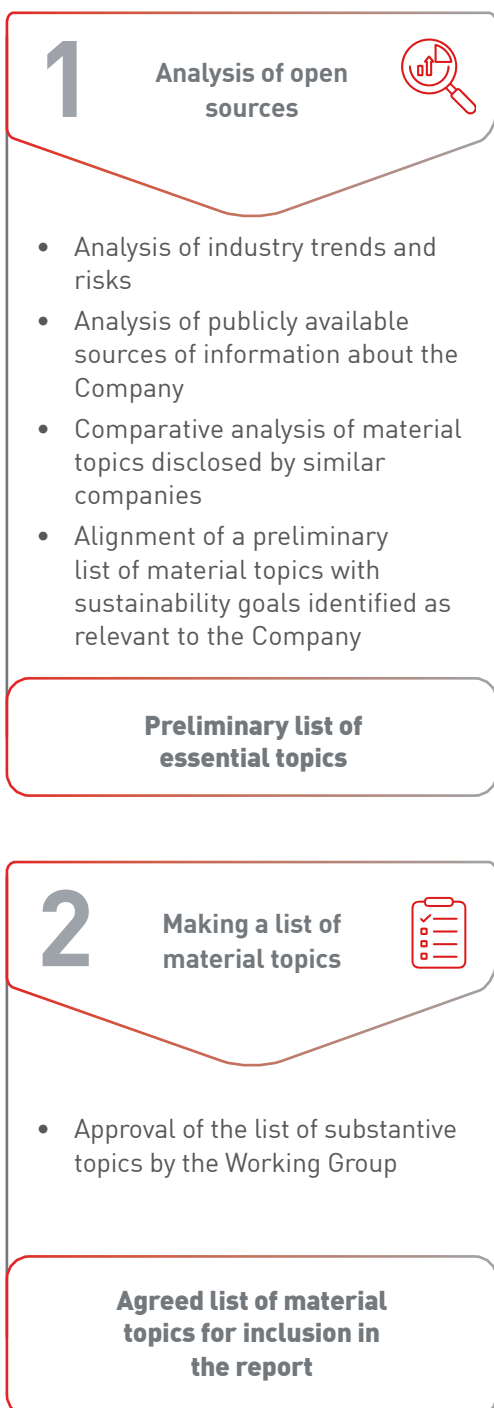
In order to ensure the quality, accuracy and completeness of the disclosed data, the Company engaged PwC auditors to independently verify the Sustainability Report for 2023 for compliance of the disclosed information with the GRI standards (see Appendix 3. External Assurance). AMMC conducts independent verification of non-financial reporting to increase the level of stakeholder confidence in the disclosed information on the sustainable development of the Plant.



DETERMINATION OF MATERIALITY









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








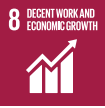


In 2023, the materiality of the topics disclosed in the Report was assessed in accordance with the requirements of the international GRI standard. The assessment was carried out considering the specifics of the AMMC activities, the impact on the economy, environment and social sphere, including issues of human rights, as well as the interests of all key stakeholders (A detailed list of AMMC stakeholders is presented in the chapter «Interaction with stakeholders»). The assessment was carried out in several stages:







For each material topic, positive and negative impacts of AMMC and the UN Sustainable Development Goals (hereinafter referred to as the UN SDGs) are identified. Information on the compliance of material topics and impacts with the UN SDGs is presented in the table below.

Table 1. Alignment of the Company’s material themes and impacts with the UN SDGs

Material topic	Impact	UN SDGs
Environmental aspect		
Energy management	Greenhouse gas emissions.	 
	Implementation of renewable energy sources and energy saving initiatives.	
Water and Effluents	The use of outdated treatment facilities results in cases of non-compliance with environmental standards for wastewater discharged into natural sources, which has a negative impact on the state of aquatic ecosystems and the quality of life of the local population.	
	The implementation of measures aimed at improving the technical condition of drainage sections and treatment facilities helps reduce the negative impact on water bodies.	
	By improving the efficiency of water resource management, costs are reduced and the negative impacts on the biodiversity of water bodies is reduced.	
Biodiversity	Mining disrupts the integrity of the landscape of production areas. Industrial sites, roads and quarries reduce the area of vegetation overgrowth and disrupt the natural habitats of animals.	
	Carrying out mining and technical reclamation helps minimize emissions of solid particles into the atmosphere and reduce the negative impact of the Company’s activities.	
Emissions	Emissions of pollutants into the atmosphere resulting from the extraction and processing of minerals affect the quality of the atmospheric air in the regions of presence.	 
	Annual measures to repair and modify the equipment used to help improve the efficiency of emission management.	
Waste management	Waste generated because of ore processing at beneficiation plants (ore processing tailings, slag processing tailings) has a negative impact on the environment.	 
	Implementation of measures to improve the efficiency of waste disposal, neutralization or placement of generated waste at own disposal facilities helps to minimize the negative impact.	
Compliance with environmental legislation	Conducting activities in accordance with environmental legislation helps to reduce the negative impact on the environment.	 

Material topic	Impact	UN SDGs
Social aspects		
Employment	<p>Increasing employment in the regions of presence. Employment of socially vulnerable groups of the population.</p> <p>Labor adaptation of young people and students.</p> <p>Prospects for career advancement and professional growth.</p> <p>Horizontal and vertical mobility. Advancing women status.</p>	 
Health and Safety at Work	<p>Negative impact on the health of the Company's employees due to the presence of harmful and hazardous production factors in the workplace.</p> <p>Reduction of adverse impacts on the health and performance of personnel, risk minimization of emergency situations through regular audit of occupational health and safety, conducting appropriate training and a system for monitoring the health of employees. Rehabilitation of the health of employees who have suffered an industrial injury or occupational disease, and compensation for damage caused under the employer's compulsory civil liability insurance. Implementation of measures aimed at improving the reliability of technological processes and equipment operation.</p>	
Human Rights	<p>Improving gender equality by expanding employment opportunities for women in mining and metallurgical enterprises and ensuring equal socio-economic rights for all employees.</p> <p>Improving the legal culture of the Company's employees.</p>	
Training and Education	<p>Improving the level of qualification of employees through the implementation of internal and external training programs.</p> <p>Attracting employees in training for the purpose of exchanging experience in higher educational institutions of Uzbekistan and prestigious universities of the world by signing a memorandum with these universities.</p>	
Local Communities	<p>Improving the quality of life and socio-economic conditions in the regions of presence through the development of housing and urban infrastructure and the implementation of social programs.</p> <p>Training of local professional employees.</p> <p>Potential negative impacts on local communities due to environmental impacts of the Company's activities.</p> <p>Negative impact due to the need to resettle the population as part of the investment project.</p>	    

Material topic	Impact	UN SDGs
Economic aspects		
Economic efficiency	<p>Contribution to the national and regional gross product.</p> <p>Contribution to regional budgets through timely payment of taxes.</p> <p>Creation of jobs, provision of decent working conditions, payments to employees.</p>	
Supply Chain Management	<p>Potential non-compliance with sustainable development principles by suppliers.</p> <p>Maintaining high quality of supplied goods and meeting delivery deadlines through a thorough assessment of potential suppliers based on a wide range of criteria.</p> <p>Implementing transparent procurement by providing open data on the corporate website and government websites, ensuring equal opportunities for potential suppliers.</p> <p>Predominance of the share of local suppliers in the Company's supplier network.</p>	
Compliance with the law	<p>Maintaining high ethical standards and preventing unlawful acts through a comprehensive approach to combating corruption and other violations, including effective mechanisms for receiving appeals.</p>	
Innovation and information technology	<p>Improving the efficiency of business and production processes, technical support and maintenance of information systems, software, computer and office equipment, communication systems, automated control systems.</p>	

In 2023, wording was changed for several material topics and some topics were combined to provide more accurate and comprehensive disclosure of non-financial information in the Report.



REPORTING BOUNDARIES

GRI 2-2

The information presented in the Report covers the activities of JSC Almalyk MMC and all structural divisions included in it.

Below is a list of structural divisions of AMMC, information on which is disclosed in the Report.

If the disclosure perimeter differs from that given below, this is indicated separately for each case.

Table 2. Structural division of the Company

Nº	Name of the structural unit	Abbreviation
1	Almalyk mining technical inspection of the State Committee for Industrial Safety	AMTI
2	Angren Mining Administration	AMA
3	Departmental militarised security	DMS
4	Directorate for construction of mining transportation complex and infrastructure facilities	DCMTCIF
5	Directorate for construction of metallurgical complex facilities	DCMCF
6	Directorate for construction of machinery plant facilities	DCMPF
7	Housing repair and operating administration	HROA
8	Explosive materials plant	EMP
9	Lime plant	LP
10	Information service	IS
11	Executive body	Executive unit
12	Copper smelting plant	CSP
13	Copper concentration plant	CCP
14	Copper concentration plant – 2	CCP – 2
15	Copper concentration plant – 3	CCP – 3
16	Development and production facility on rare metals and hard alloys	DPFRMHA
17	Civil protection squad	CPS
18	Project office for the implementation of the investment project “Development of Yoshlik-1 deposit”	Yoshlik-1
19	“Kauldy” mine	“Kauldy” mine
20	“Uch Kulach” mine	“Uch Kulach” mine
21	“Kalmakir” Mining Administration	“Kalmakir” Mining Administration



Nº	Name of the structural unit	Abbreviation
22	"Khandiza" Mining Administration	"Khandiza" Mining Administration
23	Security technical systems service	STSS
24	Technical control service	TCS
25	Thermal power station	TPS
26	Central laboratory of new technologies	CLNT
27	"Olmalykmetallurgqurilish" Trust	OMQT
28	Oil products supply administration	OPSA
29	Manufacturing automation division	MAD
30	Automobile transport management	ATM
31	Capital construction division	CCD
32	Material and technical supply division	MTSD
33	Division on production of consumer goods	DPCG
34	Sales and supply of metallurgical raw materials management	SSMRMM
35	Project Administration Division	PAD
36	Administration for industrial railway transport	AIRT
37	Social facilities administration	SFA
38	Specialised repair works administration	SRWA
39	Technological transport management	TTM
40	Division on electrical networks	DEN
41	Training centre	TC
42	Central analytical laboratory	CAL
43	Central metrology laboratory	CML
44	Central machinery and repair plant	CMRP
45	Industrial water supply shop	IWSS
46	Zink plant	ZP
47	Chadak Mining Administration	CMA
48	Mine construction department	MCD

ABOUT THE COMPANY

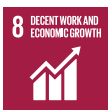
BASIC INFORMATION

GRI 2-9, 2-10, 2-11, 2-12, 2-15, 2-16, 2-17,
2-18, 2-19, 2-20

Key results for 2023

- The **Sustainable Development (ESG) department was created;**
- No cases of conflict of interest were recorded;
- No cases of violations **of racial, gender, religious, political and social characteristics or other human rights have been recorded;**
- The company received a certificate in the field of occupational health and safety - **ISO 45001:2018;**
- The company received the **ISO 14001:2015** Environmental Management Systems certificate;

Contribution to achieving the UN SDGs



GRI indicators

GRI 2-1, 2-6, 2-9, 2-10, 2-11, 2-12, 2-15, 2-17, 2-18,
2-19, 2-20, 2-23

Company Profile

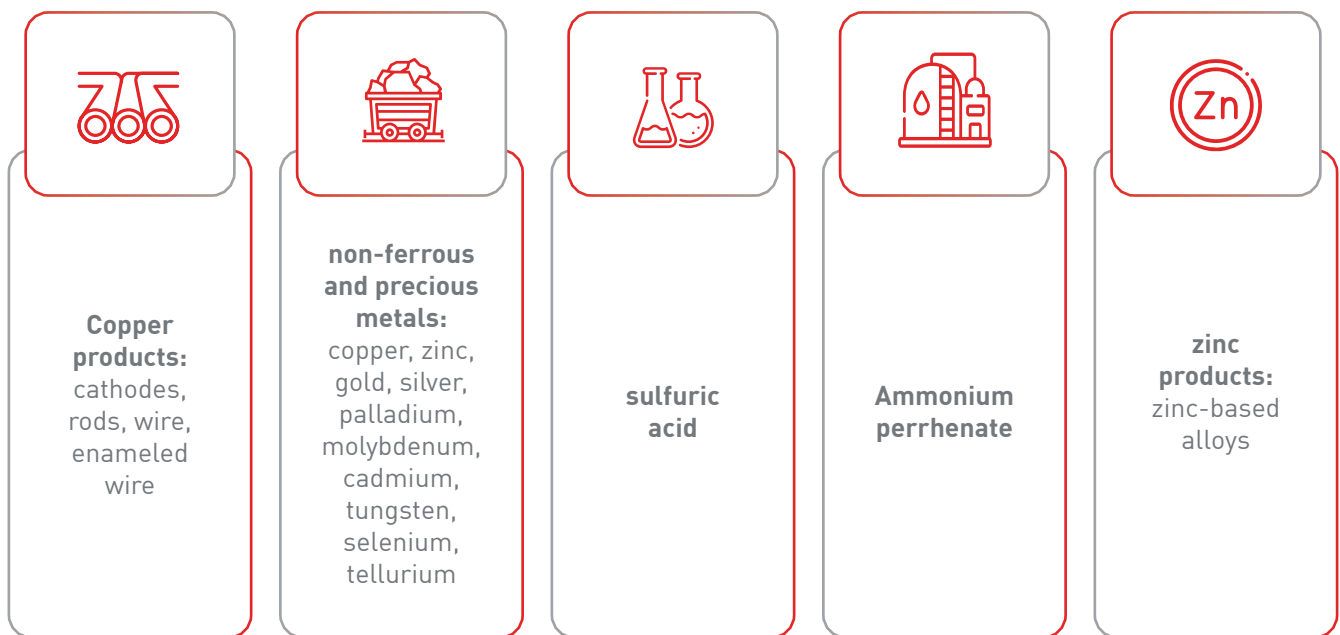
JSC Almalyk MMC occupies a leading position in the mining and metallurgical industry of Uzbekistan and the Central Asian region. The company is known for its large-scale production capacities, innovative approaches to the extraction and processing of minerals, as well as a high level of environmental and





social responsibility. Conducting its activities with an emphasis on sustainable development, JSC Almalyk MMC makes a significant contribution to the economy of the region and promotes the development of local communities.

The main activities of JSC Almalyk MMC cover a wide range of operations on mining and enrichment of ores, including non-ferrous, precious, rare and noble metals, as well as other types of ores. The company is actively engaged in the production of high-quality refined copper, metallic zinc and various metal alloys. The manufactured products also include various related materials that ensure an integrated approach to the use of extracted resources and maximum efficiency of production processes.



In accordance with the investment program for 2023, approved by the President of the Republic of Uzbekistan on December 28, 2022 (No. PD-459), with a projected investment volume of \$1,106.7 million, \$1,128.2 million has been spent.

In 2023, JSC Almalyk MMC commissioned:



11 investment projects worth 2,182.1 billion som with a total annual production volume of 79,837.9 billion som. Within the framework of these projects, 185 new jobs were created. These projects cover key aspects of the company's production activities, including equipment modernization, the implementation of new technologies and the improvement of production processes.






2 projects in the Development and production facility on rare metals and hard alloys with a total value of \$3.7 million, which created 67 new jobs. These projects are aimed at developing and expanding the production of rare metals, which are an important component of modern high-tech products.







6 projects in the social sphere with a total value of 53.9 billion som, which ensured the creation of 126 new jobs. These projects include the construction and renovation of social infrastructure facilities, which contribute to the improvement of working and living conditions of the company's employees and their families.

Accordance with the Investment Program for 2023–2025, Almalıy MMC JSC will continue to implement large and strategically important investment projects, including:

-  Development of the Yoshlik-1 deposit: This project is aimed at increasing ore production and expanding the company's resource base. It is expected that the project will significantly increase the production of copper and other minerals.
-  Priority program for reconstruction and stabilization of production capacities: This project includes the modernization and renewal of existing production capacities, which will improve the efficiency and stability of the enterprise.
-  Opening and preparation of reserves between the +1280m and +880m horizons of the Handiza mine. The objective of the project is to provide access to new ore reserves, which will allow maintaining and increasing production volumes in the long term.

The objectives of these projects are aimed at achieving the following production indicators:

-  Increasing ore production volumes to 100 million tons per year, which will ensure a stable supply of raw materials to production facilities.
-  Production of copper cathode in the amount of 290 thousand tons per year, which corresponds to the growing demand for copper in the world market.
-  Gold production in the amount of 38 tons per year, which will strengthen the company's position in the precious metals market.
-  Silver production in the amount of 203 tons per year, which also meets market needs and the company's strategic goals.

The implementation of these projects will allow JSC Almalıy MMC not only to increase production capacity and improve financial performance, but also to make a significant contribution to the socio-economic development of the regions where the company operates, improve environmental performance and enhance the quality of life of employees and the local population.

**As of 2023, the Company
is an industrial complex that includes:**



Four mine managements



Mine



Five enrichment complexes



Three joint ventures



Administration for industrial railway transport



Zinc and copper smelting plant



Central machinery and repair plant



Department of Automobile and Technological Transport

The Plant also includes:

- Lime plant;
- Explosives Plant;
- Thermal power plant;
- Industrial water supply workshop;
- Electrical Network Management;
- Capital Construction Management;
- Trust «Olmalikmetallurgkurilish»;
- Management of specialized repair works, etc.

Business segments

The production structure of JSC Almalyk MMC consists of several key areas:



Within the framework of **the mining process**, the extraction of minerals is carried out - copper, molybdenum, precious metals, selenium, sulfur, tellurium, rhenium, zinc, lead and gold-bearing quartz ore.



The enrichment complex consists of enterprises where the enrichment process of mined ore takes place, and includes the processing of gold-containing, polymetallic (copper-lead-zinc), copper-molybdenum ores with the production of corresponding enriched concentrates.



The metallurgical processing unites enterprises whose activities are focused on obtaining finished products, including cathode copper, copper sulfate, sulfuric acid, refined gold and silver, technical selenium and tellurium, as well as zinc, metallic cadmium and zinc powder.



Non-production divisions of the Company related to the transportation of raw extracted minerals to processing plants: the management of railway, automobile and technological transport and the mining mechanization shop.



GEOGRAPHY OF ACTIVITY

GRI 2-1, 2-6

The Plant's production facilities are in various regions of the Republic of Uzbekistan, including Tashkent, Jizzakh, Namanagan, Samarkand and Surkhandarya regions, where deposits of raw materials are located. The Company's headquarters are located in the city of Almalyk in the Tashkent region.

Currently, the Plant specializes in the production of more than 16 types of products, which is successfully sold on the domestic and international markets.

Business Segment Legend

- Mining redistribution
- Enrichment Complex
- Metallurgical processing

01. Jizzak Region

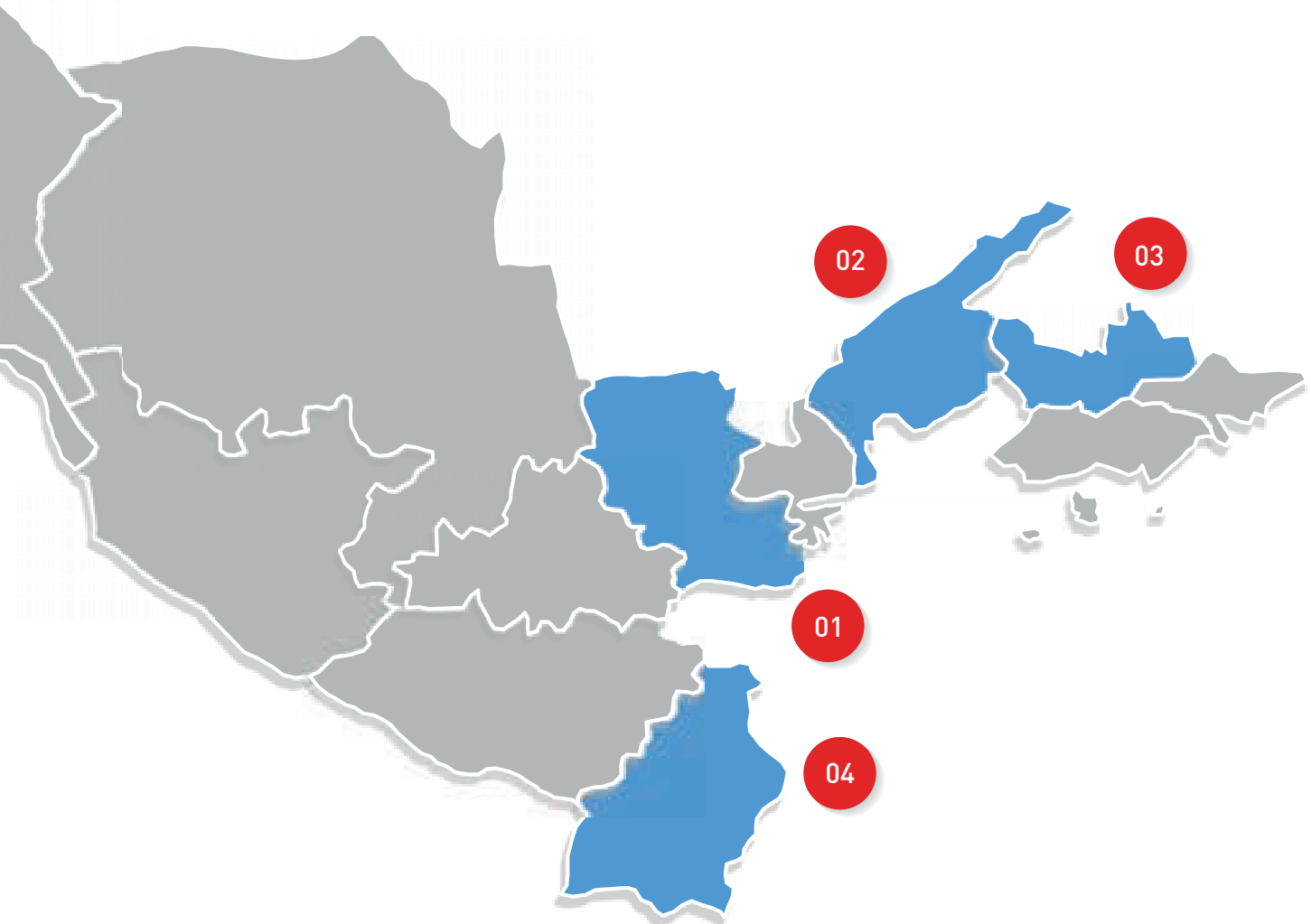
Main assets

- Uch- Kulach Mine

02. Tashkent region

Main assets

- Angren Mining Administration
- Kalmakyr Mining Administration
- Kauldy Mine
- Copper Concentrator Plant (CCP-1)
- Copper Concentrator Plant – 2
- Angren Gold Recovery Plant
- Mine Construction Department
- Copper smeltery
- Zinc Plant
- Central Mechanical Repair Plant



03. Namangan region

Main assets

- Chadak Mining Administration
- Chadak Gold Recovery Plant

04. Surkhandarya region

Main assets

- Khandiza Mining Administration
- Handiza Concentrator



The company’s export geography is comprehensive, covering such countries as Turkey, China, Russia, Kazakhstan, the Netherlands, Switzerland, Azerbaijan, Poland, Georgia, Austria, Tajikistan, Kyrgyzstan, India, Belarus, Spain, Germany and the USA.

AMMC is one of the largest producers of cathode copper in the region and is actively involved in international economic relations. The plant maintains partnerships with companies from various countries, including Switzerland, Great Britain, Turkey, Ukraine, Russia and China.

The main subject of the Company’s procurement is inventory items. The Company’s suppliers are manufacturers, distributors and dealers. When carrying out the procurement process and selecting suppliers, AMMC is guided by the Law of the Republic of Uzbekistan No. LRU-684 dated 04/22/2021 «On Public Procurement».

The principles of relationships with business partners that are important for the Company:



AMMC and transparency

AMMC strives to create long-term partnerships built on the principles of transparency in communication and mutual trust



Quality of products and services

The Company cooperates only with reliable suppliers to ensure the high-quality products and services

MISSION, VISION AND VALUES

GRI 2-23

The Company’s priority strategic development areas include expansion of the mineral resource base, increase in production capacity and strengthening of its leadership position among mining and processing enterprises of Uzbekistan. In addition to this, AMMC is actively working to maintain a high level of customer satisfaction and ensure high quality of manufactured products.



Understanding the key role of sustainable development principles and values in business growth and prosperity, AMMC is constantly working on integrating them into its business processes.

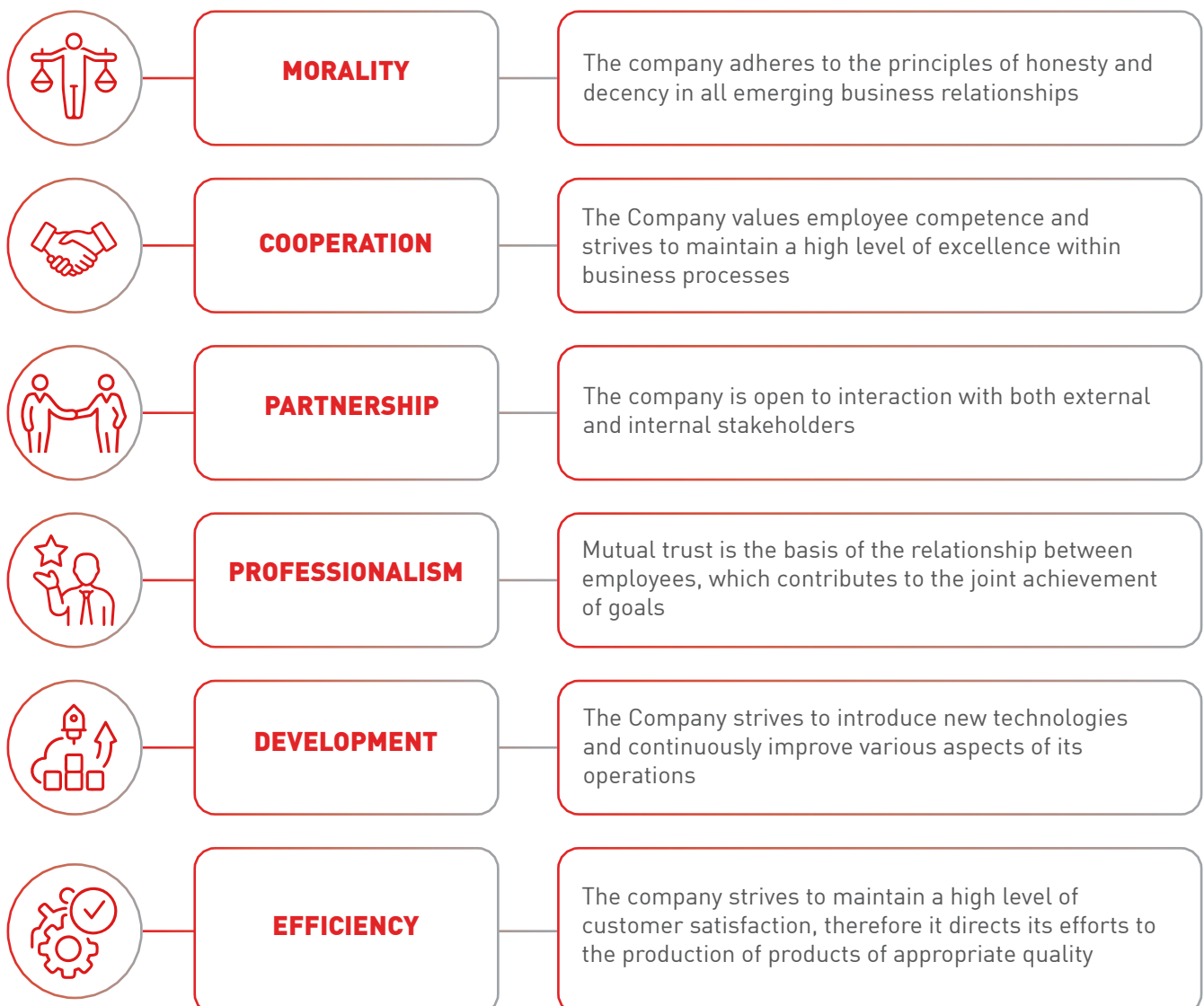
One of the key missions of AMMC is the rational use of natural resources. The company strives to achieve production goals while simultaneously implementing responsible business practices, which includes measures to protect the environment and sustainable development.

AMMC recognizes its responsibility to all stakeholders in the regions of its presence. The company implements environmental protection programs, as well as a wide range of socio-cultural, charitable and sponsorship projects. Particular attention is paid to supporting employees with disabilities and women, providing them with favorable working conditions and opportunities for professional growth.

Values of AMMC

The corporate culture of JSC Almylyk MMC is based on the key principles of mutual respect, trust, integrity and hard work. These values ensure the achievement of the company's strategic goals and help maintain high employee engagement and efficiency.

Picture 1.

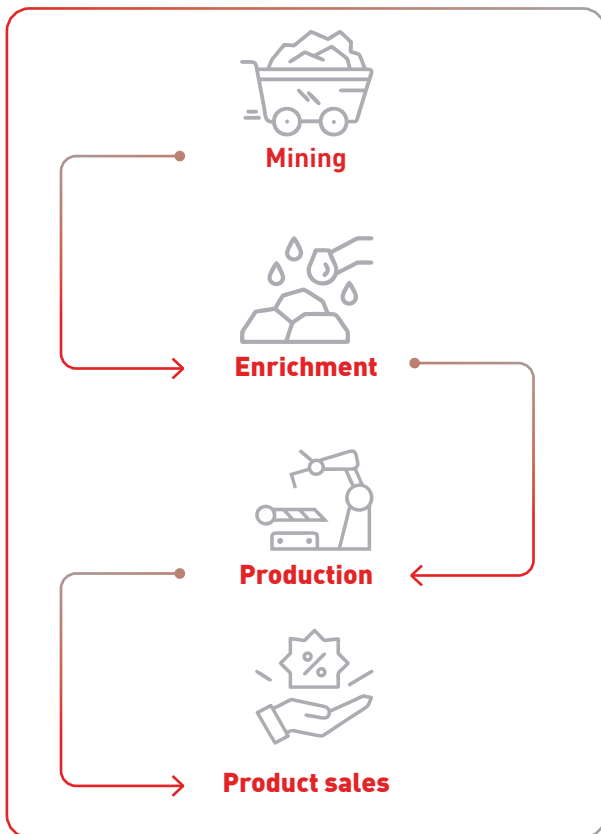


STRATEGY AND BUSINESS MODEL

THE BUSINESS MODEL OF THE COMPANY

AMMC implements all stages of value creation, from extraction to the sale of finished processed products.

Picture 2. Key Performance Stages at JSC Almalyk MMC



The vertically integrated business model of JSC Almalyk MMC ensures high quality products and allows for efficient management of costs and risks. By controlling all stages of value creation, the company gains competitive advantages and additional benefits from the scale effect.





COMPANY STRATEGY

We understand the importance of integrating sustainable practices into our activities. We strive to minimize our impact on the environment and actively contribute to the socio-economic development of the Republic of Uzbekistan. AMMC sets ambitious goals in the field of sustainable development, which include:



1

Development of a climate strategy:

We are actively working on developing a climate strategy aimed at significantly reducing greenhouse gas emissions and minimizing the ecological footprint of metal mining and processing. This strategy will become a key tool for the AMMC to adapt to global climate challenges.



2

Obtaining an international ESG rating:

As part of our efforts to strengthen our sustainability position, we are seeking to obtain an ESG rating, which will be a key indicator of our commitment to environmental, social and governance standards.



3

Certification Copper Mark:

We are aiming to achieve Copper Mark certification, the internationally recognised standard for responsible copper production. This certification will demonstrate our adherence to strict environmental and social standards, as well as our commitment to responsible metal mining and production.

These goals reflect our commitment to high environmental and social standards and underline our commitment to society and the environment.



Based on sustainable practices, we strive to further develop and increase the production volumes of non-ferrous and precious metals.

1

By 2028:

Increasing ore production volumes to 106 million tons

Production of cathode copper in the amount of 261.5 thousand tons

Gold production in the amount of 38 tons

Silver production in the amount of 203 tons

2

By 2030:

Increasing ore production volumes to 107 million tons

Production of cathode copper in the amount of 400 thousand tons

Gold production in the amount of 50 tons

Silver production in the amount of 270 tons

Key strategic directions for the Company's overall development until 2030:



Environmentally responsible expansion of the mineral resource base: Development of new ore deposits in compliance with strict environmental standards, as well as the introduction of more efficient and environmentally friendly mining technologies within existing assets. We strive to minimize the impact on the environment and improve the efficiency of natural resource use;



Increasing the Company's export potential: Expanding its presence in international markets and establishing partnerships with companies that adhere to high standards in the field of sustainable development;



Expanding cooperation and supporting import substitution processes: Deepening cooperation with local and international partners to create supply chains that meet the principles of responsible sustainable consumption and production;



Implementation of modern technologies and digital transformation: Investments in innovative and digital solutions that help increase energy efficiency and improve the operational sustainability of the business;



Strengthening human resources and developing attractive working conditions: Attracting and retaining young qualified specialists through the creation of comfortable, safe and inclusive working conditions. Developing a system of training and advanced training for employees for their professional growth and adaptation to modern labor market requirements.

CORPORATE GOVERNANCE

**GRI 2-9, 2-10, 2-11, 2-12, 2-15, 2-16, 2-17,
2-18, 2-19, 2-20**

At AMMC, we place particular emphasis on corporate governance, recognising its key role in achieving sustainable development and long-term success. Our approach to corporate governance is based on high standards of transparency, accountability and business ethics.

This section of the sustainability report provides information about our structure, processes and corporate governance principles that support the company's strategic goals.

Guiding documents in the field of corporate governance:

- Law «On Joint Stock Companies and Protection of Shareholders' Rights»;
- Company Charter;
- Regulations on the General Meeting of Shareholders;
- Regulations on the Supervisory Board;
- Regulations on the Executive Body;
- Corporate Governance Code;
- Regulations on the procedure for action in case of a conflict of interest.

In 2023, the list of internal regulatory acts of the company was expanded by the adoption of the following corporate documents:

- Code of Ethics;
- Regulations on the Anti-Corruption Committee.

The full list of the Company's regulatory documents is available on the corporate website:

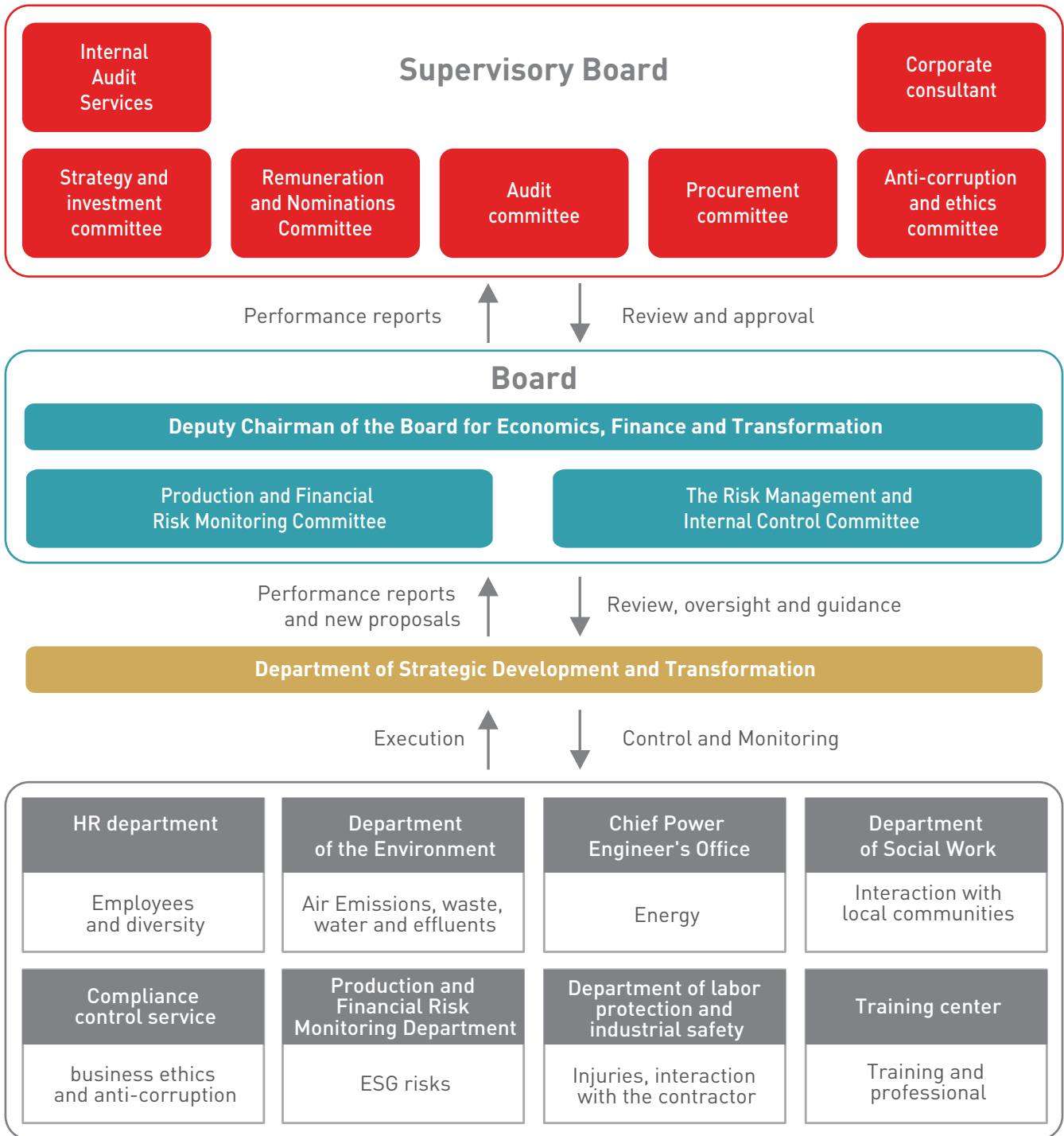


[Internal documents of the company \(agmk.uz\).](http://agmk.uz)





Management and accountability:



The corporate governance system of JSC Almylyk MMC is designed to support the Supervisory Board and shareholders in achieving long-term sustainable growth based on the principles of transparency and ethics. In 2023, JSC Almylyk MMC focused on improving corporate governance mechanisms in order to increase the efficiency of sustainable development management, ensuring alignment of strategic initiatives with the interests of all stakeholders.

The Supervisory Board consists of 9 members appointed (elected) for a two-year term. On December 29, 2023, one independent member was approved for the Supervisory Board of AMMC JSC: Alexander Blumgardt (Germany).



Nº	Name	Status of Director	Participation in Committees	Term in the Supervisory Board	Number and nature of other significant positions and commitments
1	Aripov Abdulla Nigmatovich	Executive, Chairman of the Supervisory Board	-	2 years	Prime Minister of the Republic of Uzbekistan
2	Ortikov Akmalxon Jurakhonovich	Executive	Chairman of the Strategy and Investment Committee, Member of the Audit Committee	2 years	Director of the Agency for State Asset Management
3	Nasritdinkhodjaev Omonulla Zabihullaevich	Executive	Chairman of the Procurement Committee, Member of the Anti-Corruption and Ethics Committee	2 years	First Deputy Minister of Finance of the Republic of Uzbekistan
4	Vafaev Shukhrat Abdusharifovich	Executive	Member of the Audit Committee, Member of the Anti-Corruption and Ethics Committee	2 years	Director General of the Agency for Strategic Reforms of the Republic of Uzbekistan
5	Ikramov Muzraf Mubarakhodzhaevich	Executive	Member of the Audit Committee, Member of the Anti-Corruption and Ethics Committee	2 years	Deputy Minister of Justice of the Republic of Uzbekistan
6	Islamov Bobir Farxadovich	Executive	Member of the Audit Committee, Member of the Anti-Corruption and Ethics Committee	2 years	Minister of Mining Industry and Geology of the Republic of Uzbekistan
7	Sidikov Bahodirjon Bahromovich	Independent	Member of the Strategy and Investment Committee	2 years	Head of the Project Office for the implementation of the investment project "Development of Yoshlik-1 deposit"
8	Jumanazarov Akmal Ruzikulovich	Executive	Chairman of the Remuneration and Nomination Committee, Chairman of the Anti-Corruption and Ethics Committee	2 years	Head of the Department for Geology, Energy, Industry, and Development of its Basic Sectors of the Cabinet of Ministers
9	Alexander Blumgardt	Independent		2 years	

At the time of publication of the Report in 2024, the Supervisory Board consisted of 7 people, including two independent members.

№	Name	Status of Director	Number of other significant positions and responsibilities, as well as their character
1	Aripov Abdulla Nigmatovich	Executive, Chairman of the Supervisory Board	Prime Minister of the Republic of Uzbekistan
2	Islamov Bobir Farkhadovich	Executive	Minister of Mining and Geology of the Republic of Uzbekistan
3	Lee Dmitry Romanovich	Executive	Director of the National Agency of prospective projects of the Republic of Uzbekistan
4	Karimov Alisher Nishanovich	Executive	Deputy Minister of Justice of the Republic of Uzbekistan
5	Mustafaev Khurshed Bakhtiyorovich	Executive	Deputy Minister of Economy and Finance of the Republic of Uzbekistan
6	Alexander Blumgardt	Independent	
7	Tanya Chikanza	Independent	

In addition to the existing committees of the Supervisory Board (audit committee, procurement committee, strategy and investment committee, remuneration and nomination committee), a separate anti-corruption committee was created.

Each of the committees is responsible for reviewing specific aspects of the Company's activities and plays an important role in both the implementation of internal control and in the management of the Company's risks.

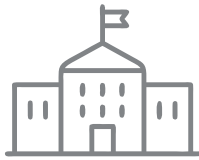
The activities of JSC Almalyk MMC are regulated by the legislation of the Republic of Uzbekistan and internal corporate documents. The company is one of the strategic objects of state property that cannot be privatized. The state is the «sole shareholder» of the Company and exercises control over all ordinary shares of AMMC, which make up 98.34% of the authorized capital.

The corporate governance system at AMMC is aimed at ensuring an effective and constructive dialogue between the Company's management bodies, investors and other stakeholders. The Company strives not only to fulfil all key obligations of stakeholders, but also to maintain transparency and ethical relationships.



In carrying out its activities, AMMC is guided not only by the legislative and other requirements of the Republic of Uzbekistan, but also directs efforts to ensure compliance of the corporate governance system with international standards and best practices in this area. The company actively introduces the principles of sustainable development into the management system, striving to implement more responsible and ethical practices, as well as more effectively manage risks and opportunities in the long term.

On an ongoing basis, AMMC annually engages external independent audit organizations to verify the compliance of financial performance and reporting results with national accounting standards and the requirements of the Tax Code of the Republic of Uzbekistan, as well as international financial reporting standards.»



When carrying out its activities, the Company also considers the requirements of the ministries of the Republic of Uzbekistan:

Ministry of Ecology, Environment and Climate Change

To which the Company provides environmental reports as part of its quarterly inspection

Ministry of Mining Industry and Geology

AMMC under the Ministry carries out constant monitoring of compliance with the requirements

Ministry of Energy

The Inspectorate for Control in Electric Power Industry under the Ministry carries out checks of compliance with the requirements of regulatory legal acts in the field of electric and thermal power industry

JSC Almylyk MMC has the following certificates:



ISO 9001:2015 «Quality Management Systems»;



ISO 50001:2018 «Energy Management System»;



ISO 14001:2015 «Environmental management system»;



ISO 45001:2018 «Occupational health and safety management system».

By decisions of the Supervisory Board and the sole shareholder, to improve the efficiency of the company, the following changes were made to the organizational structure:

- the powers of the Deputy Chairman of the Board for Economics and Finance have been expanded with the introduction of responsibilities for process transformation, in connection with which the position has been renamed to Deputy Chairman of the Board for Economics, Finance and Transformation;
- the compliance control and risk management services were divided into two separate services reporting directly to the chairman of the plant's board;
- An ERP office was created in the organizational structure of the plant for the implementation of the ERP system;
- Two directorates were created: the Directorate for the Construction of the Machine-Building Plant and the Directorate for the Construction of the Lime Plant.
- A department for foreign economic relations was introduced.

CORPORATE GOVERNANCE STRUCTURE

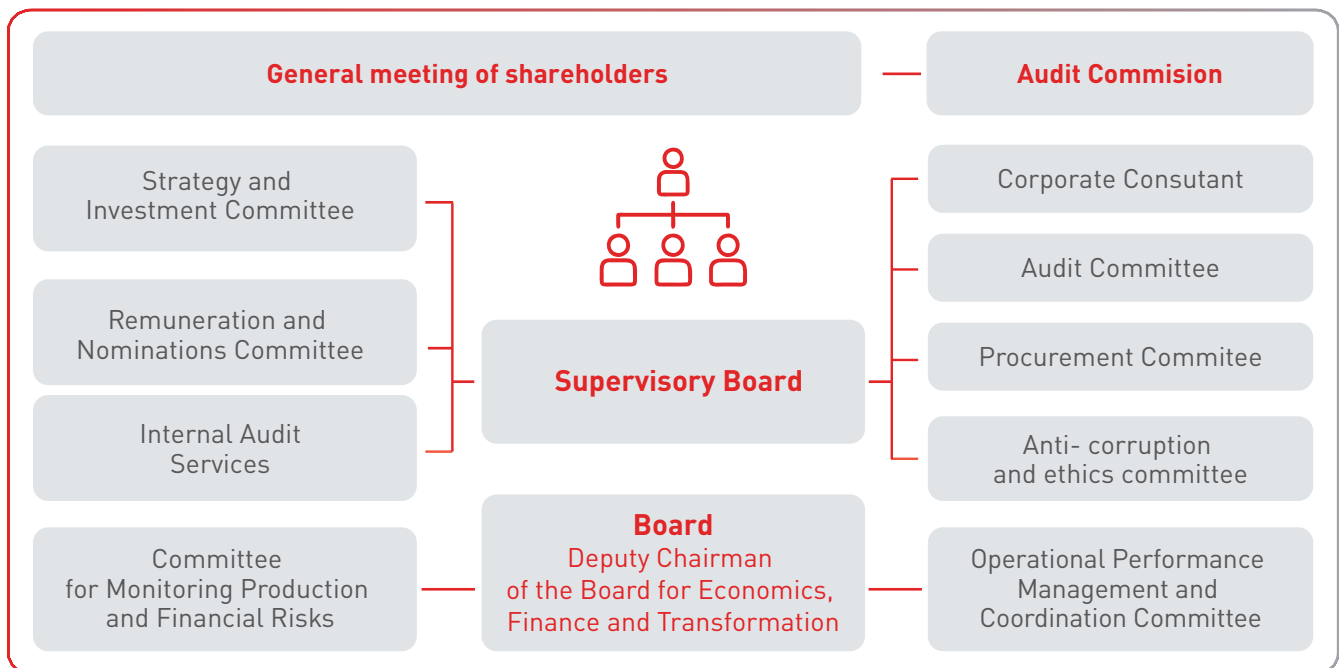
The management bodies of JSC Almalyk Mining and Metallurgical Combine include:

- General meeting of shareholders;
- Supervisory Board;
- The Board and the Chairman of the Board.

In addition to the management bodies, the Company also includes regulatory bodies:

- Audit Commission;
- Internal Audit Service.

Picture 3. Corporate governance structure



General meeting of shareholders

The General Meeting of Shareholders is the highest corporate governance body of JSC AMMC and is responsible for making key decisions necessary to ensure the effective functioning of the Company.

The powers of the General Meeting of Shareholders include, among other things:

- Electing members of the Supervisory Board and the Audit Commission;
- Approving the Company's internal documents and amending them;
- Conducting a set of measures to check potential counterparties for financial, sanctions and tax risks;
- Reviewing and approving all major transactions and transactions with affiliates.

The full list of powers of the General Meeting of Shareholders is provided in the Regulation on the General Meeting of Shareholders, published on the Company's corporate website.

Supervisory Board

The Supervisory Board is the body responsible for the overall strategic management of the activities of AMMC.





The Supervisory Board consists of the following Committees:

- Anti-Corruption and Ethics Committee;
- Audit Committee;
- Purchasing Committee;
- Strategy and Investment Committee;
- Remuneration and Nominations Committee.

To ensure the most competent and qualified composition of members of the Supervisory Board, the Company has developed requirements for candidates, including:



higher education;



experience and expertise in the field of strategic and crisis management;



knowledge in the field of corporate finance, risk management, corporate law and management;



knowledge of relevant laws, decrees, regulations and orders, as well as acts of government bodies.

The Supervisory Board performs the following functions:

- determining priority areas of the Company's activities, including in sustainable development, and developing corresponding strategic plans for the Company's development;
- appointment of members of the Management Board, corporate consultant and internal audit staff;
- review and approval of the Company's annual Business Plan, which defines the significant economic, environmental and social aspects of AMMC's activities. On a quarterly basis, the Supervisory Board assesses the extent to which the parameters of the Business Plan have been met.



The full list of powers of the Supervisory Board is listed in the Regulation on the Supervisory Board, published on the Company's corporate website ([Regulation on the Supervisory Board](#)).

Candidates for the position of members of the Supervisory Board are nominated by the main shareholder and elected annually at the General Meeting of Shareholders by cumulative voting. The process of selection and appointment of members of the Supervisory Board is not influenced by the opinions of stakeholders, diversity and independence criteria.

The Chairman of the Supervisory Board is elected by vote among the members of the Supervisory Board. The director who receives the largest number of votes is appointed to the position of Chairman. However, the Chairman of the Supervisory Board is not the CEO of the Company.

In the reporting year, the Supervisory Board of AMMC consisted of 9 directors, including one independent director. All members of the Supervisory Board have the competencies necessary to consider social, environmental and economic issues within the framework of the meeting agenda.

At meetings of the AMMC Supervisory Board, issues related to the main aspects of the Company's activities are discussed, including the implementation and improvement of sustainable development practices. Economic aspects, such as the Company's strategic priorities and related-party transactions, are reviewed at least once a quarter, and environmental and social issues are discussed as necessary.



Detailed information on the composition of the Supervisory Board and its Committees is available on the official website of the Company in the section "Supervisory Board" ([Supervisory Board \(agmk.uz\)](#)).

The Supervisory Board has a number of Committees whose main functions are to consider the thematic agenda within their area of competence, internal control and management of relevant risks.



The Anti-Corruption and Ethics

Committee considers issues related to monitoring compliance with the rules and requirements of the following internal documents:

- Anti-corruption policy of the Company;
- Code of conduct for the management and employees of the Company;
- Regulation on the management of conflicts of interest;
- Instructions for checking counterparties;
- Instructions for checking candidates hired by the Company;
- Regulations on the procedure for conducting official investigations into cases of violation of the Code of Ethics and the commission of corrupt acts.



The powers **of the Strategy and Investment Committee** include:

- preparation of recommendations for the Supervisory Board on determining the priority areas of the Company's activities;
- assessment of the effectiveness of investment projects proposed for consideration by the Supervisory Board.



The functions **of the Remuneration and Nominations Committee** are:

- preparation of recommendations for building effective and transparent practices for remuneration of members of the Company's management bodies;
- consulting and preparation of recommendations on issues of personnel policy and motivation system.



The main functions **of the Purchasing Committee**:

- organization, evaluation and control of procurement activities;
- preparation of recommendations to the Supervisory Board on improving efficiency and improving procurement processes;
- introduction of uniform rules and procedures for the formation of a procurement schedule.



The Audit Committee shall perform the following functions:

- evaluation of candidates performing the functions of internal auditors, as well as candidates for the role of external auditor of the Company;
- assessment of the effectiveness of internal control procedures and preparation of proposals for their improvement;
- preparation of recommendations in the field of audit and reporting of the Company.

Board of Directors and Chairman of the Board

The Management Board is a collegial executive body established by the Supervisory Board for the effective management of the Company's current operations. It consists of 11 members, including 10 men and 1 woman.

The Management Board of AMMC carries out the following functions:

- development of strategic priorities and development plans for the Company;
- preparation of a business plan and other financial and economic programs;
- preliminary consideration of significant innovative and investment initiatives of the Company.



The full list of powers of the Management Board is reflected in the Regulation on the executive body, which is published on the corporate website ([Regulation on the executive body](#)).

The Chairman of the Management Board is the head of the executive body and is responsible for the operational management of the Company's current activities, including approval of the Company's Sustainable Development Report. The candidate for the position of Chairman of the Management Board is elected by the General Meeting of Shareholders and is subject to approval by agreement with the Prime Minister of the Republic of Uzbekistan.

Audit Committee

The Audit Commission is a control body consisting of seven members elected annually by the General Meeting of Shareholders. According to the internal rules of the Company, the same person cannot be a member of the Audit Commission for more than three consecutive terms. The main function of the Audit Commission is to check, analyze and control the reliability of the indicators and processes of the financial and economic activities of Almalyk MMC JSC.



The full list of powers of the Audit Commission is reflected in the Regulation on the Audit Commission, which is published on the corporate website of AMMC ([Regulation on the Audit Commission](#)).

Internal Audit Service

The Internal Audit Service carries out systematic control over the financial and economic activities of the Company, its divisions and representative offices, including verification of the completeness and reliability of accounting and financial reporting.

Corporate consultant (secretary)

The main functions of the corporate consultant are to monitor the Company's compliance with corporate legislation, as well as to provide methodological assistance and consultations on corporate governance issues of Almalyk MMC JSC to external and internal stakeholders.

During the reporting period, the Corporate Consultant ensured the implementation of a wide range of tasks, including:

- documentary and organizational support for the activities of the Supervisory Board and its Committees;
- informing the Company's structural divisions of decisions taken at meetings of corporate governance bodies and monitoring the implementation of these decisions;
- participation in the development of corporate documents;
- ensuring and supporting interaction between the Supervisory Board, the Sole Shareholder and the Management Board of AMMC.

PREVENTING AND MITIGATING CONFLICTS OF INTEREST

GRI 2-15

By a conflict of interest, AMMC means a contradiction between the property or other interests of the Company (its management and control bodies, officials, employees) and the property interests of clients, when as a result of the actions or inactions of the management and control bodies of AMMC and (or) its employees, violations of the rights and legitimate interests of shareholders may be allowed.



The identification of conflicts of interest in AMMC and its structural divisions is carried out in accordance with an exhaustive list, as provided in the "[Regulations on the management of conflicts of interest in JSC Almalyk MMC](#)", approved by the order of the Chairman of the Board of AMMC dated October 31, 2022.

The Regulation establishes the following methods for the timely identification of conflicts of interest:

- disclosure of conflicts of interest during employment;
- disclosure of information about a conflict of interest when appointing to a new position;
- one-time disclosure of information as a conflict of interest arises.

AMMC uses the following mechanisms to resolve identified conflicts of interest:

- restricting an employee's access to information that may affect the employee's personal interests;
- voluntary refusal of an employee or his/her removal from participation in the discussion and decision-making process on issues that are or may be influenced by a conflict of interest;
- revision and modification of the employee's functional responsibilities;
- temporary suspension of an employee from a position if his personal interests' conflict with his job responsibilities.

The Regulation also defines the role of the Company's highest management bodies in the process of preventing and resolving conflicts of interest. According to the document, the powers of the Council include reviewing transactions whose amounts exceed the amounts established by law and the AMMC Charter, and approving decisions on conducting interested-party transactions. In cases where the identified conflict cannot be resolved at the level of a structural unit, the Management Board and its members determine the procedure for resolving the conflict. If the conflict of interest affects the Chairman of the Management Board or other members, the Supervisory Board decides on its further resolution.

The Company has implemented mechanisms designed to ensure the prevention and mitigation of conflicts of interest by the highest corporate governance body:



**Reception days of the
Chairman of the Board and
Deputy Chairmen of the
Board**



Hotline



**Department for control and
coordination of appeals from
individuals and legal entities**

Issues around conflict of interest are regulated by the Law of the Republic of Uzbekistan No. LRU-378 of 03.12.2014 "On appeals of individuals and legal entities".

During the reporting year, no cases of conflict of interest were recorded, including:

- conflicts related to membership in multiple Boards of Directors;
- cross-shareholdings with suppliers and other stakeholders;
- presence of controlling shareholders;
- conflicts related to the parties, their relationships, transactions and outstanding balances in the reporting year.

No requests on this topic were received through the Company's available feedback channels.

RISK MANAGEMENT SYSTEM

AMMC understands that the Company's activities in the mining industry are associated with a large number of risks that may negatively affect the achievement of its goals and objectives. Therefore, risk management is an integral part of AMMC's daily work and is integrated into decision-making processes.

In 2023, the Company underwent the following key changes in the risk management system:

- the department for monitoring production and financial risks and the compliance control service have been separated;
- in accordance with the order of the Chairman of the Board of the Plant «On the implementation of the production and financial risk management system in JSC Almayk MMC and its structural divisions», in 2023, a Risk Management and Internal Control Committee was created under the board of the executive body and the composition of the Committee was approved by the Chairman of the Board of the Plant;
- During the reporting period, in accordance with the approved schedule, a meeting of the Risk Management Committee was held, and protocols were adopted on the further development of risk management work.
- The list of internal regulatory documents governing the activities of the risk management system, and the internal control system has been expanded.

For the reporting period, the company approved the following internal regulatory documents in the risk management system (RMS) and the internal control system (ICS):

- Risk Management Policy;
- Risk management concept;
- Risk Management Guide;
- Internal control system policy;
- Regulations of the internal control system;
- Regulation on the Risk Management and Internal Control Committee;
- Regulations on the department for monitoring production and financial risks.

An electronic program for risk accounting was also developed. This program records risks, conducts analysis and grouping, and collects information on the necessary measures to reduce the likelihood of occurrence and consequences of risks.



Among the key categories of risks inherent in the activities of AMMC, the following stand out:



Strategic risks. Risks of losses arising due to changes or incorrect definition and implementation of the Company's strategy or due to external factors.



Financial risks. Risks associated with changes in the Company's financial indicators and external factors that affect them, including changes in the Company's capital structure, exchange rate fluctuations, changes in interest rates and other factors.



Compliance risks. Risks of losses due to non-compliance with the requirements of the applicable legislation of the Republic of Uzbekistan, including anti-corruption legislation, as well as the internal rules and procedures of AMMC.



Operational risks. Risks of losses arising from disruptions in internal processes, employee actions or adverse external events.



Risks in the field of labor protection and industrial safety, as well as environmental protection. Risks of losses due to industrial accidents, violations of industrial safety requirements, labor protection and the environment.



Climate risks. Risks associated with changing weather conditions and the occurrence of natural disasters. At this stage, the Company is implementing tools to work with these risks and cooperating with specialized institutions to find solutions.

The register of ESG risks of AMMC for 2023 is formed and grouped based on the business processes of the structural units within the Company. In this section of the Sustainability Report, we will consider the main principles and approaches to managing risks associated with sustainable development in our Company.



Review of ESG risks of JSC Almalyk MMC:

№	ESG risks	Description ESG risk	Actions taken in reducing ESG risks
E1	Risk of air pollution	Pollution of atmospheric air with solid particles (dust) and gaseous substances (sulfur dioxide) can lead to deterioration of air quality and negative consequences for the ecosystem.	<p>AMMC is implementing a phased modernization of dust and gas cleaning equipment at production facilities aimed at minimizing emissions into the atmosphere. The updated air cleaning systems will ensure cleaning efficiency of at least 99%, which will significantly reduce the risk of environmental pollution and comply with advanced environmental standards.</p> <p>The construction of sulfuric acid shops No. 5 at the metallurgical plant and No. 6 at the central plant has begun at AMMC. They will ensure the utilization of up to 95% of exhaust gases from metallurgical processes to produce sulfuric acid. Gas analyzers have been installed at the main sources of pollutant emissions, which will allow prompt monitoring of the volumes and concentrations of pollutants in the gross emissions of enterprises, increasing the environmental efficiency of production processes.</p>
E2	Risk of exceeding approved limits for water intake from natural sources	Exceeding established limits for water withdrawal from natural sources can lead to depletion of water resources, disruption of ecosystems and deterioration of water quality. This creates the risk of legal and environmental consequences, as well as possible fines and restrictions from regulatory authorities.	The plant intends to continue the process of purchasing and installing flow meters at all water intake facilities to ensure precise control of water intake volumes. This measure is aimed at minimizing the risk of exceeding established water use limits and ensuring reliable accounting of water resources.
E3	Physical risk	Changes in climate conditions, including droughts, extreme temperatures and disruption of hydrological regimes, can limit access to necessary resources (water, electricity), creating additional operational and financial risks for the company.	AMMC has developed a Climate Change Policy, set key goals, and initiated a draft technical specification for the development of a climate strategy in cooperation with the Asian Development Bank (ADB). This project aims to create a comprehensive action plan that will ensure effective climate risk management and the achievement of the set climate goals.
E4	Regulatory risk	Regulatory risk, related to the state policy of the Republic of Uzbekistan to reduce the negative impact of climate change.	<p>AMMC is actively adapting production processes to climate change introducing renewable energy sources and energy-saving technologies.</p> <p>The plant aims to minimise its environmental impact by improving energy efficiency and moving towards more sustainable production methods.</p>

Nº	ESG risks	Description ESG risk	Actions taken in reducing ESG risks
S1	People risk	Loss of skilled employees due to staff turnover	<p>AMMC is actively working to retain qualified specialists by implementing comprehensive programs, including:</p> <ul style="list-style-type: none"> • Providing social protection to employees, including social benefits, guarantees and compensation. • Stimulating labor through motivational programs and reward systems. • Organization of advanced training programs both with and without interruption from work. • Attracting foreign specialists and contractors to transfer experience and improve production efficiency. • Participation in training webinars with leading experts in the field of HR risk management, including conflict management.
S2	Risk of low qualification of young specialists	Low level of qualification of young workers and specialists, which leads to a decrease in labor productivity and product quality	<p>AMMC pays special attention to the development and support of young specialists. To improve their qualifications and adapt them to production requirements, the enterprise has taken the following measures:</p> <ul style="list-style-type: none"> • Creation of a working group to study the social, spiritual and educational environment and problems of youth at the enterprise. • Active use of modern information resources and digital technologies for training and improving competencies. • Conducting social and psychological training for employees and managers with the aim of developing their professional awareness and increasing the overall effectiveness of interaction within the team. • Training of young specialists in leading higher educational institutions of the Republic of Uzbekistan, which allows them to obtain modern knowledge and practical skills necessary for work in the mining and metallurgical industry.
G1	Information risk	Failure of information systems and disruption of normal software operation can lead to significant interruptions in operational processes, loss of data and disruption of business processes.	<p>At AMMC, regular maintenance of IT systems is carried out and routine work is carried out to ensure their stability and reliability.</p> <p>AMMC is also expanding the capacity of its data storage systems to create backup copies, which allows us to effectively restore information in the event of a failure or data loss.</p>

In 2023, the Company continued to build and improve the risk management system. The previously defined and identified risks in the matrix and register were reviewed by management and analyzed for the likelihood of occurrence and potential impact on the Plant's business processes.

The Company regularly conducts risk assessments in sustainable development in the following areas:

- risks associated with employee health and safety;
- environmental risks;
- risks of tightening regulatory frameworks in the environmental sphere;
- reputational risks;
- corporate social responsibility risks (identification of suppliers, products or categories of buyers that expose the Company to CSR risk);
- risks associated with corruption and bribery;
- risks associated with anti-competitive practices;
- risks associated with information security.

Control over the effectiveness of the risk management system is assigned to the Supervisory Board.

On a quarterly basis, the Supervisory Board reviews report on key risks, approves key metrics in the field of risk management, including risk appetite and risk tolerance, and exercises control and monitoring of the compliance of the risk level with the approved risk appetite. If necessary, the Supervisory Board engages stakeholders to comprehensively and comprehensively identify potential risks and opportunities for AMMC in the field of sustainable development.

Moreover, the Company recognizes the importance of employee training for building an effective and sustainable risk management system. AMMC regularly engages companies to conduct training in the following areas:

Risk management

management of risk, development of a risk culture in an organization, three lines of defense model, relationship of risk management with other processes, business processes of the Company.

Internal control (IC)

COSO model, IC system cycle, corporate governance, IC assessment.

Compliance control

compliance risk management, main functions of compliance specialists, components of the compliance management system, testing and monitoring, ISO 37301 requirements, anti-corruption legislation.

In 2023, no training was provided for the Company's management in other areas of sustainable development.
GRI 2-17

In 2024, AMMC plans to continue developing the risk management system through the implementation of software and the creation of a single information space to ensure the functioning of the risk management system; advanced training of key employees managing risks, as well as the management of identified sustainable development risks.

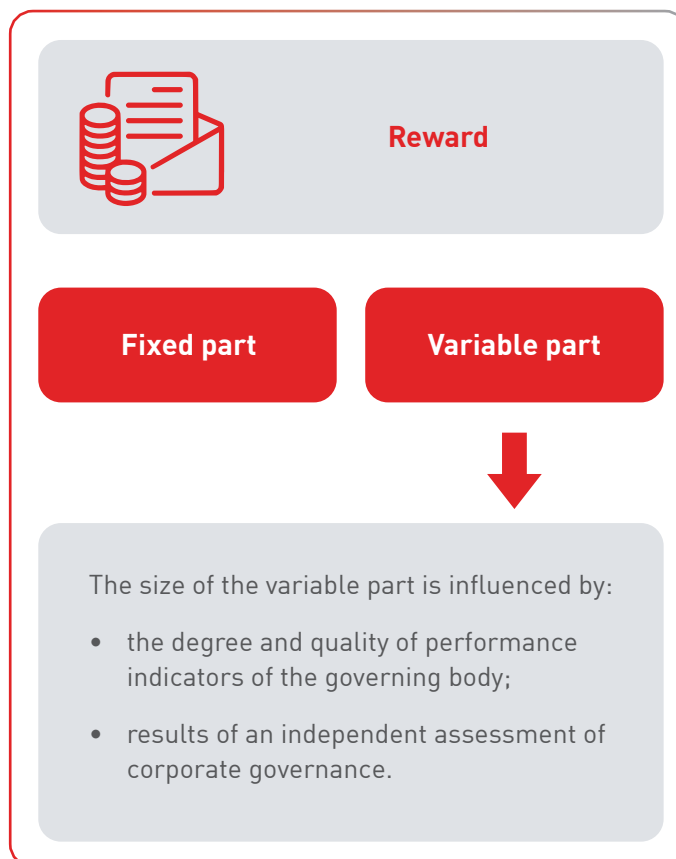
REMUNERATION POLICY

GRI 2-19, 2-20

The Company has implemented a Policy for remuneration of members of the highest corporate governance body and senior managers. The amount of remuneration of the Supervisory Board is determined by the General Meeting of Shareholders by reviewing and approving the relevant Regulation. The process of determining the amount of remuneration is controlled by independent members of the highest corporate governance body, as well as by the Remuneration Committee established under the Supervisory Board.

The remuneration is formed from a fixed part and a variable part, which depends on the degree and quality of performance of the work indicators of the highest governing body.

The amount of remuneration of the members of the Supervisory Board and the Management Board does not depend on the results of their activities in relation to the management of the Company's impact on the economy, society and the environment. In the reporting year, third parties did not participate in determining the amount of remuneration.



On an annual basis, the Company engages independent consultants to assess the corporate governance system. Also in 2023, an analysis of the system was carried out, which included the following components:

- Evaluation of procedures for preparation for the implementation of the Corporate Governance Code;
- Assessment of compliance with the recommendations of the Corporate Governance Code;
- Assessment of the conformity of the organizational structure;
- Evaluation of competitive selection;
- Assessing the transition to publication in accordance with IFRS and International Standards on Auditing;
- Evaluation of the implementation of modern management systems (ISO, ERP, R&D, etc.);
- Evaluation of information policy;
- Evaluation of financial results;
- Evaluation of other directions.

Based on the results of the assessment, the level of the AMMC corporate governance system was recognized as «High». The results of the corporate governance system assessment are available on the official website of the Company in the section [«Results of the corporate governance system assessment»](#).



SUSTAINABLE DEVELOPMENT MANAGEMENT

Key results for 2023

- **A matrix of existing risks** has been compiled and approved by management
- **ISO 14001:2015 EMS and ISO 45001:2018 Occupational Health and Safety** certificates received
- **Three independent directors** have been included in the Supervisory Board.
- **The Sustainable Development (ESG) department** was created
- **A Roadmap for the Implementation of Sustainable Development Standards** has been drawn up and approved
- **Zero** cases of corruption were identified
- A methodology has been developed **for calculating greenhouse emissions of the copper segment for Coverage-1, 2**

Essential Topics

Compliance, Corruption and Business Ethics

Contribution to achieving the UN SDGs



GRI indicators

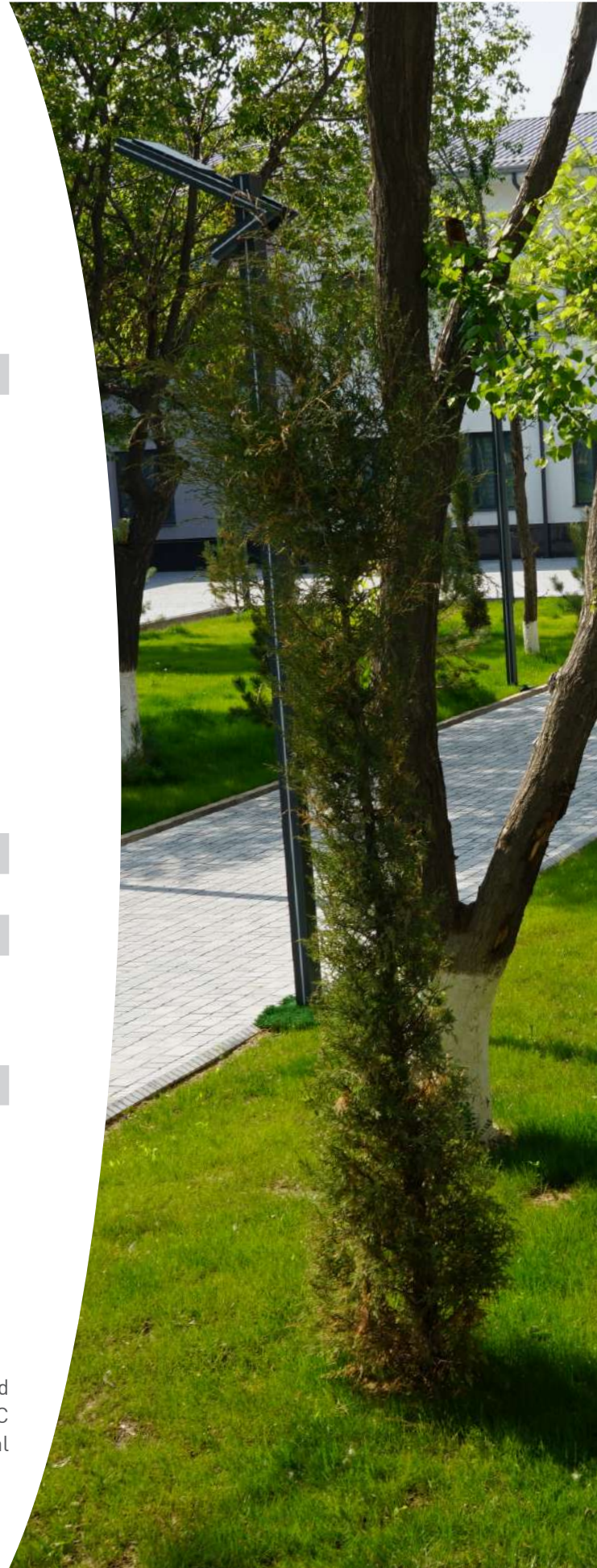
GRI 2-12, 2-13, 2-14, 2-16, 2-23, 2-24, 2-25, 2-26, 2-28, 2-29, 3-3, 205-1, 205-2, 205-3

MANAGEMENT APPROACH

Management system

GRI 2-12, 2-13, 2-14, 2-23, 2-24, 2-25, 3-3

Being one of the largest representatives of the mining and metallurgical industry in the Republic of Uzbekistan, AMMC conducts its activities in accordance with the fundamental





principles of sustainable development. The introduction and development of sustainable practices is one of the key areas of AMMC's activities, which allows not only to develop the Company's business processes, but also to have a positive impact on the environment and society in the regions of presence.

AMMC is committed to responsible business conduct:



comply with all applicable laws and regulations and conduct its business in accordance with ethical principles;



ensure healthy and safe working conditions;



act in good integrity;



respect human rights and care for the environment.

The commitments are based on the following authoritative intergovernmental documents:



16 National Sustainable Development Goals and 127 related targets for the period up to 2030, approved by the Cabinet of Ministers on 20.10.2018.



UN Sustainable Development Goals

Fulfilment of obligations requires adherence to the principles of due diligence and precaution.

AMMC expresses its commitment to respecting human rights by taking measures to ensure gender equality, eliminate discrimination, increase inclusivity, as well as to ensure healthy and safe working conditions and medical and cultural services.

In addition, the Plant pays special attention to the rights of women working in the Company and employees with disabilities (*for more information on the Company's obligations in respecting human rights at AMMC, see the section «Human Resources Management»*).

Corporate documents regulating various aspects of the Company's activities in the area of responsible business conduct are publicly available on the Company's website.¹

Management and accountability:

The obligations set forth in corporate documents apply to all employees of the Company. Responsibility for compliance with obligations lies with the Deputy Chairmen of the Management Board, who supervise the activities of specialized departments and services. Fulfilment of all obligations is carried out in accordance with the legislation of the Republic of Uzbekistan, international documents in force within the Republic, as well as internal regulatory documents of the Company.

The significant economic, environmental and social aspects of the Company's activities are defined in its annual Business Plan.

¹ Regulatory documents are presented on the AGMK website: <https://agmk.uz/ru/menu/korrupsiyaga-oid-hujjatlar>.

The Supervisory Board reviews and approves all aspects of the Business Plan, which is then approved by the sole shareholder - the owner of all common shares of AMMC. The implementation of the Business Plan parameters is reviewed at meetings of the Supervisory Board on a quarterly basis.

To ensure the fulfilment of obligations, the AMMC Training Center carries out ongoing activities to improve the qualifications of the Company's employees.

For 2023, as part of improving the sustainable development management system at AMMC, the following internal documents have been developed and approved by the highest corporate governance bodies:

- Regulations on interaction with interested parties;
- Risk Management Policy;
- Risk management concept;
- Policy and Regulations of the Internal Control System;
- Regulations on the acceptance and consideration of incoming reports of corrupt acts;
- Conflict of Interest Statement;
- Anti-corruption policy;
- Instructions on the procedure for checking counterparties.

At the time of publication of the report, in 2024, the following documents were approved and published on the Company's official website:

- Sustainable Development Policy;
- Human Rights Protection Policy;
- Diversity and Inclusion Policy;
- Anti-discrimination and anti-harassment policy;
- Policy on working with local communities;
- Natural Resource Management Policy;
- Waste management policy;
- Climate change policy
- Policies for decarbonization and achieving carbon neutrality by 2050.



AMMC strives to integrate sustainable development principles into all aspects of its activities, forming a responsible approach to business and contributing to solving global environmental and social challenges. We have identified priority areas that reflect our commitment to society and the environment, contribute to the achievement of long-term goals and strengthen the company's competitive position.

Table 3. Priority areas of the Company's activities in the field of sustainable development

Aspect	Priority areas of activity	Approach
Environment	<ul style="list-style-type: none"> • Reducing carbon footprint; • Optimization of the use of natural resources, increasing resource efficiency; • Reducing the volume of freshwater consumption; • Responsible waste management. 	<ul style="list-style-type: none"> • Implementation of advanced technologies and equipment upgrades to significantly reduce carbon emissions and achieve carbon footprint targets; • application of innovative solutions for the rational use of natural resources and increasing their efficiency in production processes; • Implementation of water recycling and water conservation technologies to significantly reduce freshwater consumption; • Development and implementation of effective systems for waste management, including its reduction, recycling and disposal in accordance with international standards.
Development of society	<ul style="list-style-type: none"> • Development of regions of presence and support of local communities; • Ensuring decent working conditions; • Staff training and development; • Ensuring labor protection and industrial safety. 	<ul style="list-style-type: none"> • Implementation of programs and initiatives aimed at social and economic development of regions of presence and support of local communities through investments in infrastructure, education and healthcare; • Providing safe, healthy and fair working conditions for all employees, including fair pay, equal opportunities and respect for labor rights; • Implementation of professional training and development programs for employees aimed at improving their qualifications, career growth and preparation for new challenges and technologies; • Develop and implement strict occupational health and safety standards, conduct regular inspections and train employees to ensure safe working conditions and prevent accidents.
Corporate governance	<ul style="list-style-type: none"> • Anti-corruption; • Promoting business ethics and responsible business practices; • Ensuring the effectiveness of the corporate governance system. 	<ul style="list-style-type: none"> • Implementation of strict measures and procedures to prevent and combat corruption, including employee training, monitoring and investigation of violations, and compliance with international anti-corruption standards; • Formation and maintenance of a culture of business ethics, regular training for employees and transparent practices in the field of corporate governance; • Establishing and maintaining effective corporate governance structures and processes aimed at enhancing transparency, accountability and strategic direction, and regularly reviewing and improving these systems.

Responsibility for sustainable development issues at AMMC lies with the Deputy Chairman of the Board for Economics, Finance and Transformation, the Deputy Chairman of the Board for Human Resources and Social Issue, the Strategic Development and Transformation Department (including the Sustainable Development Department), the Occupational Health and Safety Department, the Environmental Protection Department, the Compliance Control Service, the Service for Monitoring and Coordinating Work with Appeals from Individuals and Legal Entities, the Social Work Department, etc. (*for more information on the structure of corporate governance bodies, see the "Corporate Governance" section*).

Centralized coordination of the implementation of initiatives in the field of sustainable development is carried out by responsible structural units within the framework of functional areas. On a weekly basis, the Chairman of the Management Board holds a meeting at which responsible persons present the results of the implementation of the tasks set in the minutes of the previous meeting. The First Deputy Chairman of the Management Board - Chief Engineer holds an operational production and technical meeting twice a week. The motivation system for the heads of structural units includes key performance indicators corresponding to the areas of the Company's activities in the field of sustainable development.



The Company's progress in sustainable development is monitored using key performance indicators (KPI) in three main areas:



environmental protection;



development and support of society;



improving corporate governance practices.

AMMC uses various communication channels to raise awareness among employees about the Company's approach to sustainable development, such as corporate television, a corporate website and an official Telegram channel.

The official website of AMMC contains the following sections:

- ESG
- Anti-corruption
- Open data
- The process of transformation of the AMMC

These sections contain the Company's regulatory documents, as well as information on the Plant's activities, including a report on sustainable development.

AMMC regularly produces thematic TV programs, articles and news releases about the activities of the Plant, and the Office Manager Service generates distributions of internal orders, regulations and other documents for timely informing of employees.

To inform stakeholders, since 2020, Sustainability Reports of the AMMC have been prepared, each report approved by the Chairman of the Board of Directors of AMMC.

In 2023, as part of improving the sustainable development management system at AMMC, the following results were achieved:

- ISO 45001:2018 Occupational Health and Safety certificate received;
- ISO 14001:2015 Environmental Management Systems certificate received;
- ISO50001:2018 energy efficiency certificate received;
- To effectively organize work on sustainable development, a Sustainable Development Department (ESG) was created within the Strategic Development and Transformation Department;
- ESG diagnostics were carried out and a roadmap of activities for the implementation of strategic initiatives in the field of ESG was created
- Gap analysis of the ESG profile of AMMC was conducted for compliance with the requirements of international rating agencies and organizations;
- Methodologies for calculating greenhouse gases (Scope 1 and 2) for the copper segment of the AMMC have been developed;
- The "Program of measures to bring the sustainable development practices of the Altai Minerals and Metallurgical Plant in line with the risk readiness criteria of the Responsible Minerals Initiative" was approved;
- policies in the field of ecology and energy conservation have been developed and approved;
- The Anti-Corruption and Ethics Committee was created under the Supervisory Board.
- 18 regulatory documents regulating the system of control over corruption risks have been developed and approved;
- The position of Deputy Chairman of the Board for digitalization has been introduced;

Plans for 2024 and the medium term

In 2024, the Company will continue to improve its sustainable development management system.

To this end, it is planned:

- obtaining an international ESG rating;
- receiving a grant from the Asian Development Bank to jointly develop a climate strategy and water security plan for the mining sector;
- confirmation of compliance with international certification for EMS (ISO 14001:2015) and Occupational Health and Safety (ISO 45001:2018).



CONTRIBUTION TO THE ACHIEVEMENT OF THE UN SUSTAINABLE DEVELOPMENT GOALS




AMMC supports the UN Sustainable Development Goals (hereinafter referred to as SDGs, goals), adopted in 2015 by the UN General Assembly. Based on its approach to ensuring sustainable business development, the Company identifies 7 priority goals for itself and contributes to their achievement.





The company's transformation process takes into account all aspects of sustainable development goals. The company not only strives to increase economic profit, but also takes into account environmental and social issues in its activities and complies with legislation and the requirements of international organizations.

On an ongoing basis, AMMC implements a number of initiatives in the field of sustainable development.

The Company's key performance results for 2023 are presented in the table below, broken down by priority UN SDGs.

Table 4. AMMC's contribution to achieving SDGs

UN SDGs	Company Contribution	Key Results for 2023
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Ensuring healthy lives and promoting wellbeing for all at all ages</p>	<ul style="list-style-type: none"> • Maintaining internal standards in the field of labor protection and industrial safety • Development of sports infrastructure in the regions of presence • Organization of treatment and implementation of health programs for employees
 <p>4 QUALITY EDUCATION</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • ISO 45001:2018 «Occupational Health and Safety» certificate of conformity received (see section «Occupational Health and Safety») • The medical and sanitary unit of the Almalyk Mining and Metallurgical Plant and the Almalyk Interdistrict Perinatal Center were put into operation (see the section «Development of Local Communities»)
 <p>5 GENDER EQUALITY</p>	<p>Achieving gender equality and empowering all women and girls</p>	<ul style="list-style-type: none"> • 12 hours – average annual number of training hours per employee (see section «Human Resources Management») • 6.4 billion som were allocated for the reconstruction of preschool educational organization No. 33 «Ertak» (see the section «Development of local communities») • The training of 272 students was financed by AMMC (see the section «Human Resources Management»)
	<ul style="list-style-type: none"> • Non-discrimination in employment • Equal remuneration for work regardless of gender 	<ul style="list-style-type: none"> • The percentage of women on the staff was 23%. • The ratio of basic salaries for men and women at AMMC is 1:1. • The Commission on Work Among Women has carried out active work to increase the role of women in the social life of the Company. • Women and persons engaged in family responsibilities are fully provided with benefits and guarantees.

UN SDGs	Company Contribution	Key Results for 2023
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <ul style="list-style-type: none"> • Implementation of social programs for employees • Ensuring safe working conditions for employees and contractors • Creation of jobs in the regions of presence • Payment of taxes • Charity 	<ul style="list-style-type: none"> • 130 places – quota for employment of persons from socially vulnerable groups of the population (see <i>the section "Human Resources Management"</i>) • The company fulfilled its pension obligations in the amount of 407 billion som. (see <i>the section «Human Resources Management»</i>) • The volume of investments in the development of local communities amounted to 315 billion som (see <i>the section "Development of local communities"</i>) • Support was provided for the commissioning of a garment factory with 520 jobs (see <i>the section "Development of Local Communities"</i>)
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensuring the transition to sustainable consumption and production patterns</p> <ul style="list-style-type: none"> • Implementation of measures aimed at reducing energy consumption • Recycling of slag and other industrial waste • Certified Energy Management System 	<ul style="list-style-type: none"> • Energy consumption has been reduced by 17% compared to 2022 (see the section "Environmental Protection") • 1.17 million tons of waste were transferred for disposal and rendering harmless (see the section "Environmental Protection")
 <p>15 LIFE ON LAND</p>	<p>Protecting and restoring terrestrial ecosystems and promoting their sustainable use</p> <ul style="list-style-type: none"> • Improvement and landscaping of enterprise territories and areas assigned to the Company in the city 	<ul style="list-style-type: none"> • 328 thousand tree seedlings were planted along the central roads and in the territories of mahallas of the city of Almalyk (see <i>the section "Development of local communities"</i>)
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Strengthening the means of implementation and revitalizing the global partnership for sustainable development</p> <ul style="list-style-type: none"> • Participation in industry organizations and external initiatives • Preparation of a sustainability report 	<ul style="list-style-type: none"> • Regulations for interaction with stakeholders have been approved

By developing responsible business practices, AMMC makes a significant contribution to the implementation of national projects of Uzbekistan in the field of healthcare, ecology, housing and urban environment, health, growth of labor productivity and employment support, science and the digital economy.



Interaction with stakeholders Company Approach

GRI 2-12, 2-29

The stakeholders of the AMMC include groups of people whose well-being and interests are significantly affected by the Company's activities, as well as groups of people who can exert such an impact on the Company.

Openness, trust and mutual respect are the principles underlying AMMC's approach to stakeholder engagement. The company takes into account stakeholder expectations in its activities and promptly responds to feedback received from them.

To enhance the efficiency of the sustainable development management of AMMC, the Company has mechanisms for consulting the Supervisory Board with government authorities, regulators, shareholders, and responsible top

managers of the Plant. Consultations are held in person or online during meetings of the Supervisory Board.

AMMC has a system for receiving feedback from stakeholders, providing accessible and transparent channels for communication. To promptly receive and process questions, suggestions and complaints from stakeholders, including employees, partners and clients, there is a hotline and a special e-mail of the Corruption Control Service. These channels are designed to inform about possible violations, corruption risks and other problems, which allows the company to promptly respond and take the necessary measures to improve processes and comply with high standards of business ethics

To increase the level of interaction with stakeholders, AMMC has approved the Regulations on Interaction with Stakeholders. In accordance with the Regulations, responsible departments and services regularly interact with designated groups of stakeholders through the publication of reports, posting information on the corporate website, in the official Telegram channel and in the media, as well as through exhibitions, forums and meetings.



Table 5. Stakeholders and mechanisms for interaction with them

Stakeholders	Interests and expectations	Mechanisms interactions
Government Authorities and Regulators	<ul style="list-style-type: none"> • Compliance with legal and regulatory requirements; • Cooperation in the field of environmental protection; • Timely payment of taxes; • Job creation; • Development of regions of presence; 	<ul style="list-style-type: none"> • Agreements with government authorities; • Working meetings and consultations; • Digital communication channels;
Local communities	<ul style="list-style-type: none"> • The Company's contribution to the socio-economic development of the region; • Reduction/prevention of negative impacts on the environment; • Support of cultural heritage; • Organization of sports and charity events; 	<ul style="list-style-type: none"> • Acceptance of requests in oral, written or electronic form; • Social and economic partnership; • Charity programs, sponsorship, cooperation with charitable organizations;
Employees and the Trade Union Committee	<ul style="list-style-type: none"> • Safe working conditions; • Social guarantees for employees; • Creating opportunities for learning and development; • Providing competitive remuneration; • Improving social infrastructure; • Respect and protection of workers' rights; 	<ul style="list-style-type: none"> • Phone helpline; • Corporate media (newspapers and TV channels); • Messengers; • Website; • Interaction with the Trade Union; • Conducting a meeting with the team (session "Result of the Year"); • Publications in the media;
Shareholders, investors and creditors	<ul style="list-style-type: none"> • Disclosure of information on operating and financial activities; • Payment of dividends; • Transparent and reliable corporate governance system; 	<ul style="list-style-type: none"> • Providing investors with complete and reliable information about the Company's activities through in-person or online meetings held by the Corporate Relations and Investor Relations Service; • Holding a general meeting of shareholders; • Economic and investment forums and conferences;
Clients and suppliers	<ul style="list-style-type: none"> • Ensuring transparency and competitiveness of procurement; • Ensuring high quality products; • Ethical approach to doing business; 	<ul style="list-style-type: none"> • Automation of purchasing activities; • Advertisements on the corporate website and government platforms; • Conducting meetings; • Phone helpline;
Media	<ul style="list-style-type: none"> • Timely disclosure of information on aspects important to stakeholders; 	<ul style="list-style-type: none"> • Disclosure of information on the official website; • Issuing press releases; • Answers to inquiries;

The management of AMMC pays special attention to public relations, which are based on the recognition of the importance of public opinion and the desire to take it into account in the Company's activities. Based on the Decree of the President of the Republic of Uzbekistan «On measures to implement a system for increasing and assessing the level of openness of the activities of government agencies and organizations», AMMC defined performance indicators for ensuring information openness and implemented an assessment system based on advanced international standards.

The key tasks of AMMC in the field of public relations are the formation of a strong corporate brand, dissemination of information about the Company's products, expansion of export opportunities, attraction of investments, partners and the most talented and educated personnel.

AMMC regularly works to identify and manage reputational risks. The reputational risks inherent in the Company's activities include the risk of dissemination of unsubstantiated information by external media and independent bloggers. To manage this risk, the Company has developed and approved a Regulation on timely response to negative materials in social networks, the Internet and other media, providing for the dissemination of reliable information in the event of a communications crisis.

In 2023, a department of foreign economic relations was created, whose tasks include increasing the efficiency of work with foreign partners, as well as carrying out systematic monitoring of the implementation of the agreements reached.

Interaction with investors and shareholders

Developing relationships and maintaining a constructive and open dialogue with shareholders, investors and other representatives of the investment community is one of the Company's priority areas of activity. The plant has built a system of interaction with shareholders and investors designed to maintain information transparency and investment attractiveness of the AMMC activities. The key documents regulating interaction with shareholders are the Regulation on the General Meeting of Shareholders, the Regulation on Minority Shareholders, the Regulation on Dividend Policy and the Company Charter.

Investors and shareholders can use any of the available communication channels, which include the official website of AMMC, a hotline for shareholders and investors, a general meeting of shareholders and corporate e-mail. The main service responsible for interaction with investors and shareholders is the Corporate Relations and Investor Relations Service, which provides consultations on issues of receiving dividends and registering inheritance and provides explanations on the process of placing shares and other securities.

Interaction with government authorities

Interaction with governmental authorities is an integral part of the activities of the AMMC. Organization and control of the implementation of acts of the President and decisions of the Government is carried out through the Unified Interdepartmental electronic system edo.gov.uz. Submission of draft documents for approval is carried out through the Unified electronic system for the development and coordination of draft regulatory legal acts project. gov.uz. These systems allow for prompt access to state bodies to resolve issues.

When interacting with state authorities, AMMC is guided by the minutes of the Supervisory Board, the minutes of the Management Board decisions, internal corporate orders and instructions, as well as industry standards.

The plant ensures payment of taxes and other payments to the state budget in accordance with current legislation. Together with government bodies, AMMC implements projects aimed at supporting local communities, environmental and social initiatives (for more information on projects aimed at supporting local communities and on implemented social and environmental initiatives of AMMC, see the section «Development of Local Communities»).

AMMC takes an active part in the production of import-substituting products. To this end, the Company participates in various inter-sectorial and international industrial fairs held by the Ministry of Investments and Foreign Trade



and regional administrations. In addition, the Plant is implementing its own Localization Program to reduce dependence on foreign supplies and discusses import substitution issues with the Ministry of Investments and Foreign Trade, the Ministry of Economy, Uzstandard, regional administrations, as well as with the Cabinet of Ministers and the Administration of the President of the Republic of Uzbekistan.



Environmental Protection Working Group

The Company is a member of the working group for the implementation of the resolution of the Cabinet of Ministers of the Republic of Uzbekistan “On assistance in processing and disposal of existing man-made waste in the Republic of Uzbekistan” and the resolution of the President of the Republic of Uzbekistan “On measures to protect the environment and organise the activities of government agencies in the field of environmental control”.

In the coming years, together with government authorities, it is planned to launch a third copper processing plant and a new metallurgical complex, which will provide employment for the local population.

Membership in associations, organizations and participation in external initiatives

GRI 2-28

AMMC is an active member of a number of national and international associations and organizations.

Table 6. Partnership and membership in associations and international initiatives



London Bullion Market Association: gold since 1997, silver since 1998;



Member of the working group of the project to develop a resolution of the Cabinet of Ministers of the Republic of Uzbekistan “On solving accumulated environmental problems, preserving the ecological climate and preventing ecological disasters” from 2021;



Member of the Chamber of Commerce and Industry of Uzbekistan since 2018;



Member of the Board of Trustees of Inha University in Tashkent since 2014;



Member of the Board of Trustees of the Almalik branch of the Tashkent State Technical University since 2017;



Member of the Board of Trustees of the Almalik branch of the National Research Technological University “MISIS” (Russia) since 2018;



Member of the Board of Trustees of the University of Geological Sciences of the Republic of Uzbekistan since 2020;



Member of the Board of Trustees of the Termez Institute of Engineering and Technology since 2017;



Member of the working group of the project to promote recycling, the implementation of existing man-made waste in the Republic of Uzbekistan since 2021;

The plant actively participates in industry conferences.

In 2023, representatives of AMMC took part in the conference «LITHIUMDAYS-2023», dedicated to the consideration of the economics and technological processes of lithium production, the conference was held in Germany.

During the reporting year, AMMC organized more than two hundred meetings and discussions with representatives from different countries. In addition to interaction with members of industry international organizations, AMMC strives to implement joint initiatives with local educational institutions.

The Plant also signed a memorandum of understanding with Ajou University in Tashkent to establish mutually beneficial partnerships in the field of mutual training of specialists. On issues of efficient use of production capacities in the mining and metallurgical industry, corporate taxation and training of the necessary personnel for the divisions of the AMMC, contacts have been established with the National Research University «Tashkent Institute of Irrigation and Agricultural Mechanization Engineers», the National University of Uzbekistan named after Mirzo Ulugbek, the Almalyk branches of the Moscow Scientific Research Technological University «MISIS» and the Tashkent State Technical University named after Islam Karimov.

ANTI-CORRUPTION AND BUSINESS ETHICS

The Company's approach to business ethics and anti-corruption

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

One of the main principles of AMMC is intolerance to any manifestations of corruption and fraud and maintaining high ethical standards and preventing illegal actions. This is implemented through a comprehensive approach to combating corruption and other violations, which is enshrined in the Rules of Ethical Conduct of Employees

JSC Almalyk MMC. The document contains a set of rules aimed at preventing offenses, eliminating the causes and conditions that contribute to their commission, developing a legal culture in the team, strict compliance with applicable legislation and local acts of the Almalyk MMC. Each new employee is required to familiarize themselves



with the Rules of Ethical Conduct upon hiring. Compliance with the rules is mandatory for all employees of the Plant, and cases of violation of the established standards are considered by the Ethics Commission. Violation of the provisions of the Rules of Ethical Conduct entails disciplinary liability. The values, principles, standards and norms of behavior in the Almalyk MMC are also enshrined in the Charter, Internal Labor Regulations and Quality Policy.

In the reporting year, AMMC revised the Company's approach to managing anti-corruption issues.

In accordance with the order of the Chairman of the Board, two separate structures were created:

1 Department of monitoring
production and financial risks

2 Compliance control
service

The structures are responsible for issues of combating corruption and compliance control, as well as promoting business ethics standards. In addition, in accordance with the order of the Chairman of the Management Board of AMMC, the legal department has been appointed responsible for conducting an anti-corruption examination of AMMC's internal regulatory documents and maintaining the register of internal regulatory documents.

In 2023, a Risk Management and Internal Control Committee was created under the board of the executive body, and the composition of the Committee was approved by the Chairman of the Board of the Plant.

In 2023, the assessment of risks associated with corruption was carried out in 49 structural divisions, which is 100% of the total number of AMMC divisions.

To minimize corruption risks and strengthen trust in management processes, the plant conducts regular surveys among employees. Based on the results of the 2023 survey, key areas exposed to corruption risks were identified:



1 Payroll and bonus calculation processes

Risks associated with possible unjustified payments, inflated salaries and bonuses have been identified.



2 Purchasing procedures and inventory management

B In this area, risks of price gouging, selection of suppliers without competitive procedures and receipt of unlawful remuneration have been identified.



3 Recruitment and promotion processes

Risks include unfair hiring and promotion of employees based on personal connections or corrupt practices.

No identification/ implementation of the above risks was recorded during the reporting period.

During the reporting year, in accordance with the approved schedule, a meeting of the Risk Management Committee was held, and protocols were adopted on the further development of risk management work.

In the reporting year, in order to regulate the Plant's activities in the area of combating corruption and fraud, 18 internal regulatory documents were approved and posted in the public domain on the Company's website².

- Risk management policy;
- Risk management concept;
- Risk management guidelines;
- Internal control system policy;
- Regulations of the internal control system;
- Regulation on the Risk Management and Internal Control Committee;
- Regulations on the department for monitoring production and financial risks, etc.

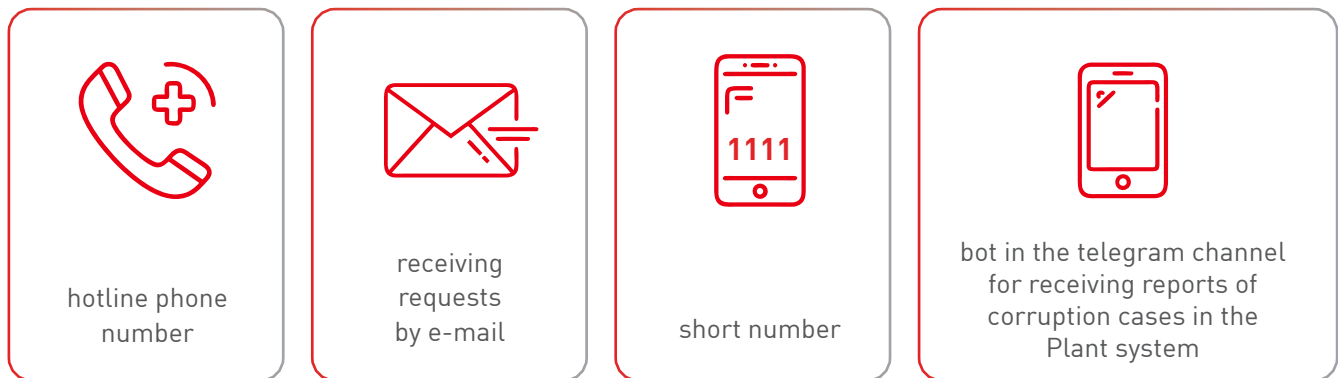
The documents cover all stakeholders of the Plant, including contractors, suppliers, employees in terms of identifying and resolving conflicts of interest, the procurement process, checking contractors and their supply chain, the operating procedure of the Anti-Corruption Committee under the Supervisory Board and the interaction of the compliance control service with law enforcement agencies, as well as material incentives for citizens and employees of the Plant who reported corruption, the procedure and mechanism for assessing corruption risks in the Plant system.

2 Regulatory documents are presented on the AGMK website: <https://agmk.uz/ru/menu/korrupsiyaga-oid-hujjatlar>

Feedback mechanisms on corruption, fraud and violations of business ethics standards

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

The feedback mechanism operating in AMMC allows for timely detection and prevention of cases of violation of the provisions of the Rules of Ethical Conduct of AMMC. The company has several channels of communication between the Plant and the public and employees:



The most popular channel for submitting requests among the Plant employees is the service phone numbers of the compliance control service employees. The bulk of requests from the local population are received through Telegram bots.

All requests from individuals and legal entities are considered in accordance with the requirements of the Law of the Republic of Uzbekistan «On requests from individuals and legal entities». Requests are centrally received by the Department for Control and Coordination of Requests from Individuals and Legal Entities of the Executive Office. Processed requests in compliance are brought to the attention of the Chairman of the Management Board, after which they are sent to the Deputy Chairmen and responsible structural divisions, as well as specialized services of the Executive Office. The Company considers all requests received within 15 to 30 days in accordance with the Law «On Requests from Individuals and Legal Entities».

To ensure the anonymity of inquiries received by the Company, the operator of the phone helpline is prohibited from requesting personal data that would allow the identity of the applicant to be established. Inquiries received are marked «for official use only» and access to them is restricted. The data of applicants reporting cases of corruption violations are, according to the law of the Republic of Uzbekistan, an official secret and may be disclosed on the basis of written permission from the person reporting the case of corruption violation, as well as the head of the body carrying out anti-corruption activities, exclusively in cases provided for by law.

During 2023, the compliance control service did not receive any requests. In cases where requests are received, the company has established a system whereby the situation is studied for each request and a report is prepared for the Chairman of the Management Board for decision-making. In addition, the compliance control service identifies individual cases of violations, for which disciplinary measures are taken against the violating employees.

Information about critical issues is communicated to the Management Board of AMMC by drawing up a Protocol, which is sent to management for review.

For the period of 2023, no critical problems have been identified at AMMC.

Anti-corruption

GRI 205-2, 205-3

AMMC categorically does not accept any manifestation of corruption. The Company's rules of ethical conduct provide for counteraction to any manifestations of corruption and assistance in its prevention by all employees of the Plant.

One of the mechanisms for familiarizing employees/business partners with the AMMC approach to combating corruption and fraud is the "anti-corruption clauses"³, which are mandatory in all commercial contracts concluded by the Plant. These clauses specify the fundamental aspects of the intolerance position of the Plant's management towards any manifestations of corruption and fraud. These provisions serve as minimum requirements aimed at informing all business partners about strict measures to combat corruption and ensure compliance with compliance standards.

During the reporting period, no cases of corruption were recorded at AMMC.

Table 7. Informing employees and business partners about the measures taken to combat corruption in 2023, %.

Total number of informed members of key corporate governance bodies (Supervisory Board, Management Board)	100 %
Total number of employees informed	100 %
Total number of informed business partners	100%

Plans for 2024 and the medium term

In 2024, AMMC will continue to improve its anti-corruption system. To this end, the Company has planned to obtain and implement a few international ISO standards:

- ISO 37001:2016 «Anti-bribery management system»;
- ISO 31000:2018 «Risk management system»;
- ISO 37002:2020 «Whistleblower protection management system»;
- ISO 37301:2021 «Compliance management system».

In 2024, the Plant's results are expected to improve in the «Rating Assessment of the Effectiveness of Anti-Corruption Work» and in the rating «Mandatory Identification and Assessment of Corruption Risks in the Activities of Government and Administration Bodies, including their Territorial Subdivisions, State Unitary Enterprises and Institutions, Organizations with a State Share of More than 50%».